

DCP 412

Two-Step Process Impact Assessment

1. Background

- 1.1 The DCP 412 Working Group developed the two-step process following feedback from the first consultation.
- 1.2 The two-step process splits the assessment of eligibility into two parts:
 - 1.2.1 that a site's capacity utilisation is greater than or equal to 90% over a half hourly period; and
 - 1.2.2 that a site's load factor is less than or equal to 10% over the 12-month period.

2. Analysis Process

- 2.1 The DCP 412 Working Group performed analysis on two years' worth of data provided by DNOs and IDNOs.
- 2.2 The data provided covered all DNO areas and some IDNO networks.
- 2.3 The data provided covered the latter two months of 2020, the entirety of 2021 and the first 10 months of 2022. For simplicity, this was split into two distinct 12-month periods (referred to as period 1 and period 2 respectively.)
- 2.4 The analysis uses charging statement data for all DNO areas, to come to an average residual cost per band, as per table 1 below. The charging statements used are for 2025 with the exception of two DNO areas, for which only the 2024 charging statement was available.

Tariff name	SE p/day	Lon p/day	East p/day	SWEB p/day	SWAE p/day	MIDE p/day	EMEB p/day	Yo p/day	No p/day	SPD p/day	ENWL p/day	SEPD p/day	SHEPD p/day	Average p/day
LV Site Specific Band 1	23.9	24.9	22.8	57.7	59.4	83.7	61.2	126.7	62.5	296.4	92.5	577.4	370.3	143.0
LV Site Specific Band 2	27.8	25.0	24.8	87.7	94.2	136.9	92.3	231.2	117.3	490.4	137.3	953.0	597.9	232.0
LV Site Specific Band 3	34.6	25.2	29.2	124.9	143.4	204.3	137.6	343.2	172.7	818.8	212.7	1594.8	954.0	368.9
LV Site Specific Band 4	54.2	25.9	41.4	249.3	309.6	356.3	271.0	720.0	434.6	1699.0	437.7	4001.3	2224.8	832.7
LV Sub Site Specific Band 1	20.5	20.1	19.2	53.6	55.3	80.3	58.1	126.7	62.5	278.2	145.9	613.1	455.7	153.0
LV Sub Site Specific Band 2	24.4	20.2	21.3	83.5	90.1	133.5	89.2	231.2	117.3	472.3	190.7	988.7	683.2	242.0
LV Sub Site Specific Band 3	31.2	20.4	25.6	120.7	139.3	201.0	134.5	343.2	172.7	800.6	266.1	1630.5	1039.3	378.9
LV Sub Site Specific Band 4	50.8	21.1	37.8	245.2	305.5	352.9	267.8	720.0	434.6	1680.9	491.1	4037.0	2310.2	842.7
HV Site Specific Band 1	195.4	219.2	194.8	357.6	369.1	443.3	340.7	1094.1	665.5	1497.1	540.3	3340.4	1186.4	803.4
HV Site Specific Band 2	255.4	220.7	231.9	691.8	858.3	1097.0	793.3	2321.3	1185.7	4420.6	1173.6	8321.9	4689.2	2020.1
HV Site Specific Band 3	314.9	222.5	293.9	1348.7	1613.6	2200.0	1624.6	4527.1	1883.8	8477.4	2271.3	16100.2	9909.6	3906.7
HV Site Specific Band 4	575.5	229.5	494.2	3146.5	3600.5	6584.9	4161.9	10167.8	4543.9	22554.0	5502.9	41096.0	20242.7	9453.8

Table 1 – Charging Statement Table

- 2.5 Using the two-step process, the eligible customers for period 1 (representing the first half of the data) were identified and the difference in charges for their existing band calculated as a result of those customers moving down one band.

3. Analysis Results

- 3.1 Across all data provided for period 1, 823 customers were found to be eligible for HCULU status as per table 2 below.
- 3.2 Some data was provided with only a band number, rather than specifying the voltage level. It is assumed, for the purpose of this analysis, that these are LV Site Specific sites.

Band	Customers
2	129
3	31
4	24
HV Site Specific Band 2	25
HV Site Specific Band 3	10
HV Site Specific Band 4	8
LV Site Specific Band 2	385
LV Site Specific Band 3	94
LV Site Specific Band 4	62
LV Sub Site Specific Band 2	23
LV Sub Site Specific Band 3	15
LV Sub Site Specific Band 4	17

Table 2 – Eligible Period 1 Customers

- 3.3 The annual difference in charges for the bands, based on the average pence per day charges (table 1) and the number of customers leaving the band (table 2) can be found in table 3 below.

Band	Difference in Charges
LV 2	£166,877.65
LV 3	£62,458.17
LV 4	£145,590.92
LV Sub 2	£7,467.48
LV Sub 3	£7,494.85
LV Sub 4	£28,779.70
HV 2	£111,022.68
HV 3	£68,863.93
HV 4	£161,975.77

Table 3 – Difference in Charges

- 3.4 The difference in charges was divided by the number of customers remaining in each band after all eligible customers had moved from the bands, assuming that 100% of eligible customers will apply for HCULU status. The impact on each band, as a result, can be found in table 4 below.

Band	No Rebates		12 Months Rebates		Rebates to 1 April 23	
	£s	%	£s	%	£s	%
LV 2	£4.68	0.6%	£9.36	1.1%	£14.04	1.7%
LV 3	£4.93	0.4%	£9.85	0.7%	£14.78	1.1%
LV 4	£10.03	0.3%	£20.05	0.7%	£30.08	1.0%
LV Sub 2	£7.01	0.8%	£14.02	1.6%	£21.04	2.4%
LV Sub 3	£11.17	0.8%	£22.34	1.6%	£33.51	2.4%
LV Sub 4	£10.48	0.3%	£20.96	0.7%	£31.44	1.0%
HV 2	£49.45	0.7%	£98.91	1.3%	£148.36	2.0%
HV 3	£60.51	0.4%	£121.03	0.8%	£181.54	1.3%
HV 4	£119.28	0.3%	£238.55	0.7%	£357.83	1.0%

Table 4 – Impacts on Customers Remaining in Each Band

3.5 The analysis shows that where no rebates are to be provided:

3.5.1 for LV sites, the highest impact is £10.03 per year equating to a 0.3% increase in residual charges for each site;

3.5.2 for LV Sub sites, the highest impact is £11.17 per year equating to a 0.8% increase in residual charges for each site; and

3.5.3 for HV sites, the highest impact is £119.28 per year equating to a 0.3% increase in residual charges for each customer.

3.6 The analysis also shows the impact of providing rebates for up to 12 months or back to 1 April 2023, however as this would result in an under-recovery this would be spread across all customers in all bands in a following year.