

## UoS Mod 21 - Introduction of a Power Flow/LRIC Based Methodology and Implementation in EDF Energy Networks' South East Region

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| <b>Organisation's Name:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | EDF Energy Networks on behalf of<br>EDF Energy Networks (EPN) plc<br>EDF Energy Networks (LPN) plc<br>EDF Energy Networks (SPN) plc                                                                                                                           |
| <b>Details of Proposer:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Name: Oliver Day<br/>Distribution Pricing Manager</p> <p>Organisation: EDF Energy Networks</p> <p>Telephone Number: 01293 657920</p> <p>Email Address: <a href="mailto:oliver.day@edfenergy.com">oliver.day@edfenergy.com</a></p> <p>Date: 19 May 2008</p> |
| <p><b>Description of the Proposed Modification:</b></p> <p>This Modification's primary intent is the first stage implementation of the Power Flow/LRIC<sup>1</sup> based Use of System Charging Methodology that EDF Energy Networks' has been developing over the last 18 months. This first stage is to implement the new methodology into one of the three regional distribution networks operated by EDF Energy Networks, namely the South East. In order to facilitate this implementation there are a number of inter-related components. These are presented as a single Modification because veto of one component would effectively require veto of all.</p> <p>Component 1</p> <p>The existing single Methodology Statement is split into two documents:</p> <ul style="list-style-type: none"> <li>• Statement of the Use of System Charging Methodology for EDF Energy Network's Electricity Distribution Systems   London and East of England Regions</li> <li>• Statement of the Use of System Charging Methodology for EDF Energy Network's Electricity Distribution System   South East Region</li> </ul> <p>This is done in order to facilitate the introduction of EDF Energy Networks' new Power Flow/LRIC based Charging Methodology into the South East region. The Charging Methodology for the London and East of England Regions remain unchanged at this time.</p> <p>Component 2</p> <p>A number incidental house keeping changes are effected:</p> <ul style="list-style-type: none"> <li>• An 'Important Note' is added on page 2 to explain the regional applicability of each methodology statement (incorporating a map).</li> <li>• References to the region(s) not covered by each statement are removed as appropriate on pages 2, 22 and the front cover (South East statement 2, 27 and the front cover).</li> <li>• References to other statutory documents are updated with the current naming conventions in the footnotes on pages 3, 4 and 7 (South East statement 3, 4 &amp; 7).</li> <li>• References to the locations of documents on EDF Energy's website are updated in line with the changes to the website on pages 3 and 19 (South East statement 3).</li> </ul> |                                                                                                                                                                                                                                                               |

<sup>1</sup> Long Run Incremental Cost

## Component 3

The changes to the South East regional statement to implement EDF Energy Networks' Power Flow/LRIC based Methodology. These are fully detailed in the main Modification Report.

### ***A clear explanation of how the proposed change better meets the relevant objectives:***

Separation of the single common statement into two is required to facilitate the implementation of the new methodology in the South East Region. When the methodology is implemented in London and the East of England it is our intention to return to a single common statement.

The details of how the new Power Flow/LRIC based methodology better meets the relevant objectives is detailed in the main Modification Report.

### ***Proposed wording for the methodology statement and (if applicable) the charging statement:***

Please refer to the marked up draft statements showing the changes.

### ***Illustrative charge, where the proposal results in changes, and details of which customers will be affected by the change:***

The proposal results in NO CHANGES to charges for customers in the London and East of England Regions. The details of how the change affects customers in the South East Region are included within the main Modification Report.

### ***A timetable for the implementation of the modification and charge changes:***

EDF Energy Networks is required to give at least three months notice of any changes to its use of system charges and, ideally, when consequential to a change in the methodology statement this notice should be given after approval. In addition under DCUSA<sup>2</sup> EDF Energy Networks is required to make reasonable endeavours not to revise use of system charges other than on 1 April or 1 October each year. Given that this modification proposes a complete change to the methodology, it is our expectation that Ofgem will choose to consult on the proposal and that network users should be given a reasonable period to understand the effect of the new methodology prior to its implementation. This following timeline is, therefore, implied:

|                                               |                  |
|-----------------------------------------------|------------------|
| This modification report to Ofgem             | 19 May 2008      |
| Publication date                              | 1 October 2008   |
| EDF Energy Networks issues notice under SLC4A | 31 December 2008 |
| Implementation of full modelled charges       | 1 April 2009     |

Please note that the publication date and statement of approval are square bracketed, these will be removed if and when the modification is 'Not Vetoes'.

### ***Details/copies of any responses received to consultation carried out prior to submission to the Authority:***

Two public consultations have been undertaken (in June 2007 and January 2008) on EDF Energy Networks' methodology proposals. These are detailed in the main Modification Report.

<sup>2</sup> Distribution Connection and Use of System Agreement