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2 June 2011

Dear Rachel

NEDL – CDCM input error

The purpose of this letter is to respond to your letter dated 2 June 2011 regarding the NEDL common distribution charging methodology (CDCM) input error and to provide you with the additional information that you have requested. Within the time available we have produced four different sets of tariffs to facilitate the comparison that you requested, namely:

- **Scenario 1** - The current April 2011 published tariffs;

- **Scenario 2** - Illustrative charges for October 2011 updating for the latest view of volumes (units distributed, customer numbers, connected capacity and reactive power units) and target revenue allowances but not correcting the losses input issue;

- **Scenario 3** - Illustrative charges for October 2011, updating for the latest view of volumes, target revenue allowances and correcting the losses input issue going forward; and

- **Scenario 4** - Illustrative charges for October 2011, updating for the latest view of volumes, target revenue allowances, correcting the losses input issue going forward and including a retrospective true-up for the first six months of the year.

In arriving at the tariff scenarios provided in this response we have made a number of assumptions. We would therefore like to emphasise that the information must only be considered to be illustrative of an expectation at a point in time (i.e. today). The indicative charges that must be published by 30 June 2011 could vary significantly from this if there are any material changes in the data and assumptions underlying the forecasts, as we refresh for the most up-to-date expectations.

The illustrative charges for scenarios 1-4 can be found in appendices 1-4 respectively.

In arriving at the aforementioned tariffs the main considerations have been around the calculation of the target revenue for a mid-year tariff change and the method by which any retrospective adjustments would be applied. These issues are discussed in more detail below, along with some illustrative examples.

Calculation of target revenue

It is possible to use CDCM model version '100' for a mid-year tariff change, but this requires adjustments to be made to the allowed revenue figure to take account of the revenue to be recovered in both the pre- and post-price change period. Determining the allowed revenue that needs to be entered into the charging model is complicated and this impairs the transparency of the CDCM.

Based on information provided by Reckon (the consultants who built the CDCM model) to calculate the target revenue for a mid-year tariff change we have used the following approach:

- **Step 1** : Estimate the CDCM revenue in the first half (R1) and in the second half (R2) of the charging year if the current tariffs were continued, using the latest monthly volume forecasts.

- **Step 2** : Estimate the new CDCM target revenue for the whole year (i.e. 2011/12) taking account of the latest view of the prior-year correction and expected performance against the charge restriction conditions (CRCs) and call it NTR.

- **Step 3** : Rerun the CDCM model with the latest data for all inputs and with the following CDCM target revenue figure: (NTR - R1)/R2*(R1 + R2). The result of this calculation should be entered in the first column of table 1076 and zero out the other columns.

Applying the above approach will target the whole-year revenue of (NTR - R1)/R2*(R1 + R2) from CDCM customers. Assuming that the first-half/second-half split of revenues is similar under the new and old models, then applying the new model's charge for the second half of the year will raise a total revenue over the year of R1 + R2/(R1 + R2) * (NTR - R1)/R2*(R1 + R2), which is equal to NTR.

The following worked example illustrates how the target revenue is derived:

Step 1

- April-September latest forecast CDCM revenue based on the published April 2011 charges (R1) = £110.5m.

- October-March latest forecast CDCM revenue based on the published April 2011 charges (R2) = £132.1m.

- Total forecast CDCM revenue based on the published April 2011 charges (R1 + R2) = £242.6m.

Step 2

- New CDCM target revenue (NTR) =   £248.5m.

Step 3

- CDCM target revenue figure (NTR - R1)/R2*(R1 + R2) = £253.4m.

Hence the target revenue that we have input into the CDCM model to facilitate the mid-year tariff change is £253.4m.

Calculation of retrospective adjustments

We are mindful that simply correcting the error at the mid-year stage would do nothing to address the imbalance in appropriate revenue recovery across different customer groups, but merely stop it getting worse. To fully resolve the issue we therefore propose not only to correct the error in the model going forward, but also to make some further adjustments to the charges for the second half of the year. This would mean that by the end of the regulatory year, the revenue we have received in respect of each customer group will be as it would have been if the error had not occurred. In order to achieve this we propose the use of the following mechanism to further adjust tariffs to true-up the over/under-charging of each customer group in the first six months of the year.

- **Step 1** : Calculate the number of days in the first half of the year (D1) and in the second half of the year (D2).

- **Step 2** : Identify the published tariffs (PT_{unit1}, PT_{unit2}, PT_{unit3}, $PT_{customer}$, $PT_{capacity}$ and $PT_{reactive}$).

- **Step 3** : Calculate what the April 2011 tariffs would have been had the error not occurred (RT_{unit1}, RT_{unit2}, RT_{unit3}, $RT_{customer}$, $RT_{capacity}$ and $RT_{reactive}$). This is derived by inputting the correct loss adjustment factor for LV circuits into the charge setting models and rerunning the model with all other inputs held constant. This produces a set of revised tariffs (i.e. the tariffs that we would have published if the error had not occurred).

- **Step 4** : Calculate the variance between the published and revised tariffs (VT_{unit1}, VT_{unit2}, VT_{unit3}, $VT_{customer}$, $VT_{capacity}$ and $VT_{reactive}$). Where $VT_{unit1} = RT_{unit1} - PT_{unit1}$ etc.

- **Step 5** : Identify the volume forecast in first half of the year ($V1_{unit1}$, $V1_{unit2}$, $V1_{unit3}$, $V1_{customer}$, $V1_{capacity}$ and $V1_{reactive}$) and in the second half of the year ($V2_{unit1}$, $V2_{unit2}$, $V2_{unit3}$, $V2_{capacity}$ and $V2_{reactive}$).

- **Step 6** : Calculate the difference between the forecast revenue generated (in the first six months of the year) from each element of the revised tariffs and the published April 2011 tariffs: $RV_{unit1} = (VT_{unit1} * V1_{unit1})$, $RV_{unit2} = (VT_{unit2} * V1_{unit2})$, $RV_{unit3} = (VT_{unit3} * V1_{unit3})$, $RV_{customer} = (VT_{customer} * V1_{customer} * D1)$, $RV_{capacity} = (VT_{capacity} * V1_{capacity} *$

D1), $RV_{reactive} = (VT_{reactive} * V1_{reactive})$. This provides the over/under-recovery of revenue for each tariff element for each customer group, representing the difference between what the tariffs were and what they would have been had the error not occurred.

At this point, if the forecast volumes in the first half of the year were the same as in the second half then the 'tariff variance' (i.e. the difference between the revised and published tariffs) would be the appropriate tariff adjustment to apply. However, as the forecast volumes differ between the two time periods (e.g. we see more units in the second half of the regulatory year than the first), the over/under-recovery of revenue in the first half of the year needs to be divided by the volumes for the second half of the year to provide the retrospective adjustment. More detail on this process is shown below:

- To reflect the difference in forecast volumes the first step is to multiply the 'tariff variance' by the latest volume forecast for the first half of the year (April-September). This gives the total amount of revenue that each customer group was under- or over-charged because of the incorrect loss adjustment factor input. (i.e. RV_{unit1}, RV_{unit1}, RV_{unit1}, $RV_{customer}$, $RV_{capacity}$, and $RV_{reactive}$).

- **Step 7**: To correct the over/under-recovery (so that the revenue recovered in respect of each customer group will be as it would have been if the error had not occurred) the revenue that was over- or under-recovered from each customer group in the first six months of the year is divided by the forecast volumes of each customer group for the second half of the year (October-March). $A_{unit1} = (RV_{unit1} / V2_{unit1})$, $A_{unit2} = (RV_{unit2} / V2_{unit2})$, $A_{unit3} = (RV_{unit3} / V2_{unit3})$, $A_{customer} = (RV_{customer} / V2_{customer} / D2)$, $A_{capacity} = (RV_{capacity} / V2_{capacity} / D2)$, $A_{reactive} = (RV_{reactive} / V2_{reactive})$. This gives the required adjustment to the revised tariffs. Applying this adjustment to the proposed tariffs for October 2011 leads to the amount of annual revenue being recovered from each customer group equalling the annual revenue which would have been recovered from each customer group had the error not occurred.

The following worked example illustrates how the tariff adjustments are derived for a domestic unrestricted customer:

Step 1

- The number of days in the first half of the year (D1) = 183
- The number of days in the second half of the year (D1) = 183

Step 2

- The published daily fixed charge (PTcustomer) = 3.46p/day
- The published unit rate (PT_{unit1}) = 2.010p/kWh

Step 3

- The revised daily fixed charge (RTcustomer) = 3.36p/day

- The revised unit rate (RT_{unit1}) = 2.039p/kWh

Step 4

- The variance in the daily fixed charge (VTcustomer = RTcustomer - PTcustomer) = -0.10p/day

- The published unit rate ($VT_{unit1} = RT_{unit1} - PT_{unit1}$) = 0.029p/kWh

Step 5

- Forecast customer numbers in the first half of the year (V1customer) = 1,356,296

- Forecast units distributed in the first half of the year (V1unit1) = 2,109,415,746kWh

- Forecast customer numbers in the second half of the year (V2customer) = 1,360,363

- Forecast units distributed in the second half of the year ($V2_{unit1}$) = 2,789,522,742kWh

Step 6

- The variance in the revenue recovery in the first six months from the daily charge (RVcustomer = VTcustomer * V1customer * D1) = -£248,202

- The variance in the revenue recovery in the first six months from the unit charge ($RV_{unit1} = VT_{unit1} * V1_{unit1}$) = £611,731

Step 7

- The adjustment to the daily charge (Acustomer = RVcustomer / V2customer / D2) = -0.10p/day

- The adjustment to the unit charge $A_{unit1} = (RV_{unit1} / V2_{unit1})$ = 0.022p/kWh

Hence the retrospective tariff adjustments that would be applied are to reduce the daily fixed charge by 0.10p/day and to increase the unit charge by 0.022p/kWh.

The process above is repeated for each tariff element of each customer group.

Your letter also raises some additional points that we understand may facilitate your consideration of our request for consent. These are discussed below (the italicised passages are extracts from your letter):

- *You outlined that the error occurred due to the link to the input for LV circuit losses actually linking to the input for 132kV/EHV losses. How did you come to notice this error? Please would you confirm that you have made the necessary checks in all other model inputs and are confident there are no further errors? Would you also confirm that these checks have been made to the model for the YEDL region and that no errors were found?*

    The error was brought to our attention in an e-mail from PCMG (an energy consultancy firm that tends to work with larger end-users) who were querying the NEDL April 2011 final charges. Specifically, they highlighted the discrepancy in the input sheet with regard to the loss adjustment factors to transmission for LV circuits.

    On producing published charges we use our best efforts to ensure the accuracy of all the inputs to the charges models. Since the issue has been identified we have reviewed all of the inputs into both the NEDL and YEDL charges models and as far as we can ascertain all other inputs appear appropriate.

- *We are concerned that this error was not picked up as part of your quality assurance process. Please can you provide details of the steps that you have taken or will be taking to improve this process so that future errors are identified prior to final charges being set?*
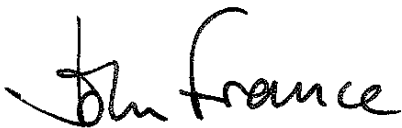
    It should be noted that this error occurred during a period when the team that applied the CDCM charging models for NEDL and YEDL were also heavily involved in the development of the extra high voltage distribution charging methodology (EDCM). The normal arrangement whereby an analyst completes the work and the manager checks it before implementation was not carried out. The competing requirements of the development of the EDCM had a direct impact on the quality of the verification we were able to carry out on this occasion and were a significant contributory factor. Since that time we have been able to devote more resource to this area of our business and we have appointed two new analysts who are currently learning the role. This will allow each analyst to run a model for one licensee's charges and to validate the other's work prior to the additional management checks.

- *I understand that you have not yet notified suppliers of this error. Please would you provide details of how you intend to notify all stakeholders? We would appreciate being kept informed of correspondence you have with stakeholders, in particular any disputes that arise due to this error.*

    We have refrained from contacting suppliers until we had discussed the matter with Ofgem. It is currently our intention to host a conference call with suppliers to explain the background to the issue and our proposed solution. This would help them prepare an informed response to your consultation. In addition the fact that we are currently forecasting under-recovery for 2011/12 that may lead to the requirement for a mid-year tariff change was communicated to suppliers on our quarterly DCP066 conference call on 24 May 2011. We shall let you know if any disputes arise as a result of this error.

I trust that this provides you with sufficient additional information to facilitate your decision making process (including your consultation). If you have any further questions please feel free to contact me. If you have questions about the detailed application of the way that the correction has been factored into the charging model these may best be directed to Harvey Jones.

Yours sincerely

John France
Regulation Director

Appendix 1

Scenario 1 : NEDL published April 2011 charges							
Customer Group	**LLFC**	**Unit rate 1 (p/kWh)**	**Unit rate 2 (p/kWh)**	**Unit rate 3 (p/kWh)**	**Fixed charge (p/MPAN/day)**	**Capacity charge (p/kVA/day)**	**Reactive power charge (p/kVArh)**
Domestic Unrestricted	1	2.010			3.46		
Domestic Two Rate	2	2.397	0.100		3.46		
Domestic Off Peak (related MPAN)	12	0.294			0.00		
Small Non Domestic Unrestricted	203	1.766			3.17		
Small Non Domestic Two Rate	204	2.348	0.149		3.17		
Small Non Domestic Off Peak (related MPAN)	205	0.324					
LV Medium Non-Domestic	257	1.674	0.088		17.25		
LV Sub Medium Non-Domestic	265	1.758	0.134		44.85		
HV Medium Non-Domestic	304	1.370	0.077		167.83		
LV HH Metered	251	6.809	1.113	0.064	9.93	1.01	0.241
LV Sub HH Metered	293	6.055	0.864	0.046	32.85	1.76	0.211
HV HH Metered	301	5.761	0.722	0.035	81.25	1.57	0.167
HV Sub HH Metered	294	5.294	0.499	0.018	167.41	2.30	0.130
NHH UMS	504 & 505	1.889					
LV UMS (Pseudo HH Metered)	554 & 555	14.469	2.577	0.155			
LV Generation NHH	774	(0.516)			0.00		
LV Sub Generation NHH	776	(0.495)			0.00		
LV Generation Intermittent	792	(0.516)			0.00		0.112
LV Generation Non-Intermittent	794	(1.799)	(0.938)	(0.062)	0.00		0.112
LV Sub Generation Intermittent	793	(0.495)			0.00		0.115
LV Sub Generation Non-Intermittent	795	(1.706)	(0.906)	(0.060)	0.00		0.115
HV Generation Intermittent	796	(0.327)			112.20		0.085
HV Generation Non-Intermittent	798	(1.038)	(0.630)	(0.039)	112.20		0.085
HV Sub Generation Non-Intermittent	799	(0.899)	(0.571)	(0.034)	112.20		0.059
HV Sub Generation Intermittent	797	(0.292)			112.20		0.059
LDNO LV: Domestic Unrestricted	150	1.395			2.40		
LDNO LV: Domestic Two Rate	151	1.663	0.069		2.40		
LDNO LV: Domestic Off Peak (related MPAN)	152	0.204					
LDNO LV: Small Non Domestic Unrestricted	153	1.225			2.20		
LDNO LV: Small Non Domestic Two Rate	154	1.629	0.103		2.20		
LDNO LV: Small Non Domestic Off Peak (related MPAN)	155	0.225					
LDNO LV: LV Medium Non-Domestic	156	1.162	0.061		11.97		
LDNO LV: LV HH Metered	157	4.725	0.772	0.044	6.89	0.70	0.167
LDNO LV: NHH UMS	169	1.311					
LDNO LV: LV UMS (Pseudo HH Metered)	170	10.041	1.788	0.108			
LDNO LV: LV Generation NHH	172	(0.516)			0.00		
LDNO LV: LV Generation Intermittent	173	(0.516)			0.00		0.112
LDNO LV: LV Generation Non-Intermittent	174	(1.799)	(0.938)	(0.062)	0.00		0.112
LDNO HV: Domestic Unrestricted	158	1.048			1.80		
LDNO HV: Domestic Two Rate	159	1.250	0.052		1.80		
LDNO HV: Domestic Off Peak (related MPAN)	160	0.153					
LDNO HV: Small Non Domestic Unrestricted	161	0.921			1.65		
LDNO HV: Small Non Domestic Two Rate	162	1.224	0.078		1.65		
LDNO HV: Small Non Domestic Off Peak (related MPAN)	163	0.169					
LDNO HV: LV Medium Non-Domestic	164	0.873	0.046		8.99		
LDNO HV: LV HH Metered	165	3.550	0.580	0.033	5.18	0.53	0.126
LDNO HV: LV Sub HH Metered	166	5.023	0.717	0.038	27.25	1.46	0.175
LDNO HV: HV HH Metered	167	4.183	0.524	0.025	59.00	1.14	0.121
LDNO HV: NHH UMS	168	0.985					
LDNO HV: LV UMS (Pseudo HH Metered)	171	7.544	1.344	0.081			
LDNO HV: LV Generation NHH	175	(0.516)			0.00		
LDNO HV: LV Sub Generation NHH	176	(0.495)			0.00		
LDNO HV: LV Generation Intermittent	177	(0.516)			0.00		0.112
LDNO HV: LV Generation Non-Intermittent	178	(1.799)	(0.938)	(0.062)	0.00		0.112
LDNO HV: LV Sub Generation Intermittent	179	(0.495)			0.00		0.115
LDNO HV: LV Sub Generation Non-Intermittent	180	(1.706)	(0.906)	(0.060)	0.00		0.115
LDNO HV: HV Generation Intermittent	181	(0.327)			0.00		0.085
LDNO HV: HV Generation Non-Intermittent	182	(1.038)	(0.630)	(0.039)	0.00		0.085

Appendix 2

Customer Group	LLFC	Unit rate 1 (p/kWh)	Unit rate 2 (p/kWh)	Unit rate 3 (p/kWh)	Fixed charge (p/MPAN/day)	Capacity charge (p/kVA/day)	Reactive power charge (p/kVArh)
Scenario 2 : NEDL illustrative October 2011 charges - revised volumes and target revenue							
Domestic Unrestricted	1	2.107			3.48		
Domestic Two Rate	2	2.572	0.102		3.48		
Domestic Off Peak (related MPAN)	12	0.301			0.00		
Small Non Domestic Unrestricted	203	1.851			3.19		
Small Non Domestic Two Rate	204	2.441	0.150		3.19		
Small Non Domestic Off Peak (related MPAN)	205	0.337					
LV Medium Non-Domestic	257	1.734	0.087		17.11		
LV Sub Medium Non-Domestic	265	1.854	0.136		44.79		
HV Medium Non-Domestic	304	1.431	0.076		163.05		
LV HH Metered	251	7.289	1.126	0.064	10.03	1.02	0.252
LV Sub HH Metered	293	6.689	0.899	0.047	33.17	1.77	0.222
HV HH Metered	301	6.255	0.738	0.035	82.03	1.58	0.177
HV Sub HH Metered	294	5.334	0.472	0.016	169.02	2.31	0.140
NHH UMS	504 & 505	1.978					
LV UMS (Pseudo HH Metered)	554 & 555	16.706	2.819	0.168			
LV Generation NHH	774	(0.518)			0.00		
LV Sub Generation NHH	776	(0.496)			0.00		
LV Generation Intermittent	792	(0.518)			0.00		0.112
LV Generation Non-Intermittent	794	(1.807)	(0.940)	(0.063)	0.00		0.112
LV Sub Generation Intermittent	793	(0.496)			0.00		0.115
LV Sub Generation Non-Intermittent	795	(1.713)	(0.908)	(0.060)	0.00		0.115
HV Generation Intermittent	796	(0.328)			113.28		0.085
HV Generation Non-Intermittent	798	(1.044)	(0.631)	(0.039)	113.28		0.085
HV Sub Generation Non-Intermittent	799	(0.904)	(0.572)	(0.035)	113.28		0.059
HV Sub Generation Intermittent	797	(0.293)			113.28		0.059
LDNO LV: Domestic Unrestricted	150	1.462			2.41		
LDNO LV: Domestic Two Rate	151	1.785	0.071		2.41		
LDNO LV: Domestic Off Peak (related MPAN)	152	0.209					
LDNO LV: Small Non Domestic Unrestricted	153	1.284			2.21		
LDNO LV: Small Non Domestic Two Rate	154	1.694	0.104		2.21		
LDNO LV: Small Non Domestic Off Peak (related MPAN)	155	0.234					
LDNO LV: LV Medium Non-Domestic	156	1.203	0.060		11.87		
LDNO LV: LV HH Metered	157	5.058	0.781	0.044	6.96	0.71	0.175
LDNO LV: NHH UMS	169	1.373					
LDNO LV: LV UMS (Pseudo HH Metered)	170	11.593	1.956	0.117			
LDNO LV: LV Generation NHH	172	(0.518)			0.00		
LDNO LV: LV Generation Intermittent	173	(0.518)			0.00		0.112
LDNO LV: LV Generation Non-Intermittent	174	(1.807)	(0.940)	(0.063)	0.00		0.112
LDNO HV: Domestic Unrestricted	158	1.099			1.81		
LDNO HV: Domestic Two Rate	159	1.341	0.053		1.81		
LDNO HV: Domestic Off Peak (related MPAN)	160	0.157			0.00		
LDNO HV: Small Non Domestic Unrestricted	161	0.965			1.66		
LDNO HV: Small Non Domestic Two Rate	162	1.273	0.078		1.66		
LDNO HV: Small Non Domestic Off Peak (related MPAN)	163	0.176			0.00		
LDNO HV: LV Medium Non-Domestic	164	0.904	0.045		8.92		
LDNO HV: LV HH Metered	165	3.800	0.587	0.033	5.23	0.53	0.131
LDNO HV: LV Sub HH Metered	166	5.549	0.746	0.039	27.52	1.47	0.184
LDNO HV: HV HH Metered	167	4.542	0.536	0.025	59.57	1.15	0.129
LDNO HV: NHH UMS	168	1.031					
LDNO HV: LV UMS (Pseudo HH Metered)	171	8.710	1.470	0.088			
LDNO HV: LV Generation NHH	175	(0.518)			0.00		
LDNO HV: LV Sub Generation NHH	176	(0.496)			0.00		
LDNO HV: LV Generation Intermittent	177	(0.518)			0.00		0.112
LDNO HV: LV Generation Non-Intermittent	178	(1.807)	(0.940)	(0.063)	0.00		0.112
LDNO HV: LV Sub Generation Intermittent	179	(0.496)			0.00		0.115
LDNO HV: LV Sub Generation Non-Intermittent	180	(1.713)	(0.908)	(0.060)	0.00		0.115
LDNO HV: HV Generation Intermittent	181	(0.328)			0.00		0.085
LDNO HV: HV Generation Non-Intermittent	182	(1.044)	(0.631)	(0.039)	0.00		0.085

Appendix 3

Customer Group	LLFC	Unit rate 1 (p/kWh)	Unit rate 2 (p/kWh)	Unit rate 3 (p/kWh)	Fixed charge (p/MPAN/day)	Capacity charge (p/kVA/day)	Reactive power charge (p/kVArh)
Scenario 3 : NEDL illustrative October 2011 charges - revised volumes, target revenue and correction of losses error							
Domestic Unrestricted	1	2.137			3.38		
Domestic Two Rate	2	2.596	0.109		3.38		
Domestic Off Peak (related MPAN)	12	0.314			0.00		
Small Non Domestic Unrestricted	203	1.878			3.10		
Small Non Domestic Two Rate	204	2.477	0.157		3.10		
Small Non Domestic Off Peak (related MPAN)	205	0.345					
LV Medium Non-Domestic	257	1.762	0.093		17.00		
LV Sub Medium Non-Domestic	265	1.745	0.134		43.14		
HV Medium Non-Domestic	304	1.326	0.075		158.38		
LV HH Metered	251	7.206	1.187	0.069	9.61	1.07	0.257
LV Sub HH Metered	293	6.101	0.878	0.047	31.80	1.74	0.208
HV HH Metered	301	5.675	0.718	0.035	78.64	1.55	0.164
HV Sub HH Metered	294	4.794	0.456	0.016	162.04	2.28	0.128
NHH UMS	504 & 505	2.008					
LV UMS (Pseudo HH Metered)	554 & 555	16.577	2.972	0.179			
LV Generation NHH	774	(0.550)			0.00		
LV Sub Generation NHH	776	(0.490)			0.00		
LV Generation Intermittent	792	(0.550)			0.00		0.119
LV Generation Non-Intermittent	794	(1.912)	(1.002)	(0.067)	0.00		0.119
LV Sub Generation Intermittent	793	(0.490)			0.00		0.114
LV Sub Generation Non-Intermittent	795	(1.684)	(0.900)	(0.059)	0.00		0.114
HV Generation Intermittent	796	(0.324)			108.60		0.084
HV Generation Non-Intermittent	798	(1.022)	(0.626)	(0.039)	108.60		0.084
HV Sub Generation Non-Intermittent	799	(0.884)	(0.567)	(0.034)	108.60		0.058
HV Sub Generation Intermittent	797	(0.289)			108.60		0.058
LDNO LV: Domestic Unrestricted	150	1.483			2.35		
LDNO LV: Domestic Two Rate	151	1.801	0.076		2.35		
LDNO LV: Domestic Off Peak (related MPAN)	152	0.218					
LDNO LV: Small Non Domestic Unrestricted	153	1.303			2.15		
LDNO LV: Small Non Domestic Two Rate	154	1.719	0.109		2.15		
LDNO LV: Small Non Domestic Off Peak (related MPAN)	155	0.239					
LDNO LV: LV Medium Non-Domestic	156	1.223	0.065		11.80		
LDNO LV: LV HH Metered	157	5.000	0.824	0.048	6.67	0.74	0.178
LDNO LV: NHH UMS	169	1.393					
LDNO LV: LV UMS (Pseudo HH Metered)	170	11.503	2.062	0.124			
LDNO LV: LV Generation NHH	172	(0.550)			0.00		
LDNO LV: LV Generation Intermittent	173	(0.550)			0.00		0.119
LDNO LV: LV Generation Non-Intermittent	174	(1.912)	(1.002)	(0.067)	0.00		0.119
LDNO HV: Domestic Unrestricted	158	1.114			1.76		
LDNO HV: Domestic Two Rate	159	1.354	0.057		1.76		
LDNO HV: Domestic Off Peak (related MPAN)	160	0.164			0.00		
LDNO HV: Small Non Domestic Unrestricted	161	0.979			1.62		
LDNO HV: Small Non Domestic Two Rate	162	1.291	0.082		1.62		
LDNO HV: Small Non Domestic Off Peak (related MPAN)	163	0.180			0.00		
LDNO HV: LV Medium Non-Domestic	164	0.919	0.048		8.86		
LDNO HV: LV HH Metered	165	3.757	0.619	0.036	5.01	0.56	0.134
LDNO HV: LV Sub HH Metered	166	5.061	0.728	0.039	26.38	1.44	0.173
LDNO HV: HV HH Metered	167	4.121	0.521	0.025	57.11	1.13	0.119
LDNO HV: NHH UMS	168	1.047					
LDNO HV: LV UMS (Pseudo HH Metered)	171	8.643	1.550	0.093			
LDNO HV: LV Generation NHH	175	(0.550)			0.00		
LDNO HV: LV Sub Generation NHH	176	(0.490)			0.00		
LDNO HV: LV Generation Intermittent	177	(0.550)			0.00		0.119
LDNO HV: LV Generation Non-Intermittent	178	(1.912)	(1.002)	(0.067)	0.00		0.119
LDNO HV: LV Sub Generation Intermittent	179	(0.490)			0.00		0.114
LDNO HV: LV Sub Generation Non-Intermittent	180	(1.684)	(0.900)	(0.059)	0.00		0.114
LDNO HV: HV Generation Intermittent	181	(0.324)			0.00		0.084
LDNO HV: HV Generation Non-Intermittent	182	(1.022)	(0.626)	(0.039)	0.00		0.084

Appendix 4

Scenario 4 : NEDL illustrative October 2011 charges - revised volumes, target revenue, correction of losses error and retrospective adjustment							
Customer Group	**LLFC**	**Unit rate 1 (p/kWh)**	**Unit rate 2 (p/kWh)**	**Unit rate 3 (p/kWh)**	**Fixed charge (p/MPAN/day)**	**Capacity charge (p/kVA/day)**	**Reactive power charge (p/kVArh)**
Domestic Unrestricted	1	2.159			3.28		
Domestic Two Rate	2	2.610	0.112		3.28		
Domestic Off Peak (related MPAN)	12	0.318			0.00		
Small Non Domestic Unrestricted	203	1.899			3.02		
Small Non Domestic Two Rate	204	2.505	0.162		3.02		
Small Non Domestic Off Peak (related MPAN)	205	0.349					
LV Medium Non-Domestic	257	1.786	0.098		16.90		
LV Sub Medium Non-Domestic	265	1.654	0.132		41.49		
HV Medium Non-Domestic	304	1.234	0.074		153.62		
LV HH Metered	251	7.121	1.244	0.074	9.20	1.12	0.257
LV Sub HH Metered	293	5.938	0.872	0.047	30.43	1.72	0.208
HV HH Metered	301	5.171	0.701	0.035	75.25	1.53	0.154
HV Sub HH Metered	294	4.540	0.449	0.016	155.06	2.26	0.128
NHH UMS	504 & 505	2.030					
LV UMS (Pseudo HH Metered)	554 & 555	16.551	3.059	0.187			
LV Generation NHH	774	(0.603)			0.00		
LV Sub Generation NHH	776	(0.490)			0.00		
LV Generation Intermittent	792	(0.582)			0.00		0.119
LV Generation Non-Intermittent	794	(2.030)	(1.072)	(0.073)	0.00		0.129
LV Sub Generation Intermittent	793	(0.490)			0.00		0.114
LV Sub Generation Non-Intermittent	795	(1.684)	(0.900)	(0.059)	0.00		0.114
HV Generation Intermittent	796	(0.320)			103.92		0.084
HV Generation Non-Intermittent	798	(1.002)	(0.620)	(0.039)	103.92		0.084
HV Sub Generation Non-Intermittent	799	(0.848)	(0.558)	(0.034)	103.92		0.058
HV Sub Generation Intermittent	797	(0.285)			103.92		0.058
LDNO LV: Domestic Unrestricted	150	1.501			2.35		
LDNO LV: Domestic Two Rate	151	1.801	0.076		2.35		
LDNO LV: Domestic Off Peak (related MPAN)	152	0.218					
LDNO LV: Small Non Domestic Unrestricted	153	1.318			2.15		
LDNO LV: Small Non Domestic Two Rate	154	1.719	0.109		2.15		
LDNO LV: Small Non Domestic Off Peak (related MPAN)	155	0.239					
LDNO LV: LV Medium Non-Domestic	156	1.223	0.065		11.80		
LDNO LV: LV HH Metered	157	5.000	0.824	0.048	6.67	0.74	0.178
LDNO LV: NHH UMS	169	1.414					
LDNO LV: LV UMS (Pseudo HH Metered)	170	11.503	2.062	0.124			
LDNO LV: LV Generation NHH	172	(0.550)			0.00		
LDNO LV: LV Generation Intermittent	173	(0.550)			0.00		0.119
LDNO LV: LV Generation Non-Intermittent	174	(1.912)	(1.002)	(0.067)	0.00		0.119
LDNO HV: Domestic Unrestricted	158	1.126			1.76		
LDNO HV: Domestic Two Rate	159	1.359	0.058		1.76		
LDNO HV: Domestic Off Peak (related MPAN)	160	0.164			0.00		
LDNO HV: Small Non Domestic Unrestricted	161	0.993			1.62		
LDNO HV: Small Non Domestic Two Rate	162	1.291	0.082		1.62		
LDNO HV: Small Non Domestic Off Peak (related MPAN)	163	0.180			0.00		
LDNO HV: LV Medium Non-Domestic	164	0.919	0.048		8.86		
LDNO HV: LV HH Metered	165	3.451	0.832	0.053	5.01	0.56	0.144
LDNO HV: LV Sub HH Metered	166	5.061	0.728	0.039	26.38	1.44	0.173
LDNO HV: HV HH Metered	167	4.121	0.521	0.025	57.11	1.13	0.119
LDNO HV: NHH UMS	168	1.064					
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LDNO HV: LV Generation NHH	175	(0.550)			0.00		
LDNO HV: LV Sub Generation NHH	176	(0.490)			0.00		
LDNO HV: LV Generation Intermittent	177	(0.550)			0.00		0.119
LDNO HV: LV Generation Non-Intermittent	178	(1.912)	(1.002)	(0.067)	0.00		0.119
LDNO HV: LV Sub Generation Intermittent	179	(0.490)			0.00		0.114
LDNO HV: LV Sub Generation Non-Intermittent	180	(1.684)	(0.900)	(0.059)	0.00		0.114
LDNO HV: HV Generation Intermittent	181	(0.324)			0.00		0.084
LDNO HV: HV Generation Non-Intermittent	182	(1.022)	(0.626)	(0.039)	0.00		0.084