

DCP 464

‘IDNO Connection Applications: Treatment of Existing Assets’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. Do you understand the intent of the DCP 464?	Working Group Comments
Eclipse Power	Non-Confidential	We confirm that we understand the intent of DCP464.	
ENC	Non-Confidential	Yes.	
ES Pipelines	Non-Confidential	We confirm we understand the intent.	
Green GEN Cymru	Non-Confidential	Yes.	
IDCSL	Non-Confidential	Yes.	
Indigo Networks	Non-Confidential	We confirm we understand the intent.	
Last Mile Electricity Ltd	Non-Confidential	We confirm we understand the intent.	
NGED	Non-Confidential	Yes. Making explicit reference within DCUSA for how LDNO connections will be treated in the scenario set out in this consultation will ensure a consistent approach.	
NPg	Non-Confidential	Yes.	
SP ENW	Non-Confidential	Yes, we understand the intent of DCP 464.	
SPEN	Non-Confidential	SP Distribution Plc and SP Manweb Plc (hereafter collectively referred to as SPEN) understands the intent of DCP 464.	

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SSE Generation	Non-Confidential	<p>No, the intent of the CP isn’t entirely clear to us.</p> <p>Section 1 seems to frame the CP in the context of DNO upgrades to an existing LDNO connection in order to increase the LDNO’s MIC or MEC, whereas the statement of purpose on the cover page, as well as the draft legal text, seem broader, and could also be applied to new LDNO applications and the necessary connection works.</p> <p>We would support the broader intent (which could be seen in the context of similar proposals for works across the transmission/distribution boundary, i.e. DCP461 and CMP460) but would like the Proposer to clarify.</p>	
SSEN	Non-Confidential	Yes, we understand the intent of the CP.	
Stark	Non-Confidential	<p>Yes.</p> <p>DCP 464 clarifies how Schedule 22 (CCCM) applies to existing DNO assets when an embedded LDNO requests a capacity increase, addressing the ambiguity between classifying upstream works as extension (sole-use) or reinforcement (shared-use) under CCCM 1.17.</p>	
UKPD	Non-Confidential	Yes.	
UKPN	Non-Confidential	Yes.	
Working Group Conclusions:			

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Company	Confidential/ Anonymous	2. Are you supportive of the principles of DCP 464?	Working Group Comments
Eclipse Power	Non-Confidential	<p>We are supportive of the principles of DCP464. We agree that there is ambiguity that needs to be clarified. We believe that "shared use" should be a defined term in DCUSA.</p> <p>Eclipse has the opinion that where an IDNO has multiple connections this should be considered as "shared use" to ensure consistent treatment of customers between IDNOs and DNOs.</p>	
ENC	Non-Confidential	<p>Yes, we are supportive of the principle to clarify the approach DNOs should take in the scenario outlined in the change proposal.</p>	
ES Pipelines	Non-Confidential	<p>We are supportive of the principles and agree "shared use" should be a defined term in the DSCUA document.</p> <p>ESP believe where an IDNO has multiple end users the connection should be considered "shared use".</p>	
Green GEN Cymru	Non-Confidential	<p>We are supportive of the principle to make the current methodology clearer for all parties and avoid inconsistent treatment across the industry for these scenarios. Clarity here will improve efficiency by reducing the risk of disputes, give greater cost predictability for DNO's</p>	

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		and IDNO’s and improve the connection experience for customers. We feel this is best achieved via Option 2.	
IDCSL	Non-Confidential	Yes, supportive of the principle to introduce more clarity to the term ‘shared use’.	
Indigo Networks	Non-Confidential	We are supportive of the principles and agree “shared use” should be a defined term in the DSCUA document. Indigo believe where an IDNO has multiple end users the connection should be considered “shared use”.	
Last Mile Electricity Ltd	Non-Confidential	<p>We are supportive of the principles and agree “shared use” should be a defined term in the DSCUA document.</p> <p>LMEL believe where an IDNO has multiple end users the connection should be considered “shared use”.</p>	
NGED	Non-Confidential	<p>Yes. We are supportive of having a clear definition for Reinforcement. This will ensure consistent interpretation of the scenario described within this consultation.</p> <p>Our understanding is that all DNOs follow a consistent approach for treatment of these connections and are interpreting the current definition for Reinforcement in the context of IDNO connections in the same way.</p>	
NPg	Non-Confidential	Yes, we support the intent of establishing a clear, standardised approach across DNOs to avoid inconsistent charging outcomes and remove any perceived ambiguity.	

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		<p>We support the principle that, in the circumstances set out by this Change Proposal (CP), an IDNO should be treated equivalently to a single DNO customer. The arrangements should not provide beneficial or preferential treatment, ensuring fairness and neutrality.</p> <p>The approach remains consistent with how Transmission System Operators (TSOs) treats a DNO i.e., as a single customer. Maintaining this alignment helps avoid structural inconsistencies between charging boundaries.</p> <p>In summary, we support the core principles of this CP to enhance clarity, consistency, and fairness, but by not transferring IDNO-driven costs onto DNO customers.</p>	
SP ENW	Non-Confidential	Yes, we support the principles of DCP 464.	
SPEN	Non-Confidential	Yes, we support the principles of DCP 464.	
SSE Generation	Non-Confidential	<p>Given the, in our view, unclear scope of the proposal (as we set out under q.1), we are not able to answer this question until the scope has been clarified.</p> <p>We also don't think that the rationale for option 2 has been stated sufficiently clearly, and we would also like to see this clarified.</p>	
SSEN	Non-Confidential	Yes, we are supportive of the principle of the CP.	

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Stark	Non-Confidential	Yes—supportive of clarity and consistency—provided any solution remains cost-reflective and avoids unwarranted socialisation through DUoS. Clarification should preserve cost causation and predictable recovery.	
UKPD	Non-Confidential	Yes we are supportive of clarifying the text as this would lead to consistency across regions.	
UKPN	Non-Confidential	Yes.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	3. Are there any other potential solutions on offer that are not referenced within this consultation?	Working Group Comments
Eclipse Power	Non-Confidential	N/A.	
ENC	Non-Confidential	Not that we are aware of.	
ES Pipelines	Non-Confidential	N/A.	
Green GEN Cymru	Non-Confidential	No this was extensively explored by the DCP Working Group.	

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IDCSL	Non-Confidential	None that we are aware of.	
Indigo Networks	Non-Confidential	N/A.	
Last Mile Electricity Ltd	Non-Confidential	N/A.	
NGED	Non-Confidential	<p>Yes. A further example showing where there is more than one connection connecting to the same section of the existing Distribution System and each such connection is connected to the same LDNO licensee should be added. Current interpretation of DCUSA would align to Example 5 where upgrade costs are socialised. Including this would allow for the group to consider the appropriate funding mechanism for upgrades in this example.</p> <p>Our initial view for this example is that costs should be fully funded by the LDNO licensee.</p>	
NPg	Non-Confidential	<p>No.</p> <p>However, we consider a fundamental principle has been overlooked. IDNOs operate through a relative price control, and their charging methodologies (approved by Ofgem) include the restriction that an IDNO cannot levy Use of System Charges for domestic customers that exceed the equivalent charge of the host DNO. It is our understanding that IDNOs apply this approach to Use of System Charges for other types of customers too.</p>	

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		<p>The charges therefore increase or decrease subject to price control outputs of the host DNO; in simple terms, (e.g.) when a DNO’s costs increases, so does the amount of revenue that an IDNO can recover – potentially without the IDNO incurring any additional cost. Use of System Charges levied by DNOs on IDNOs include a discount to reflect the ‘last mile’ of the IDNO’s network in distributing electricity to its customers.</p> <p>The IDNO is therefore able to recover its costs on the basis it is recovering costs that it has not incurred. The IDNO will benefit where its costs are lower and not when the opposite is true. If cost-recovery via this proxy approach is no longer fit for purpose, IDNOs should address this with Ofgem. And Ofgem should finally carry out a fundamental review of how IDNOs are regulated to ensure that arrangements are fit for purpose.</p>	
SP ENW	Non-Confidential	We are not aware of any additional potential solutions beyond those referenced within the consultation.	
SPEN	Non-Confidential	We do not propose additional solutions beyond those consulted upon at this time.	
SSE Generation	Non-Confidential	<p>Option 1 could be extended by adding an ECCR-style second-comer provision in cases where what was initially an extension asset later become a shared-use asset.</p> <p>A further potential solution would be to consider whether the upgrade is potentially shareable in the future, for instance under the new tRESP and</p>	

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		RESP frameworks. It could be argued that if so, the asset cost should be socialised (via DUoS) from the outset, including under examples 1 and 2 at para 1.12. The term 'shareable' would need to be defined. We'd be happy for the Working Group to explore this option.	
SSEN	Non-Confidential	No.	
Stark	Non-Confidential	No comment.	
UKPD	Non-Confidential	We don't believe so.	
UKPN	Non-Confidential	We are not aware of any alternative solutions at this time.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	4. Which of the two solutions referenced within this change proposal do you prefer? Please give supporting reasons.	Working Group Comments
Eclipse Power	Non-Confidential	Option 2b: "For the purposes of assessing whether the existing Distribution System is shared use, any IDNO connection shall be treated based on the number of connections to the IDNO Distribution System." This will therefore mean the DNO assets to be upgraded will be treated as shared and meet the definition of 'Reinforcement' as described in the CCCM and the DNO will fully fund the reinforcement.	

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		<p>We prefer this option for the following reasons:</p> <p>1) Maintain consistent treatment of customers connected by an IDNO and DNO. The relevant examples to compare are Example 3 and Example 6. In example 3 through a DNO connected network there are multiple customers, the DNO treats the costs as reinforcement and are covered by the DNO under the Access SCR. In example 6, the network arrangement is analogous except for the inclusion of the IDNO. However, as DNOs treat IDNOs as single customers currently the IDNOs would be charged the reinforcement cost, and the costs would not be socialised. This creates inconsistent treatment of reinforcement between DNOs and IDNOs and may unfairly influence customers decisions to connect through an IDNO.</p> <p>2) For example 6, the IDNO would treat their network as a ‘shared use’ network between the downstream connections. This means that the costs from the perspective of the IDNO would be considered as reinforcement and not fulfil the definition of extension assets as there are multiple customers. Therefore, following the Access SCR Eclipse have the understanding that we would be unable to pass any costs onto downstream connections. In addition, IDNOs mirror DNO DUoS including ATW and boundary charges for CDCM charges. This means that any charges passed onto IDNOs cannot be factored into CDCM DUoS margins by the IDNO. This is because IDNOs have the CDCM DUoS charges set for them with tariffs not being made to account for company and network specific reinforcement costs. As a result, the only option left for IDNOs</p>	
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		<p>charging under the CDCM would be to take on the burden of these costs without the ability to recover via socialised DUoS. This again creates inconsistent treatment between DNOs and IDNOs and creating financial disadvantages for IDNOs compared to DNOs. For IDNO connections with charges calculated by the EDCM, IDNOs could factor the reinforcement costs into the DUoS costs. However, under IDNO EHV methodologies there is no socialisation mechanism across all EDCM calculated sites. In this case, the reinforcement cost would be included in full to the sites connecting to the reinforced network.</p> <p>3) Under the access SCR the DNOs can fund this reinforcement through DUoS recovery. As stated above, IDNOs have no such ability to recover via socialised DUoS.</p> <p>In addition, the working group discussed an alternative approach for Example 6 where IDNOs could be allowed to socialise reinforcement costs through their own DUoS recovery. Eclipse are supportive of this matter being discussed in more detail in a separate DCP. We believe that there is currently a defect that has come about from the Access SCR regarding reinforcement charges on their own networks. If an IDNO has multiple connections on their network and reinforcement is triggered the Access SCR states for this to be socialised dependent on demand/generation and voltages. However, IDNOs have no means to recover this via DUoS. However, we see that the following would need to be considered if IDNOs were allowed to adjust tariffs to account for these costs:</p>	
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		<p>1) End customers on IDNO networks would face higher costs compared to equivalent customers on the DNO network due to the inclusion of these charges. This is in direct conflict of the RPC.</p> <p>2) IDNOs have fewer consumers in comparison to DNOs. Therefore, any socialisation of charges would cause a greater impact on each end consumer than if these costs were socialised by the DNO.</p> <p>3) The complexity of charging would significantly increase. This would mean that each IDNO would eventually have a unique set of charges for CDCM sites. This would mean that instead of 14 sets of charges the industry would need to handle >40 different sets of charges.</p> <p>4) There would be impacts to fair competition between IDNOs. Currently standard unified charges for CDCM tariffs maintains fair competition.</p> <p>5) Requirements would be placed on IDNOs to adoption CDCM like models to account fairly for the reinforcement charges. This would place significant burden on IDNOs to undertake these calculations.</p>	
ENC	Non-Confidential	<p>We are supportive of option 2 only, when a distribution system is shared by multiple end users even if across a single IDNO, upgraded assets should be considered shared use and therefore meet the definition of reinforcement.</p> <p>Comparing examples 3 and 6, it is clear to us that there is a difference in treatment between DNOs own customers and IDNO customers when</p>	

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		<p>there is more than one end user. Example 3 states a DNO treats assets connecting to a GSP feeding multiple DNO end customers as shared use, so upgrade costs get socialised. In option 6 however, despite the same network system, assets connecting to multiple IDNO end customers are not treated as shared use by DNOs. Instead, connection costs are passed on to the IDNO, where there is no mechanism for these costs to be socialised amongst IDNO customers. Introducing a mechanism for IDNO DUoS socialisation, which was discussed by the working group, would be a fundamental shift in how IDNOs operate and recover costs.</p> <p>We note that, in respect of the assets which are being upgraded, the charges paid by suppliers in the form of DUoS will flow through to the DNO through the LDNO tariffs. Whilst DUoS tariffs are broadly designed to recover the cost of operating the network on a long-run basis (including the cost of reinforcing the network) the LDNO tariffs are designed to attribute those charges to the respective owner of the network and the costs that they will incur in operating that part of the network. The PCDM does not allocate the costs of reinforcing higher network tiers to the downstream operator so it does not logically follow that the downstream operator should be required to fund those costs. Doing so is likely to lead to a situation where the revenue that the LDNO receives, as determined by the LDNO tariff, being insufficient to operate the network which it owns.</p> <p>Certain mechanisms exist already where multiple IDNO end users are treated as shared use by the DNO and provide a strong case for the definition of shared use to extend to the number of customers on the</p>	
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		<p>IDNO network., for example GSoP payments which are liable to be paid by IDNOs to their customers for outages which occurred on the DNO network are paid back to IDNOs based on the number of payments which the IDNO made (i.e. the number of customers) and not as if the IDNO was a single customer. Clearly, in this instance, DNOs accept that there are multiple customers connected to the LDNO network for which they are liable to pay GSOP payments.</p> <p>Further, the portfolio billing arrangements for DUoS are paid per end customer and the DNO charge to the IDNO will reflect the fact that there are multiple individual customers connected to the IDNO network attracting multiple fixed charges and that the network which the DNO is providing to connect the LDNO network is not sole use. Notably, the introduction of portfolio billing and the PCDM arose from concerns that treating the IDNO as a single customer did not reflect the reality of the IDNO network that there were multiple customers connected.</p> <p>The current drafting of the CCCM already recognises the fact that there are occasions where customers connected to the LDNO network will increase their capacity and that there will be generic load growth on the network. In these instances (paragraph 1.38 of Schedule 22) the DNO will bear the cost of reinforcement. The reference here to “Reinforcement” as a defined term presupposes that the assets are shared use by virtue of their being multiple parties connected to the LDNO network.</p>	
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ES Pipelines	Non-Confidential	<p>Option 2: “Where the LDNO has more than one customer within this embedded network, the DNO assets to be upgraded will be treated as shared, therefore meeting the definition of Reinforcement as described in the CCCM, with the DNO fully funding the Reinforcement.”</p> <p>The described scenario meets the definition of reinforcement. Reinforcement is defined as “assets installed that add capacity (network or fault level) to the existing shared use Distribution System.” The distribution system already exists in the scenario under review; any asset reinforcement is adding capacity to the existing shared use distribution network.</p> <p>There are existing processes in place where these layouts are already treated as joint use by DNOs. For example, if an IDNO connection has multiple customers downstream, and fail to meet a guaranteed service standard, GSoP payments are required per end consumer.</p> <p>The IDNO also pays the DNO an LDNO fixed charge per each end consumer.</p> <p>If this was a DNO connected network the cost would be treated as reinforcement and covered by the DNO under Access SCR rules.</p> <p>IDNOs are regulated to replicate DNO, ATW and LDNO tariffs. Under access SCR the DNO fund reinforcement via DUoS. as IDNOs have DUoS charges set for them, tariffs are not made to account for company/network specific and significant reinforcements costs.</p>	
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		<p>An alternative approach was discussed within the Working Group for scenario 6, whereby the LDNO would be provided with a mechanism to socialise upgrade costs via their own DUoS. If IDNOs were allowed to adjust tariffs to account for these costs, there are other considerations that must factored in; end consumers on IDNO networks would see higher costs compared to those on the DNO network, which is in direct conflict to the principles of the RPC. This is compounded by IDNOs having less end users than DNOs. The fewer consumers mean the inclusion of these costs would have a greater burden to end consumers then if this same reinforcement cost was socialised by the DNO.</p>	
Green GEN Cymru	Non-Confidential	<p>Option 2 is our preferred option because:</p> <ul style="list-style-type: none"> - In the scenario where an IDNO has multiple downstream customers it is our view that the upstream DNO assets are in practice serving shared used via the IDNO network. - When an IDNO has multiple downstream customers the upstream DNO assets are enabling a network that supports multiple MPANs. This is equivalent to shared use even if the connection is via an IDNO network. Therefore, by treating these assets as shared this aligns with the reality of how capacity is utilised and supports the principle of socialising costs for shared infrastructure. - Option 2 also supports competition as it prevents IDNO connected customers from being treated differently compared to equivalent DNO 	

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		<p>connected groupings. Under Option 1, upgrades would be treated as extension assets. In this scenario IDNO customers would therefore face disproportionate costs thus undermining competition.</p> <p>- Despite supporting Option 2 we acknowledge that implementation of either Option 1 and 2 would increase clarity of the current methodology, which would improve the connection process by lowering dispute risk and its associated costs.</p>	
IDCSL	Non-Confidential	<p>Option 2: “Where the LDNO has more than one customer within this embedded network, the DNO assets to be upgraded will be treated as shared, therefore meeting the definition of Reinforcement as described in the CCCM, with the DNO fully funding the Reinforcement.”</p> <p>Under Schedule 19, Portfolio Billing – the DNOs treat downstream IDNO connections as shared assets (where there are multiple connections) and recover the full DUoS costs from each connection on the IDNO’s downstream network. The same approach should be applied to the treatment of reinforcement costs.</p> <p>Additionally, if the same network was directly connected to the DNO and not the IDNO, the DNO would treat the reinforcement differently to how they would treat the IDNO’s connectees.</p> <p>IDNOs do not have the same opportunity to recover reinforcement costs via their DUoS charges as DNOs have currently.</p>	

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Indigo Networks	Non-Confidential	<p>Option 2. Where an LDNO has more than one end customer on its embedded network, any upstream upgrades should be treated as Reinforcement under the CCCM and thus funded by the DNO (isocialised), consistent with Access SCR. The distribution system already exists; capacity is being added to a shared network, not built as a sole-use spur. This mirrors how equivalent layouts are already handled by DNOs in practice (e.g., GSoP compensation is per end consumer; LDNO fixed charges are per end consumer).</p>	
Last Mile Electricity Ltd	Non-Confidential	<p>We disagree with Option 1 and would not support it. We do not think that Option 1 better facilitates the relevant objectives (DCUSA Charging Objectives). Option 2 supports the competition objective, supported by the connections being treated as joint use, to avoid higher costs to end users compared to those connected through an DNO.</p> <p>Our preferred Option 2: “Where the LDNO has more than one customer within this embedded network, the DNO assets to be upgraded will be treated as shared, therefore meeting the definition of Reinforcement as described in the CCCM, with the DNO fully funding the Reinforcement.”</p> <p>The described scenario meets the definition of reinforcement. Reinforcement is defined as “assets installed that add capacity (network or fault level) to the existing shared use Distribution System.” The distribution system already exists in the scenario under review; any asset reinforcement is adding capacity to the existing shared use distribution network.</p>	

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		<p>There are existing processes in place where these layouts are already treated as joint use by DNOs. For example, if an IDNO connection has multiple customers downstream, and fail to meet a guaranteed service standard, GSoP payments are required per end consumer.</p> <p>The IDNO also pays the DNO an LDNO fixed charge per each end consumer.</p> <p>If this was a DNO connected network the cost would be treated as reinforcement and covered by the DNO under Access SCR rules.</p> <p>IDNOs are regulated to replicate DNO, ATW and LDNO tariffs. Under access SCR the DNO fund reinforcement via DUoS. as IDNOs have DUoS charges set for them, tariffs are not made to account for company/network specific and significant reinforcements costs.</p> <p>An alternative approach was discussed within the Working Group for scenario 6, whereby the LDNO would be provided with a mechanism to socialise upgrade costs via their own DUoS. If IDNOs were allowed to adjust tariffs to account for these costs, there are other considerations that must factored in; end consumers on IDNO networks would see higher costs compared to those on the DNO network, which is in direct conflict to the principles of the RPC. This is compounded by IDNOs having less end users than DNOs. The fewer consumers mean the inclusion of these costs would have a greater burden to end consumers then if this same reinforcement cost was socialised by the DNO.</p>	
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NGED	Non-Confidential	<p>Option 1 is our preference.</p> <p>This option ensures consistent treatment between boundaries. At the Transmission boundary with Distribution, Transmission Owners do not assess the classification of assets by looking through the boundary point to establish the number of end customers. Where there are no other users for the connection point, the DNO is the single user, and assets are classified and charged on that basis. NGED then pass these costs on to our connecting customers. In the case of the DNO/LDNO boundary, this would be for the LDNO to do.</p> <p>The boundary between LDNOs and DNOs should mirror this approach, therefore as shown in section 1.12, Example 6 should have the same outcome as Example 1 and 2.</p>	
NPg	Non-Confidential	<p>Our preferred solution is Option 1, where in addition to the reason set out in response to question 2, we offer the following reasons.</p> <p>Firstly, we support retaining the current approach as set out in Option 1, which we understand is consistent with the methodology applied by all other DNOs and aligns with our established interpretation of the DCUSA. In particular, our interpretation is that Reinforcement applies only where assets are installed that add capacity, either network capacity or fault level capacity, to that DNO’s existing shared use Distribution System.</p> <p>Secondly, and in the case of Example 6, there are no existing DNO connected customers, meaning the scenario does not meet the above</p>	

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		definition of Reinforcement. As a result, any upgrades required should be treated as Extension Assets, not Reinforcement, with the upgrade costs being passed to the IDNO as per the current charging methodology rules.	
SP ENW	Non-Confidential	<p>We cannot offer a preference at this stage as we believe there are further aspects that need consideration. Our view is that the aim should be to ensure (as far as possible) equity of treatment to customers connected (or connecting) irrespective of whether it is to a DNO or IDNO network.</p> <p>We note the long-standing charging principle in 1.38 of the CCCM where the DNO will pay for the reinforcement if it is based on general load growth <i>"in the case of additional capacity required to meet general load growth on the LDNO's network then the Reinforcement costs will be borne by us. The LDNO will be required to provide justification in such circumstances."</i></p> <p>Our interpretation of this existing wording is that if the IDNO is seeking an increase in capacity due to the usage of existing customers then, subject to them providing such justification, no charge would be made to the IDNO. We believe that this provides equity of treatment with the principles established under SLC 13C and included in the CCCM in 1.36 where DNOs will fund reinforcement required when existing customers who remain connected add equipment.</p> <p>For incremental load growth:</p>	

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		<ul style="list-style-type: none"> this is consistent with the intent of Option 2 but the text already exists so no change is required. For Option 1, this would appear to create a conflict with 1.38 and therefore further changes to the legal drafting would be required. <p>Another situation where an IDNO might seek an increase in capacity is when new connections are being made to it's network. Our view is that the working group needs to consider the situations where a connection to a DNO network would be charged to ensure equity of treatment. These include the connection of generation, speculative developments and the High-Cost Project Thresholds.</p> <p>For new connections to the IDNO network, causing a need for increased capacity:</p> <ul style="list-style-type: none"> Option 1 would seem to result in charges to the IDNO that would not arise if the same connection was made to a DNO network eg if it was a new demand project and the HCPT wasn't breached Option 2 might mean that the charges that would arise if the same connection was made to the DNO network might be avoided eg HCPT. 	
SPEN	Non-Confidential	We cannot offer a preference at this stage as we believe there are further aspects that need consideration. Our view is that the aim should	

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		<p>be to ensure (as far as possible) equity of treatment to customers connected or connecting irrespective of whether it is to a DNO or IDNO network. We strongly believe the options presented require a full and detailed impact assessment in order to be considered for adoption to ensure there are no unintended consequences or contradictions that have not been contemplated in this change proposal.</p>	
SSE Generation	Non-Confidential	<p>There are pros and cons of both options and we are currently unable to express a preference for either option.</p> <p>We think Option 1 is a cost-reflective approach, with an LDNO passing on the DNO's extension asset costs to those individual LDNO customers who are to benefit from the additional capacity created by the upgrade. This would mirror the similar scenario across the DNO/TO boundary, whereby NESO bills DNOs for GSP upgrades triggered by their individual embedded customers, unless the GSPs are categorised as 'infrastructure' (i.e. shared) assets.</p> <p>It seems logical that an LDNO's request for additional capacity should be treated in the same manner as the original connection agreement, i.e. if the original asset was an extension asset, it should still be treated as such.</p> <p>However, we think it is worth considering whether Option 1 would benefit from having an ECCR-style second-comer provision in cases where what was initially an extension asset later becomes a shared-use asset.</p>	

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		<p>Option 2 may provide the more non-discriminatory approach and be better for the end consumer as it would result in similar treatment for customers regardless of whether they are connected to IDNO or DNO networks. However, it may result in DUoS payers subsidising upgrade work that they don’t benefit from (but only the LDNO customers do).</p> <p>This option could also result in unintended behaviour whereby IDNOs with just a single customer could split that customer’s connection into two or add a (however small) second customer connection in order to qualify for the socialisation of costs at DNO level. We would like the Working Group to consider mitigation measures.</p> <p>An alternative approach to consider, for instance under the new tRESP and RESP frameworks, is that if an upgrade is potentially shareable in the future (in particular, by DNO customers), it could be argued that the asset cost should be socialised from the outset, including under examples 1 and 2 at para 1.12. The term ‘shareable’ would need to be defined. We would support the Working Group exploring this approach.</p>	
SSEN	Non-Confidential	<p>SSEN believes its current position that, for the cost apportionment of reinforcement works, embedded LDNO networks should be regarded as a single customer is consistent with both the wording in DCUSA Schedule 22 and the equivalent treatment by NESO under CUSC of embedded LDNO networks.</p>	

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		<p>Further, SSEN note that while the consultation paper paragraph 4.9 mentions that the Interruptions GSoP treatment of embedded LDNO networks requires consideration of the number of end-users, the Interruptions Incentive Scheme only regards them as a single customer.</p> <p>SSEN’s preference is for consistency across the boundaries between TO, DNO and IDNO, recognising connections that serve more than one end users. We believe that considering the number of end-users on the embedded network brings it inline with how we regard our own customers and therefore promotes competition.</p> <p>Consequently, in line with CMP460, SSEN supports Option 2.</p> <p>However, SSEN do believe that safeguards may be required to prevent IDNO customers from requesting more capacity than is required. While recognising that an IDNO, in common with a metered customer, will be responsible for the cost of any extension assets, unlike a metered customer an IDNO does not pay a capacity charge. Consequently, without contributing to the costs of any shared use network reinforcement there is no disincentive to an IDNO to not request the full capacity of the extension assets and subsequently under-utilise them. This over-demand risks inefficient network build and would cause customers behind it in the queue to wait for further investment prior to connection when they wouldn’t otherwise need to. This would also result in DNO’s under recovering the reinforcement costs through DUoS.</p>	
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		Such safeguards should be implemented in parallel with any outcome of this CP.	
Stark	Non-Confidential	<p>Option 2.</p> <p>It correctly treats upstream assets that serve multiple end customers as shared-use, avoids placing reinforcement-type costs solely on the IDNO (as the WG noted, if an IDNO is charged for upgrades treated as extension, there’s no IDNO DUoS mechanism today to spread those costs) and aligns better with the Access SCR connection boundary reform—provided there’s a clear, objective test and published rationale to keep outcomes consistent and cost-reflective.</p>	
UKPD	Non-Confidential	Our preference is for Option 2.	
UKPN	Non-Confidential	<p>Our preference is Option 1.</p> <p>Rationale</p> <p>A. The current definitions in the DCUSA Schedule 22 drive this logical outcome as follows.</p> <p><u>Definitions</u></p> <p>Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System.</p>	

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		<p>Distribution System is defined as the system (as defined in the Licence) consisting (wholly or mainly) of electric lines owned or operated by us¹ and used for the distribution of electricity.</p> <p>¹Note; the meaning of ‘us’ in the context of each DNO, means a distribution network that is wholly or mainly owned by the respective licensee. Therefore, any upgrade works requested by an IDNO, does not meet the definition of Reinforcement that has been agreed by Ofgem.</p> <p>B. Option 1 is consistent with the treatment of DNOs by NESO where a Modification Application is required to increase the capacity of the Transmission System in order to facilitate a DNO customer connection.</p> <p>C. Option 1 is fully compliant with existing Standard Distribution Licence obligations.</p>	
Working Group Conclusions:			

Company	Confidential/ Anonymous	5. Are there are any other impacts to customers that need to be considered that haven’t been mentioned already in this consultation?	Working Group Comments
Eclipse Power	Non-Confidential	N/A.	

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ENC	Non-Confidential	In option 2, IDNO end customers in a shared system which are currently treaded as a single user by DNO, and therefore are potentially charged the full cost of upgrades, would be treated the same as an equivalent customer in a shared DNO network, improving competition between IDNO and DNO customers.	
ES Pipelines	Non-Confidential	N/A.	
Green GEN Cymru	Non-Confidential	We would expect the impact on DUoS to minimal and offset from efficiency gains in the process.	
IDCSL	Non-Confidential	None that we are aware of.	
Indigo Networks	Non-Confidential	Access SCR parity: If the same scheme sat on the DNO’s books, the upgrade would be treated as reinforcement and socialised. IDNOs mirror DNO/ATW/LDNO tariffs; those tariffs are not designed to absorb project-specific reinforcement at an individual embedded network, particularly given smaller customer bases. Pushing such costs onto IDNO customers would breach cost-reflectivity and risk cross-subsidy.	
Last Mile Electricity Ltd	Non-Confidential	N/A.	
NGED	Non-Confidential	Option 2 would increase DUoS across the distribution connection portfolio. By treating the assets as extension and therefore paid for in full by the LDNO, costs will not be socialised through DUoS.	
NPg	Non-Confidential	No.	

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SP ENW	Non-Confidential	We are not aware of any additional customer impacts beyond those already identified within the consultation or mentioned above.	
SPEN	Non-Confidential	As noted above, we believe the options require a full impact assessment to ensure no unintended impacts or consequences for customers.	
SSE Generation	Non-Confidential	<p>As stated at paragraph 4.15 of the consultation, “Under option 2, the DNO will fund the upgrades and recover the costs through its wider DUoS customers. This has the potential to increase DUoS for customers in those DNO regions, dependent on the volume and size of the upgrade work undertaken.”</p> <p>However, this DUoS increase for the wider charging base hasn’t been assessed or quantified. We consider that this should be done.</p>	
SSEN	Non-Confidential	In line with our response to Q4, we believe that safeguards are required to ensure that customers are not impacted by any over-demand risks.	
Stark	Non-Confidential	No comment.	
UKPD	Non-Confidential	No comment.	
UKPN	Non-Confidential	We are not aware of any additional impacts to customers at this time.	
Working Group Conclusions:			

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Company	Confidential/ Anonymous	6. Do you believe that ‘shared asset’ should be a defined term within the DCUSA and if so, do you have a view on what the definition could be?	Working Group Comments
Eclipse Power	Non-Confidential	Yes, to avoid confusion this should be a defined term The definition we suggest is: “network components that enable more than one end user supply to be operational”	
ENC	Non-Confidential	Yes we believe ‘shared asset’ should be a defined term which clearly states an asset is shared when it contains more than one MPAN. This would remove any ambiguity about what is considered shared use.	
ES Pipelines	Non-Confidential	Yes, to avoid further confusion. Suggested definition: “shared asset - Network components that enable more than one end user supply to be operational.”	
Green GEN Cymru	Non-Confidential	Yes but we believe this should be subject to wider consultation to establish a definition rather than be confined to the parties interested in DCP 464.	
IDCSL	Non-Confidential	Yes, introducing a defined term for ‘Shared Asset’ would provide clarity.	
Indigo Networks	Non-Confidential	“Shared asset” = a network component that serves, or is intended to serve, more than one end user within the embedded distribution system. This anchors treatment to actual use (or clearly intended shared use) rather than form.	

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Last Mile Electricity Ltd	Non-Confidential	Yes, to avoid further confusion. Suggested definition: “shared asset - Network components that enable more than one end user supply to be operational.”	
NGED	Non-Confidential	<p>No. The definition for ‘Reinforcement’ within Schedule 22 DCUSA by its wording describes what is a ‘shared asset’. We do not believe the scenario described within section 4 of the consultation merits the addition of a newly defined term within DCUSA. This is due to the term not needing to be expressly defined or altering the application of MPAN and DUoS billing by being defined within DCUSA.</p> <p>If Option 2 is progressed, identifying shared assets more clearly for DUoS billing purposes may be needed, but further information on how that information would change the billing process for ‘shared assets’ would need to be provided.</p>	
NPg	Non-Confidential	<p>No, we do not believe that “shared asset” requires a formal definition within the DCUSA.</p> <p>The term shared is already explicit in its ordinary meaning, referring simply to assets used by two or more customers. Introducing an additional formal definition risks adding unnecessary complexity without delivering any additional clarity or practical benefit.</p> <p>In addition, Reinforcement is defined as “assets installed that add capacity (network or fault level) to the existing shared use Distribution</p>	

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		<p>System”, the definition of Distribution System is subsequently defined as assets owned or operated by the DNO.</p> <p>Therefore in our view, the existing terminology and definitions are sufficiently clear, however we would be supportive of any suggested improvements should the majority deem it required to ensure consistent interpretation and application.</p>	
SP ENW	Non-Confidential	<p>“Shared asset” is not currently used within the CCCM so it is unclear what the intended purpose is. “Shared use” is part of the definition of reinforcement but is not defined and not proposed to be defined as part of this Change Proposal.</p> <p>If a defined term for ‘Shared Asset’ within the DCUSA is needed, we would recommend the following definition:</p> <p>Shared Asset means an asset that provides connection to more than one Premises.</p> <p>The term Premises is already defined within the DCUSA as “<i>any land, building or structure</i>”, so this definition would align cleanly with existing terminology and support consistent interpretation across parties.</p>	
SPEN	Non-Confidential	<p>Whilst it is useful for definitions to be added to aid clarity, a full assessment should be carried out to ensure there are no unintended consequences or contradictions, noting that “Shared asset” is not currently used within the CCCM, so it is unclear what the intended</p>	

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		purpose is. “Shared use” is part of the definition of Reinforcement but is not defined.	
SSE Generation	Non-Confidential	<p>We think that in the context of Option 2, defining ‘shared asset’ would be helpful.</p> <p>In line with our second suggestion at q.3, another way forward could be to define the term ‘shareable’ and base the cost recovery mechanism on that instead.</p>	
SSEN	Non-Confidential	<p>Yes</p> <p>“Any Asset which is used for carrying electricity to or from multiple Exit / Entry Points, including to an embedded network that itself has multiple Exit or Entry Points”</p>	
Stark	Non-Confidential	<p>Yes—define Shared Asset narrowly as a DNO-owned asset used (or reasonably expected to be used) by more than one downstream customer at the time of assessment, including customers connected via an LDNO.</p> <p>Use objective indicators (e.g., MPAN count, multiple GSoP obligations) and a documented decision test to ensure consistency across regions.</p>	
UKPD	Non-Confidential	Shared Assets is already defined in DCUSA : It defines Sole-use asset (clause 14.2 of schedules 17 and 18), and then defines Shared use assets by opposition to that (clause 15.1).	

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		We suggest this create a precedent that could be used, built upon or at least cross-referenced in any change made by this proposal.	
UKPN	Non-Confidential	<p>Whilst we believe that the existing terminology is clear, we support the creation of this additional definition if it helps to provide greater clarity for customers.</p> <p>Our suggested definition is detailed below.</p> <p><i>A ‘shared use asset’ is an asset that provides benefit to more than one customer connected to the Distribution System.</i></p>	
Working Group Conclusions:			

Company	Confidential/ Anonymous	7. IDNOs only- How many times have you been charged for upgrades when they have been determined to be extension assets?	Working Group Comments
Eclipse Power	Non-Confidential	We have not yet been charged for upgrades.	
ENC	Non-Confidential	We have been charged on four occasions by DNOs for upgrade works due to them being determined as extension assets.	
ES Pipelines	Non-Confidential	We have not seen any instances of this.	

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Green GEN Cymru	Non-Confidential	We do not currently have any connections embedded in DNO networks and therefore have not been charged for activities outlined in this consultation.	
IDCSL	Non-Confidential	Being a relatively new IDNO in the market, IDCSL has not had experience of being charged reinforcement costs.	
Indigo Networks	Non-Confidential	We have not seen any instances of this.	
Last Mile Electricity Ltd	Non-Confidential	No comment.	
NGED	Non-Confidential	N/A.	
NPg	Non-Confidential	Not Applicable.	
SP ENW	Non-Confidential	N/A.	
SPEN	Non-Confidential	N/A.	
SSE Generation	Non-Confidential	N/A to us.	
SSEN	Non-Confidential	No comment.	
Stark	Non-Confidential	None to date. Stark Infra is a new IDNO and has not yet been charged for upgrades that were determined to be extension assets.	

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		We nonetheless support Option 2 on a forward-looking basis: where upstream DNO assets serve more than one downstream customer, classifying them as shared-use (reinforcement) is more consistent with the consultation’s draft legal text and avoids placing reinforcement-type costs on a single IDNO when IDNOs currently lack a DUoS recovery route.	
UKPD	Non-Confidential	In the course of our network management activities, we often apply to host DNOs for BCA increase quotes. Our best assessment is that over the last 24 months, the connection offers we have received in return have always (i.e. 100% of the cases) passed on the charges to us if they were not a “no works” offer.	
UKPN	Non-Confidential	Not applicable.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	8. Is this a scenario that can only impact DNO and IDNO Parties? If other Party Categories can be impacted, please provide rationale as to how and why.	Working Group Comments
Eclipse Power	Non-Confidential	N/A.	
ENC	Non-Confidential	We are not aware of any other parties impacted.	
ES Pipelines	Non-Confidential	N/A.	

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Green GEN Cymru	Non-Confidential	It is our view that this primarily impacts DNO's and IDNO's but this potentially disputes between DNO's and IDNO's such as the driver for DCP 464 impacts Connection Customers and Developers via increased costs and uncertainty.	
IDCSL	Non-Confidential	IDCSL do not believe other Party Categories are impacted by this CP.	
Indigo Networks	Non-Confidential	N/A.	
Last Mile Electricity Ltd	Non-Confidential	N/A.	
NGED	Non-Confidential	No. Private wire connections may require some thought in terms of the treatment of assets. Although not a common arrangement, clarity will be important as to how assets shall be classified in these cases moving forward.	
NPg	Non-Confidential	While this scenario is expected to primarily impact DNO and IDNO parties, there may be circumstances in which downstream, privately connected non-DNO parties are also affected. Any such impacts would arise in a consistent manner and, as such, have not been considered separately within this assessment.	
SP ENW	Non-Confidential	This scenario may also arise at a DNO to DNO interface, where reinforcement requirements could involve assets that serve customers across both networks. In such cases, similar considerations around responsibility, cost allocation and information disclosure would apply, meaning the impact is not limited solely to DNO and IDNO Parties.	

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		The choice of option has the potential for difference outcomes in terms of DUoS ie under Option 1, if the IDNO is charged, there is no increase in the DNO’s DUoS, whereas Option 2 would see an increase. The overall effect may be marginal, but it would flow through to suppliers.	
SPEN	Non-Confidential	This scenario may also arise at a DNO to DNO interface, where reinforcement requirements could involve assets that serve customers across both networks. In such cases, similar considerations around responsibility, cost allocation and information disclosure would apply, meaning the impact is not limited solely to DNO and IDNO Parties.	
SSE Generation	Non-Confidential	No comment.	
SSEN	Non-Confidential	DNO and IDNO only.	
Stark	Non-Confidential	No. Because DUoS is recovered through suppliers and ultimately billed to end users, any material shift to DUoS recovery (Option 2) or to developer/connection charges (Option 1) necessarily affects Parties beyond DNOs/LDNOs.	
UKPD	Non-Confidential	As mentioned in the consultation document, this will also impact the end customer as the LDNO may have a mechanism by which to pass the DNO reinforcement cost to its end customers, who triggered the BCA increase quote in the first place.	

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		For this reason we disagree with the statement made in paragraph 7.5 of the consultation (“7.5 We do not believe that this change will impact consumers directly”).	
UKPN	Non-Confidential	Yes, at this current time.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	9. Do you have any comments on the draft legal text?	Working Group Comments
Eclipse Power	Non-Confidential	We believe that the 2b definition would be a more appropriate definition and would be most likely to avoid future clarification. The definition in 2a may be interpreted that DNOs can optionally consider the number of IDNO connected customers. Whereas 2b is clearer in as far as they are required to treat IDNO connections with multiple end users as reinforcement.	
ENC	Non-Confidential	Not at this time.	
ES Pipelines	Non-Confidential	2b is most likely to avoid future clarification being required. 2a suggests that DNOs should “consider” the number of connections, not that they are required to treat connections with multiple end users as joint use assets.	

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Green GEN Cymru	Non-Confidential	We support the draft legal text for both options with a preference for Option 2.	
IDCSL	Non-Confidential	No.	
Indigo Networks	Non-Confidential	N/A.	
Last Mile Electricity Ltd	Non-Confidential	2b is most likely to avoid future clarification being required. 2a suggests that DNOs should “consider” the number of connections, not that they are required to treat connections with multiple end users as joint use assets.	
NGED	Non-Confidential	<p>Yes. We would like clarity as to whether the definitions should be referencing ‘IDNO’ or ‘LDNO’. The justification for using ‘LDNO’ had been that it would enable consistency within Schedule 22 of DCUSA, but ‘IDNO’ has been used within sections 5.2 and 5.3 of the legal text.</p> <p>Based on our response to question 3, and subsequent group discussions, the definition for reinforcement under Option 2 would need additions. Proposed wording could be as set out below:</p> <p><i>Option 3: CCCM 1.17 to read “Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. For the purposes of assessing whether the existing Distribution System is shared use, any IDNO connection shall be treated as a single connected customer. Where there is more than one connection connecting to the same section of the existing Distribution</i></p>	

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		<i>System and each such connection is from the same LDNO licensee, the assets will [not] be defined as Reinforcement.</i>	
NPg	Non-Confidential	<p>We recommend that the Working Group considers a refinement to the proposed legal text under both options to ensure it is absolutely clear that the IDNO connection in scope must be an existing connection.</p> <p>Although the current drafting references the “existing Distribution System”, this alone does not make it explicitly clear that the IDNO connection concerned must already be in place. This clarification is important to avoid misinterpretation and to ensure the provision operates only in the scenarios intended by the proposal.</p> <p>To address this, we propose the following amendment:</p> <p>“For the purposes of assessing whether the existing Distribution System is shared use, any existing IDNO connection shall be treated as a single connected customer.”</p> <p>This wording provides explicit clarity that only pre existing IDNO connections are to be taken into account when determining whether the asset is shared use, thereby maintaining the integrity and intent of the change proposal.</p>	
SP ENW	Non-Confidential	Please refer to our responses to Questions 5 and 6.	
SPEN	Non-Confidential	None at this time.	

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SSE Generation	Non-Confidential	<p>We consider that the legal text could apply to both new and existing LDNO connections but as per our responses to questions 1 and 2, we are not clear whether this is the proposer’s intention. This needs to be clarified.</p> <p>We note that the draft legal text refers to IDNOs, whereas the consultation document refers to both IDNOs and LDNOs, seemingly interchangeably. We consider that this is confusing and needs to be clarified.</p> <p>We consider that the Option 2 draft legal text is too ambiguous and open to interpretation, as it doesn’t clearly spell out how “any IDNO connection shall be treated based on the number of connections to the IDNO Distribution System”, i.e. what happens in any of the potential scenarios. As such, we don’t think the draft legal text for this option is fit for purpose.</p>	
SSEN	Non-Confidential	We agree with the proposed legal text.	
Stark	Non-Confidential	<p>If Option 1 proceeds, we support the Option 1 drafting in CCCM 1.17.</p> <p>If Option 2 proceeds, we feel that “number of connections” is perhaps too ambiguous unless “shared use” is defined and the use of MPAN might be more appropriate e.g. “number of downstream Metering Points (MPANs)—including import and export—”.</p>	
UKPD	Non-Confidential	The text drafted for Option 2 still leaves space for interpretation for scenarios where the customer to the IDNO is:	

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		<p>a) a private network with a bulk meter and several premises fed from it, or</p> <p>b) a private network with multiple IDNO meters (one MPAN per premise/flat) (BNO scenario).</p> <p>For this reason, we believe a better alternative to the term “connection” is the term “metering point”, and perhaps this would mean that scenario a and b above are treated differently. We propose the text in red below:</p> <p><i>Option 2: CCCM 1.17 to read “Reinforcement is defined as assets installed that add capacity (network or fault level) to the existing shared use Distribution System. For the purposes of assessing whether the existing Distribution System is shared use, any IDNO connection shall be treated based on the number of Metering Points supplied by to the IDNO Distribution System.”</i></p>	
UKPN	Non-Confidential	The suggested legal text adds the required clarity required.	
Working Group Conclusions:			

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Company	Confidential/ Anonymous	<p>10. Do you consider that the proposal better facilitates the DCUSA Charging Objectives?</p> <p>If so, please detail which of the Charging Objectives you believe are better facilitated and provide supporting reasons.</p> <p>If not, please provide supporting reasons?</p>	Working Group Comments
Eclipse Power	Non-Confidential	<p>POSITIVE - Objective 2 – Competition. A consistent approach between IDNO and DNO connections means that end users will face the same DUoS or reinforcement charges. This means that there is no distortion in competition.</p> <p>POSITIVE - Objective 3 – Cost reflective. If IDNOs are unable to recover any reinforcement costs for shared use assets from either DUoS or the downstream connections, then this is not cost reflective. DNOs recovering these charges via a socialised DUoS approach is cost reflective.</p>	
ENC	Non-Confidential	<p>Charging Objective 2 is better facilitated by option 2 as IDNO customers in a shared system will be treated the same as equivalent DNO customers in a shared system, improving competition between IDNO and DNO customers.</p> <p>Charging objective 6 is better facilitated by this change as it provides clarity on the approach DNOs should take in the scenario in question,</p>	

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		improving efficiency in implementation by avoiding disputes with how upgrade works should be treated and funded.	
ES Pipelines	Non-Confidential	<p>Competition – supported by the connections being treated as joint use, to avoid higher costs to end users compared to those connected through an DNO.</p> <p>Helps efficiency - in avoiding challenges to definitions and conflict between DNO and IDNO.</p>	
Green GEN Cymru	Non-Confidential	Yes cost reflectivity, efficient implementation and competition are served by Option 2. Ensuring upgrades that are capacity via an IDNO connection reflects cost drivers and recovery. Rules are clarified to reduce disputes and administrative costs for both DNO’s and IDNO’s. With Option 2 removing a barrier to competition for IDNO’s.	
IDCSL	Non-Confidential	IDCSL agrees with the Working Group that Charging Objectives 2, 3 and 6 are better facilitated. Objective 2 is better facilitated by ensuring the DNO treats the IDNO downstream connectees the same as if they were directly connected to the DNOs, thereby supporting competition. Objective 3 is better facilitated as it reflects the costs incurred and applies a fair and consistent approach to reinforcement. Objective 6 is better facilitated, again, by applying a consistent approach.	
Indigo Networks	Non-Confidential	Competition – supported by the connections being treated as joint use, to avoid higher costs to end users compared to those connected through an DNO.	

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		Helps efficiency - in avoiding challenges to definitions and conflict between DNO and IDNO.	
Last Mile Electricity Ltd	Non-Confidential	<p>2. Competition – supported by the connections being treated as joint use, to avoid higher costs to end users compared to those connected through an DNO.</p> <p>6 and 3. Helps efficiency - in avoiding challenges to definitions and conflict between DNO and IDNO.</p>	
NGED	Non-Confidential	We agree with the assessment made within the Consultation against the DCUSA Charging Objectives. Objective 2 will be better facilitated by DCP464 if implemented in coordination with CMP460. This would best enable a consistent approach between the T/D boundary and the DNO/IDNO boundary. The knock-on impact will also positively facilitate Objective 3 by ensuring costs are being recovered from the right party with strong justification.	
NPg	Non-Confidential	Yes, we consider that Charging Objective 3 will be better facilitated by ensuring that a DNO party applies a consistent approach to the application of reinforcement charges and that Charging Objective 6 will be better facilitated by ensuring that a DNO party applies a consistent approach to the application of reinforcement charges.	
SP ENW	Non-Confidential	<p>The two options have very different outcomes:</p> <p>Charging Objective 2 - Option 1 would be negative as it creates a potential detriment to a customer connections to an IDNO network.</p>	

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		<p>Option 2 would be positive as it helps ensure that end customers are treated fairly and consistently, irrespective to whether they are connection to a DNO or IDNO network.</p> <p>Charging Objective 3 – Option 1 is probably positive. Option 2 is difficult to assess as no charge would be made, so it is neutral at least.</p> <p>Charging Objective 6 – both options provide greater clarity and therefore more consistent approaches so would be positive.</p>	
SPEN	Non-Confidential	<p>For Option 1, SPEN agrees that Charging Objectives 3 and 6 may be better facilitated subject to a full assessment.</p> <p>For Option 2, this cannot be determined until a full assessment has been carried out.</p>	
SSE Generation	Non-Confidential	<p>To what extent, if any, the proposal better facilitates the relevant Objectives depends on which of the two option is being looked at. As such, there should be two tables in section 6, one for each option.</p> <ul style="list-style-type: none"> • Option 1 – We consider that this facilitates Charging Objective (CO) 3 in that (connection) charges reflect the costs incurred by the DNO. • Option 2 – we consider that this is negative against CO3 in that LDNO connection costs would be recovered by DUoS charges, not reflecting the connection costs incurred by the individual connectee. 	

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SSEN	Non-Confidential	<p>SSEN believes that treating IDNO end-users in the same way that we treat our customers will promote competition and so have a positive impact on Charging Objective 2.</p> <p>SSEN does not agree that this change will have any impact on Charging Objective 3, as this change does not affect the costs of the work required to deliver the requested capacity, it only affects how those costs are apportioned between the applicant and the DNO.</p>	
Stark	Non-Confidential	<p>Yes</p> <p>Objective 3 (cost-reflectivity): A clear, objective shared-use rule (backed by MPAN/GSoP evidence) ensures reinforcement-type costs are recovered from the appropriate customer base.</p> <p>Objective 6 (efficient administration): Standardised criteria and published rationale reduce disputes and regional variance, speeding determinations and lowering administrative friction.</p> <p>The impact on Objective 2 (competition) will depend on avoiding regional divergence via an objective test and transparent rationale</p>	
UKPD	Non-Confidential	No opinion.	
UKPN	Non-Confidential	Yes. Charging Objective no. 3 is better supported by this proposal as it will add clarity to the existing definition of Reinforcement for the benefit of all stakeholders.	

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Working Group Conclusions:

Company	Confidential/ Anonymous	11. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
Eclipse Power	Non-Confidential	<p>The consultation documentation does not cover the following:</p> <p>1) Impact of the Access SCR on IDNOs ability to pass through reinforcement costs. Eclipse’s understanding is that IDNOs would be unable to pass through any costs to their connections for multiple connection sites as the IDNO network would be shared and therefore not an extension asset.</p> <p>2) Interaction of IDNO-to-IDNO connections if reinforcement costs are incurred on the embedded DNO network and the downstream IDNO has multiple connections. If these changes are made to the CCCM these would also apply to IDNO’s CCCM. If the downstream IDNO triggers reinforcement on the embedded IDNO network, the embedded IDNO would need to treat the network as shared use if option 2 is implemented. Therefore, they would be unable to pass on the reinforcement charges to the downstream IDNO and currently be unable to influence DUoS margins. The current DUoS charging approach for IDNOs connecting via an IDNO has been to calculate margins for the embedded IDNO based on equivalent DNO tariffs. However, this is not</p>	

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		explicitly covered in DCUSA and likely needs a separate change proposal to discuss this matter. However, it would need to be considered if DUoS recovery is proposed for recovery of reinforcement costs for the embedded IDNO in this scenario.	
ENC	Non-Confidential	Not at this time.	
ES Pipelines	Non-Confidential	N/A.	
Green GEN Cymru	Non-Confidential	As identified in the working group for DCP 464 there is some potential overlap with DCP 461.	
IDCSL	Non-Confidential	No.	
Indigo Networks	Non-Confidential	N/A.	
Last Mile Electricity Ltd	Non-Confidential	N/A.	
NGED	Non-Confidential	<p>DCP464 is looking at the treatment of assets at the LDNO/DNO boundary. Our belief is that the outcome of this change proposal should consider other boundaries (e.g. TO/DNO boundary) when determining the right approach. CMP460 will have an impact.</p> <p>CMP460 (Improving Transmission Connection Charging) may impact this interpretation depending on the approach taken. One option proposed through CMP460 is where Transmission costs associated with a</p>	

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		<p>Distribution connection are socialised via TNUoS (Transmission Network Use of System) charges.</p> <p>CMP460 is the corresponding CUSC Modification raised in relation to DCP461 (Reducing the impact of Transmission Distribution Charges). Given CMP460 is the modification that will determine the classification of assets at the T/D boundary, our view is that DCP461 has minimal impact on DCP464.</p>	
NPg	Non-Confidential	No.	
SP ENW	Non-Confidential	CMP460 is looking at the charging interface between transmission and DNOs which has parallels of principle.	
SPEN	Non-Confidential	We are not aware of any wider industry developments directly linked to this DCP.	
SSE Generation	Non-Confidential	<p>Going forward, we consider that the ongoing connection reforms as well as the development of the tRESP and the RESP may affect how connection assets might be categorised (e.g. sole use or shared or shareable), and hence how their costs are recovered.</p> <p>We would support this matter being addressed by Ofgem’s DUoS SCR.</p>	
SSEN	Non-Confidential	SSEN believe that the treatment of embedded LDNO networks by a DNO should follow the same principles as those followed by TO, which is considered in DCP 461 and CMP460.	

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Stark	Non-Confidential	No comment.	
UKPD	Non-Confidential	No.	
UKPN	Non-Confidential	No.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	12. Do you agree with the proposed implementation date?	Working Group Comments
Eclipse Power	Non-Confidential	Eclipse agrees that the update should be actioned ASAP, this would help clarify the Access SCR rules. This would not require waiting until a new charging year or price control period.	
ENC	Non-Confidential	Yes.	
ES Pipelines	Non-Confidential	Agree the update should be actioned ASAP, as this is a clarification of access SCR rules it would not require waiting until a new charging year or price control period.	
Green GEN Cymru	Non-Confidential	Yes we support implementation at the earliest opportunity once approved by the Authority.	
IDCSL	Non-Confidential	Yes.	

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Indigo Networks	Non-Confidential	Treating multi-customer LDNO interfaces as shared use avoids bill shocks for end users connected via IDNOs and preserves route neutrality between DNO and IDNO pathways.	
Last Mile Electricity Ltd	Non-Confidential	Agree the update should be actioned ASAP, as this is a clarification of access SCR rules it would not require waiting until a new charging year or price control period.	
NGED	Non-Confidential	<p>We agree that this should be implemented at the earliest opportunity once approved by the authority.</p> <p>Given the similar scopes of both modifications, we would recommend that DCP464 and CMP460 are implemented together. Although no timeline for implementation has been explicitly provided for within this consultation, it's expected that DCP464 would be implemented prior to CMP460.</p> <p>The timeline for DCP464 should consider:</p> <ul style="list-style-type: none">- If retrospective, an implementation timeline will be needed to allow for contract amendment.- If forward-looking, a date from which applications received after will be treated based on the outcome of DCP464 will be needed.- Coordinated implementation with CMP460.	
NPg	Non-Confidential	Yes.	

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SP ENW	Non-Confidential	We would recommend setting an implementation date one month after approval by the Authority . This provides sufficient time for DNOs to update their respective CCCMs and complete the necessary internal briefings, should the decision require changes to existing practice.	
SPEN	Non-Confidential	We would recommend setting an implementation date one month after approval by the Authority. This provides sufficient time for DNOs to update their respective CCCMs and complete the necessary internal briefings, should the decision require changes to existing practice.	
SSE Generation	Non-Confidential	<p>We think that the practicalities of implementation ‘at the earliest opportunity’ need to be considered first, in particular for Option 2, so we’d ask the Working Group to do so.</p> <p>For instance, if Option 2 was approved, this would affect residual charges which would fall under the 15-month DUoS tariff notice period.</p>	
SSEN	Non-Confidential	Yes, in principle. However, we will need time to adjust our internal procedures and would look to apply any changes to connection request made competent on or after the implementation date.	
Stark	Non-Confidential	Yes—earliest opportunity after approval.	
UKPD	Non-Confidential	Yes.	
UKPN	Non-Confidential	Yes.	
Working Group Conclusions:			

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COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

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Company	Confidential/ Anonymous	13. Do you have any other comments on DCP 464?	Working Group Comments
Eclipse Power	Non-Confidential	No.	
ENC	Non-Confidential	Not at this time.	
ES Pipelines	Non-Confidential	No.	
Green GEN Cymru	Non-Confidential	We would support monitoring post implementation of either Option to ensure that impacts on DUoS and connections best serves customers and efficiency and fairness in the market.	
IDCSL	Non-Confidential	No.	
Indigo Networks	Non-Confidential	No.	
Last Mile Electricity Ltd	Non-Confidential	No.	
NGED	Non-Confidential	No further comments.	
NPg	Non-Confidential	No.	

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SP ENW	Non-Confidential	No further comments.	
SPEN	Non-Confidential	No further comments.	
SSE Generation	Non-Confidential	No further comments.	
SSEN	Non-Confidential	No.	
Stark	Non-Confidential	No.	
UKPD	Non-Confidential	<p>The Working Group may want to consider that this could set a precedent as to how IDNO/DNO connection are treated for other operational interactions:</p> <ul style="list-style-type: none"> • GSOP for powercuts, • Generation application (i.e. should several applications on one site be dealt with together (and risk going over the threshold for transmission consideration) or as several applications? 	
UKPN	Non-Confidential	No.	
Working Group Conclusions:			