

DCP 425 – Cost Apportionment Factor methodology when the High-Cost Project Threshold is exceeded at the Voltage Level of the Point of Connection for a Generation Connection

All changes relate to DCUSA Schedule 22 ‘Common Connection Charging Methodology’.

Amend paragraph 1.18:

For a Generation Connection, where the Reinforcement is at the same Voltage Level of the voltage at the POC to the existing Distribution System, then the costs of Reinforcement shall be apportioned between you and us, unless other exceptions apply which take precedence. The methods used to apportion the costs of Reinforcement are set out in paragraphs 1.29 – 1.34 and shall be applied to the costs of Reinforcement up to and including the High-Cost Project Threshold in accordance with paragraph 1.28A.

Insert paragraph 1.28A [scenario references to be removed]:

Option 1: Cap Reinforcement where HCPT exceeded only (subject to zero floor)

For a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregated costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the "excess"), the costs of Reinforcement to be apportioned shall be calculated as follows; where the costs of Reinforcement are associated with:

- (a) a single CAF, the cost of Reinforcement to be apportioned shall equal the High-Cost Project Threshold [see scenarios 5-6]; or*
- (b) multiple CAFs, but where only one CAF has a cost of Reinforcement greater than the High-Cost Project Threshold in isolation, the cost of Reinforcement to be apportioned for that CAF shall be reduced by the excess [see scenarios 1-2]; or*
- (c) multiple CAFs, and where both (i) multiple CAFs have costs of Reinforcement greater than the High-Cost Project Threshold in isolation and (ii) the aggregate costs of Reinforcement for those CAFs is greater than or equal to the excess, the costs of Reinforcement to be apportioned for those CAFs shall be reduced proportionally by the excess [see scenarios 4, 7-8 & 10-12]; or*
- (d) multiple CAFs, and where;*
 - (i) both (i) multiple CAFs have costs of Reinforcement greater than the High-Cost Project Threshold in isolation and (ii) the aggregate costs of Reinforcement for those CAFs is less than the excess [see scenario 13]; or*
 - (ii) none have a cost of Reinforcement greater than the High-Cost Project Threshold in isolation (but are in aggregate) [see scenarios 3 & 9],*

the cost of Reinforcement to be apportioned for each CAF shall be reduced proportionally by the excess.

Option 2: Cap Reinforcement for a single HCPT exceedance otherwise cap all proportionally

For a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregated costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the

"excess"), the costs of Reinforcement to be apportioned shall be calculated as follows; where the costs of Reinforcement are associated with:

- (a) a single CAF, the cost of Reinforcement to be apportioned shall equal the High-Cost Project Threshold [see scenarios 5-6]; or
- (b) multiple CAFs, but where only one CAF has a cost of Reinforcement greater than the High-Cost Project Threshold in isolation, the cost of Reinforcement to be apportioned for that CAF shall be reduced by the excess [see scenarios 1-2]; otherwise
- (c) the cost of Reinforcement to be apportioned for each CAF shall be reduced proportionally by the excess [see scenarios 3-4 & 7-13].

Option 3: Cap all Reinforcement proportionally

For a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregate costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the "excess"), the cost of Reinforcement to be apportioned for each CAF shall be reduced proportionally by the excess [see all scenarios].

Option 4: Cap maximum Reinforcement (subject to zero floor)

For a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregate costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the "excess"), the costs of Reinforcement to be apportioned shall be calculated as follows:

- (a) Subject to (c), the maximum cost of Reinforcement to be apportioned shall be reduced by the excess [see scenarios 1-3, 5-6 & 9]; or
- (b) Subject to (c), If there are multiple CAFs where the cost of Reinforcement is equal to the maximum cost of Reinforcement across all CAFs, the reduction referred to in (a) shall be distributed equally across those costs of Reinforcement [see scenarios 8 & 11-12]; and
- (c) If the aggregate costs of Reinforcement associated with (a) or (b) above less the excess is less than zero (the "residual excess", expressed as an absolute value), the costs of Reinforcement after the reduction are floored at zero; and

where this limb (c) applies, the costs of Reinforcement not referred to in (a) or (b) shall be reduced for the residual excess as follows;

- (i) Distributed proportionally across any cost of Reinforcement that is both (i) less than the maximum cost of Reinforcement to be apportioned and (ii) greater than the High-Cost Project Threshold [see scenarios 4, 7 & 10]; or
- (ii) If (c)(i) does not apply, distributed proportionally across all other costs of Reinforcement to be apportioned [see scenario 13].

Option 5: Cap Reinforcement proportional to unadjusted Customer CAF contribution (subject to zero floor)

Subject to Paragraph 1.28B, for a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregated costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the "excess"), the costs of Reinforcement to be apportioned shall be reduced by the excess proportionate to the CAF contribution to be paid by the Customer relative to the total CAF contributions to be paid by the Customer for all costs of Reinforcement, in accordance with the following formula [see scenarios 1-6, 8-9 & 11-12]:

$$RCA = RC - E \times \left(\frac{RC \times CAF}{\sum_{i=1}^n RC_i \times CAF_i} \right)$$

Where:

RCA means the cost of Reinforcement to be apportioned

RC means the cost of Reinforcement

E means the excess (as defined in Paragraph 1.28A)

CAF means the Security CAF or Fault Level CAF as applicable to the cost of Reinforcement

n means the number of costs of Reinforcement to be apportioned

Insert paragraph 1.28B

For any CAF contribution calculated in accordance with Paragraph 1.28A, if the amount to be paid by the Customer is less than zero, this Paragraph 1.28B shall apply instead and the cost of Reinforcement to be apportioned for each CAF shall be reduced proportionally by the excess, in accordance with the following formula [see scenarios 7, 10 & 13]:

$$RCA = RC - E \times \left(\frac{RC}{\sum_{i=1}^n RC_i} \right)$$

Option 6: Cheapest for the Customer

For a Generation Connection and at the Voltage Level of the Point of Connection only, if the aggregate costs of Reinforcement less the High-Cost Project Threshold are greater than zero (the "excess"), the costs of Reinforcement to be apportioned shall be reduced (in aggregate) by the excess such that the total apportioned costs of Reinforcement to be paid by the Customer is the lowest reasonable solution [see all scenarios].

Insert new examples to illustrate the chosen option in practice