

DCP 465 Legal Text

Add new paragraphs to Schedule 16 as below:

Capacity Charges for Non-Final Demand Sites

- 81A The Capacity Charge applied to Non Final Demand Sites that are subject to charges calculated within this Schedule 16 shall be the Capacity Charge applicable to Final Demand Sites multiplied by a factor defined as the Applicable Non Final Demand Multiplication Factor (“AMF”) calculated using DNO Non Final Demand Discount Factors (“DDFs”) derived in accordance with the methodology set out in clauses 81A.6 to 81A.13 below.
- 81A.1 The calculations shall be performed triennially at or around the same time as the recalculation of network use factors (“NUFs”) under the EDCM as such time is determined in clause 18.6 of Schedule 17 or Schedule 18.
- 81A.2 The 3 year cycle for the triennial calculation of DDFs will begin for Tariffs calculated for 2029/30. In years where a recalculation has not been carried out, the values used remain at the most recently calculated values.
- 81A.3 If DCP465 is approved in time for calculating charges for 2028/29, then for this year only, the AMF will be equal to 72.3%.
- 81A.4 Where year t is the charging year when this calculation is performed, the AMF and DDFs that are used when calculating tariffs for years t, t+1 and t+2 will have used those NUFs used in the calculation of EDCM charges applicable to years t-3, t-2 and t-1. For avoidance of doubt the calculation of AMF and each DDF shall use NUFs that are fixed having been historically calculated and shall not use those NUFs that are being recalculated at or around the same time as the AMF and DDF calculations are being performed.
- 81A.5 Each DNO Party shall produce by May 31st on a year the DDFs are being calculated, its DDF which has been calculated as set out below
- 81A.6 To calculate its DDF each DNO Party shall begin by using the methodology set out in its EDCM Schedule 17 or Schedule 18 to calculate a notional Site Minimum NUF Import Charge (“SMNIC”) in p/kVA/day expressed to [4] decimal places, for each of the three preceding years as defined in clause 81A.4 above, for each of its demand dominated sites subject to charges under the EDCM (an “EDCM Demand Site”), by using the minimum NUF defined as the collar that was calculated as set out in clause 18.4 of Schedule 17 or Schedule 18.
- 81A.7 The Site Average NUF Import Charge (“SANIC”) for each such year shall be the actual published capacity charge in p/kVA/day for each EDCM Demand Site expressed to [4] decimal places.
- 81A.8 Each DNO Party shall then calculate a discount factor for each of the three such years by taking the unweighted arithmetic average of all its SMNICs for each such year expressed to [4] decimal places and dividing this by the unweighted arithmetic average of all its SANICs for each such year expressed to [4] decimal places.

- 81A.9 The DDF for each DNO Party shall be calculated as the arithmetic average of the average annual discount factors thus obtained for each of the three years expressed as a decimal to [3] decimal places or as a percentage to [1] decimal place.
- 81A.10 The AMF shall be the unweighted arithmetic average of all the single value DDFs calculated by each DNO Party expressed to [3] decimal places or as a percentage expressed to [1] decimal place.
- 81A.11 In years where an AMF recalculation has not been carried out, the AMF used in charge setting remains at the most recently calculated value.
- 81A.12 The AMF that is applied in calculating charges for a charging year shall be published in each DNO Party's [Cost Information Review Pack as defined in Schedule 20].
- 81A.13 For each charging year the CDCM model that is in existence at the time of charge setting shall multiply its Capacity Charge for Final Demand Sites calculated in accordance with this Schedule 16 by the AMF applicable for that charging year to derive the Capacity Charge for Non Final Demand Sites expressed in p/kVA/day to [3] decimal places. This calculation takes place prior to revenue matching.
- 81A.14 For the avoidance of doubt each DNO Party shall use the Capacity Charge for Non Final Demand Sites where applicable alongside the Capacity Charge for Final Demand Sites to estimate the revenues that would be raised by applying the tariff as required by clause 89 of this Schedule 16.

Worked Example: DDF and AMF Calculation

	Year	Item		DNO x	DNO y	All DNOs
A	T-1	Average of Site Minimum NUF Import Charges ("SMNICs")	p/kVA/day	x1	y1	
B	T-1	Average of Site Average NUF Import Charges ("SANICs")	p/kVA/day	x2	y2	
C	T-1	T-1 DDF = (A)/(B)	%	x1/x2	y1/y2	
D	T-2	Average of Site Minimum NUF Import Charges ("SMNICs")	p/kVA/day	x3	y3	
E	T-2	Average of Site Average NUF Import Charges ("SANICs")	p/kVA/day	x4	y4	
F	T-2	T-2 DDF = (D)/(E)	%	x3/x4	y3/y4	
G	T-3	Average of Site Minimum NUF Import Charges ("SMNICs")	p/kVA/day	x5	y5	
H	T-3	Average of Site Average NUF Import Charges ("SANICs")	p/kVA/day	x6	y6	
I	T-3	T-3 DDF = (G)/(H)	%	x5/x6	y5/y6	
J	Per DNO Average	Average DDF = (C + F + I) / 3	%	Jx = (Cx + Fx + Ix) / 3	Jy = (Cy + Fy + Iy) / 3	
K	All DNOs Average	Average of all DDFs from each DNO				K = (Jx + Jy) / 2

AMF = (K)				
NFD import capacity charge = calculated capacity charge for Final Demand Sites x (AMF)				