

DCP 189 LEGAL TEXT

Un-expired capitalised Operation and Maintenance

Amend each of Paragraph 16.10 of Schedule 17 and Paragraph 16.9 of Schedule 18

The aggregate EDCM demand revenue target is calculated as the sum, across all EDCM demand, of the contributions based on import capacities and demand sole use assets, less the total reduction in fixed charges made to EDCM customers under paragraph 17.2. Such fixed charge reduction is to be derived as follows:

$$\text{FCR} = \text{OMR} * (\text{EHV assets} + \text{HV and LV network assets}) / (\text{Total site-specific shared assets} + \text{EHV assets} + \text{HV and LV network assets})$$

Where

OMR is the total reduction in fixed charges made to EDCM customers under paragraph 17.2, where the reduction is derived as the aggregated value of the amount each EDCM customer would have paid under paragraph 17.1 less the amount paid under 17.2 for eligible customers.

Add new Paragraphs 17.2 and 17.3 into Schedules 17 and 18

17.2 Where a customer demonstrates with written evidence to the DNO Party (or where the DNO Party has written evidence) that the customer (or its predecessors) made a capitalised O&M payment in respect of a connection to the DNO Party's network, and the period over which the O&M payment was capitalised remains unexpired, then the import fixed charge will be calculated as set out below (and the calculation for the import fixed charge in paragraph 17.1 will not apply).

The sole use assets will be split between those where capitalised O&M has been paid and those where it has not, and the fixed charge will be derived as follows:

$p/day = (\text{direct cost\%} + \text{network rates \% applied to the SUA MEAVU}) + (\text{network rates \% applied to the SUA MEAVP})$

Where SUA MEAVU means the Modern Equivalent Asset Value of Sole Use Assets where capitalised O&M has not been paid (or the period over which it was to be capitalised has expired); and SUA MEAVP means the Modern Equivalent Asset Value of Sole Use Assets where capitalised O&M has been paid (and the period over which it was to be capitalised has not expired).

- 17.3 For customers that are classified as exempt pre-2005 EDCM Distributed Generators (DGs), it is deemed for the purposes of paragraph 17.2 that the customer paid capitalised O&M to be capitalised over a period of 25 years from connection.

Wragge Lawrence Graham & Co LLP

8 September 2014