

**WESTERN POWER DISTRIBUTION (SOUTH WALES) PLC
WESTERN POWER DISTRIBUTION (SOUTH WEST) PLC
WESTERN POWER DISTRIBUTION (EAST MIDLANDS) PLC
WESTERN POWER DISTRIBUTION (WEST MIDLANDS) PLC**

**MODIFICATION PROPOSAL:
WPD/WALES/WEST/MIDS/029**

Modification Proposal:

To amend the Statement of Methodology and Charges for Connection

- **Proposal to seek approval from the Authority to modify Section 6 – Our Specific Connection Charging Methodology**
- **The modifications to take effect from 1 November 2015**

Date of Issue: 14 October 2015

For Approval by the Gas and Electricity Markets Authority

Issue Record

Issue Date	Issue No.	Author	Amendment Details
14 October 2015	1.0	Tim Hughes	To implement changes following the introduction of the CIC Code of Practice

1.0 Introduction

1.1 This Modification Proposal sets out Western Power Distribution's ("WPD's") proposals to amend its existing:

- i) Statement of Methodology and Charges for Connection to Western Power Distribution (South Wales) plc's Electricity Distribution System, dated May 2015;
- ii) Statement of Methodology and Charges for Connection to Western Power Distribution (South West) plc's Electricity Distribution System, dated May 2015;
- iii) Statement of Methodology and Charges for Connection to Western Power Distribution (East Midlands) plc's Electricity Distribution System, dated May 2015;
- iv) Statement of Methodology and Charges for Connection to Western Power Distribution (West Midlands) plc's Electricity Distribution System, dated May 2015;

Collectively "the Statements"

1.2 This Modification Proposal sets out:

- i) a description of the proposed modifications;
- ii) how the modification would better achieve the relevant objectives; and
- iii) a date with effect from which the modification (if made) is to take effect

1.3 The Competition in Connections (CiC) Code of Practice codifies the established and developing arrangements between Distribution Network Operators (DNO's) and Independent Connection Providers (ICP's) for facilitating the effective operation of competition in the market for the provision of connections. This Modification Proposal seeks to implement the recommendations made under the CiC Code of Practice into WPD's connection charging methodology.

1.4 In accordance with Standard Licence Condition (SLC) 13.4, WPD is seeking the approval of the Authority to modify the connection charging methodology in each Statement.

2.0 Proposals for Modification

2.1 WPD proposals for modification are set out in Appendix A of this document. It is a copy of the Statement for WPD South West marked to show the proposed modifications. Identical modifications are proposed to the Statement for WPD South Wales, WPD East Midlands and WPD West Midlands and this Modification Proposal should be treated as a request to amend all.

2.2 WPD proposes to amend paragraphs 6.6, 6.7 and the table at 6.17 of Section 6 of the Statement entitled "Our Specific Connection Charging Methodology".

2.3 Section 4.0 of the CiC Code of Practice sets out the circumstances upon which an ICP may determine the point of connection to the host DNO's existing distribution system and carry out their own design approval. Whilst these activities are still deemed non-contestable the

proposed changes seek to inform the reader that these activities may be undertaken by the ICP under the criteria set out in the CiC Code of Practice.

- 2.4 The changes to paragraphs 6.6 and 6.7 and the table at 6.17 are drafted to provide clarity and support the development of the extension of contestability

3.0 Justification for modification to charging methodology

- 3.1 WPD must demonstrate that any proposed changes to its charging methodology better meets the relevant objectives set out in SLC 13.3 of the distribution licence.

- 3.2 The relevant objectives in relation to the charging methodology are:

- (a) that compliance with the methodology facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;
- (b) that compliance with the methodology facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;
- (c) that compliance with the methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the licensee in its Distribution Business;
- (d) that, so far as is consistent with subparagraphs (a), (b), and (c), the methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's Distribution Business; and
- (e) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

- 3.3 This modification better meets Relevant Objective SLC 13.3 (b); that compliance with the methodology facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity.

- 3.4 This modification facilitates competition in that it acts to facilitate increased levels of competitive connections activity.

4.0 Implementation Date

- 4.1 It is proposed to implement this modification on 1 November 2015, or as soon as possible following a 'non-veto' decision by the Authority.

Appendix A

A copy of WPD's Statement of Methodology and Charges for Connection to Western Power Distribution (South West) plc's Electricity Distribution System, marked to show the Modification Proposals. Note: Identical modifications are proposed to the Statement for WPD South Wales, WPD East Midlands and WPD West Midlands and this Modification Proposal should be treated as a request to amend all.