Schedule 16, glossary entry for LDNO, ~~version 6.2~~proposed

LDNO	~~a licensed distribution network operator, meaning an IDNO Party or DNO Party operating an electricity distribution system outside of its Distribution Services Area.~~ In this schedule, the term LDNO refers to an embedded distribution system whgich is connected to the DNO Party's system, which is a Designated Property as defined in Condition 13A (Common Distribution Charging Methodology) of the DNO Party's Distribution Licences, and which satisfies at least one of the following three conditions: • the embedded distribution system is operated by an IDNO Party; or • the embedded distribution system is operated by another DNO Party operating outside of its Distribution Services Area; or • the embedded distribution system is part of the Total System under the Balancing and Settlement Code, it is open to supply competition, and the person responsible for that system has notified the DNO Party that it wishes to opt for LDNO treatment and has accepted the obligations to provide all the data necessary for the DNO Party to calculate charges, in the same format and through the same systems as would be used by an IDNO Party or a DNO Party operating outside of its Distribution Services Area.

Schedule 17, paragraph 24.1 to 24.9, ~~version 6.2~~proposed

24.1 In this schedule, the terms LDNO and LDNO system refer to an embedded distribution system whgich is connected to the DNO Party's system, which is a Designated EHV Property as defined in Condition 13B (EHV Distribution Charging Methodology) of the DNO Party's Distribution Licences, and which satisfies at least one of the following three conditions:
• the embedded distribution system is operated by an IDNO Party; or
• the embedded distribution system is operated by another DNO Party operating outside of its Distribution Services Area; or
• the embedded distribution system is part of the Total System under the Balancing and Settlement Code, it is open to supply competition, and the person responsible for that system has notified the DNO Party that it wishes to opt for LDNO treatment and has accepted the obligations to provide all the data necessary for the DNO Party to calculate charges, in the same format and through the same systems as would be used by an IDNO Party or a DNO Party operating outside of its Distribution Services Area. ~~IDNO Parties with Distribution Systems that serve Connectees that fall within the scope of the CDCM would have their charges based on standard discount percentages applied to the CDCM all-the-way end user charges.~~

~~An IDNO Party with a Distribution System that qualifies as a CDCM "Designated Property" according to the definition set out in condition 50.10 of the Distribution Licences are eligible for portfolio discounts calculated using a price control disaggregation model (method M) consistent with the CDCM.~~

~~An IDNO Party with a Distribution Systems that qualifies as an EDCM "Designated EHV Property" according to the definition set out in condition 50A.11 of the Distribution Licences~~

~~are eligible for discounts calculated using an "extended" price control disaggregation model (extended method M).~~

~~24.2 An IDNO Party with a Distribution System that qualifies as an EDCM "Designated EHV Property" could itself have Connectees who would fall under the scope of the EDCM. Since the EDCM is a locational charging method, the host DNO Party would calculate EDCM charges at the DNO Party's boundary for each EDCM-like Connectee on the IDNO Party's network. No discounts are calculated for such EDCM Connectees as the DNO Party's charges are based only on the specific site's equivalent use of the DNO Party's network.~~ LDNO systems are charged on a portfolio basis, with separate elements of charges for each Connectee on the LDNO system. In respect of Connectees on the LDNO system that would be covered by the CDCM if they were on the DNO Party's network, the LDNO tariff element will be set by applying a discount to the relevant CDCM tariff of the DNO Party. In respect of Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network, the LDNO tariff element will be set using a modified form of the EDCM.

24.3 Under the EDCM, the DNO Party's network is divided into five network levels:

Level 1 comprises 132 kV circuits

Level 2 comprises substations with a primary voltage of 132 kV and a secondary voltage of 22 kV or more.

Level 3 comprises circuits of 22 kV or more, excluding circuits already categorised as being in Level 1.

Level 4 comprises substations with a primary voltage of 22 kV or more but less than 132 kV and a secondary voltage of less than 22 kV.

Level 5 comprises substations with a primary voltage of 132 kV and a secondary voltage of less than 22 kV.

24.4 ~~The DNO Party may designate 66 kV circuits belonging to either network level 1 or 3 and substations with a primary voltage of 66 kV into level 2 or level 4 or level 5, depending on their network planning policies.~~ Not used.

24.5 The network level of the boundary between the host DNO Party and the LDNO system ~~IDNO Party's Distribution System~~ is determined by reference to the asset ownership boundary between the ~~host~~ DNO Party and the ~~IDNO Party~~LDNO system.

24.6 Where the IDNO Party's Distribution System only has one Connectee ~~(whether a designated EHV property or not)~~, the network level of the boundary between the host DNO Party and LDNO system ~~IDNO Party~~ is determined by reference to the Point of Common Coupling. The Point of Common Coupling is determined in the same way as it is for ~~an~~ other EDCM Connectees connected ~~directly~~ to the ~~host~~ DNO Party's network.

24.7 ~~For EDCM Connectees, t~~The Point of Common Coupling is the point on the network where the power flow associated with the single Connectee under consideration, may under some (or all) possible arrangements interact with the power flows associated with other Connectees, taking into account all possible credible running arrangements.

24.8 ~~IDNO Party Distribution Systems~~LDNO systems are split into 15 categories based on the network level of the boundary between the ~~host~~ DNO Party and the ~~IDNO Party~~LDNO system, and whether or not higher network levels are used by the ~~IDNO Party~~LDNO system. In some cases, it might be appropriate to treat 66 kV equipment as being equivalent to 132 kV equipment and allocate LDNO systems to categories accordingly.

Table 16 Categorisation of ~~designated EHV IDNO Parties~~LDNO systems

Category	Definition
Category 0000	Boundary at the GSP, whether the GSP is shared or not~~, with no use of any circuits~~.
Category 1000	In England or Wales only, boundary at a voltage of 132 kV, unless the Connectee qualifies for category 0000.
Category 1100	Boundary at 22 kV or more on the secondary side of a substation where the primary side is attached to a 132 kV circuit.
Category 0100	Boundary at 22 kV or more, but less than 132 kV, on the secondary side of a substation where the primary side is attached at 132 kV to a co-located GSP with no use of any 132 kV circuits.
Category 1110	Boundary at a voltage of 22 kV or more, but less than 132 kV, not at a substation, fed from a substation whose primary side is attached to a 132 kV distribution circuit.
Category 0110	Boundary at a voltage of 22 kV or more, but less than 132 kV, not at a substation, fed from a substation whose primary side is attached at 132 kV to a co-located GSP with no use of any 132 kV circuits.
Category 0010	Boundary at a voltage of 22 kV or more, but less than 132 kV, fed from a GSP with no intermediate transformation~~ and no use of any 132 kV circuits~~.
Category 0001	Boundary at a voltage of less than 22 kV on the secondary side of a substation where the primary side is attached at 132 kV to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.
Category 0002	Boundary at a voltage of less than 22 kV on the secondary side of a substation where the primary side is attached at 22 kV or more but less than 132 kV, to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.

Category 1001	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is attached to a 132 kV distribution circuit.
Category 0011	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed from a GSP with no intermediate transformation ~~and no use of any 132 kV circuits~~.
Category 0111	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed through a distribution circuit from a substation whose primary side is attached at 132 kV to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.
Category 0101	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed from the secondary side of a co-located substation whose primary side is attached at 132 kV to a co-located GSP with no ~~use of any~~ circuit.
Category 1101	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more but less than 132 kV, with no use of 33 kV circuit, fed from the secondary side of a co-located substation whose primary side is attached to a 132 kV distribution circuit.
Category 1111	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed through a distribution circuit from a substation whose primary side is attached to a 132 kV distribution circuit.

24.9 All references to GSP in the table above relate to interconnections with the main interconnected onshore transmission network.

Schedule 17, paragraph 25.16, ~~version 6.2~~proposed

25.16 For the purposes of calculating portfolio discounts for Connectees that fall within the scope of the CDCM, the 15 boundary categories between the DNO Party and the LDNO system ~~IDNO Party~~ are grouped into five discount categories in England and Wales and three in Scotland:

(a) Discount category 0000 - This applies to ~~IDNO Party~~LDNO systems in category 0000.

(b) Discount category 132kV (in England and Wales only) - This applies to LDNO systems in ~~IDNO Party~~ category 1000.

(c) Discount category 132kV/EHV (in England and Wales only) - This applies to LDNO systems in ~~IDNO Party~~ categories 1100 and 0100.

(d) Discount category EHV - This applies to LDNO systems in ~~IDNO Party~~ categories 1110, 0110 and 0010.

(e) Discount category HVplus - This applies to LDNO systems in ~~IDNO Party~~ categories 1111, 0001, 1001, 0002, 0011, 0111, 1101, 0101.

Schedule 17, paragraph 25.18 and 25.19, ~~version 6.2~~proposed

25.18 ~~Whereas demand tariffs reflect costs at the network level of supply and at every level above that, generation tariffs only reflect costs above the network level of supply. For example, credits to HV generators do not include anything based on the costs of HV networks.~~ Not used.

25.19 In each case, the discount is applied to all CDCM tariff components. ~~Discount percentages are capped to 100 per cent.~~

Schedule 17, paragraphs 26.1 to 26.11, ~~version 6.2 + DCP 185~~proposed

26.1 For Connectees on an ~~IDNO Party's Distribution System~~ LDNO system that would be covered by the EDCM if they were on the DNO Party's network, the EDCM is applied to calculate a portfolio EDCM charge/credit for each such Connectee. This will be charged to the operator of the LDNO system.

26.2 These EDCM portfolio charges ~~would be~~ are calculated as if each EDCM Connectee on the ~~IDNO Party's distribution~~LDNO system were notionally connected at the boundary between the DNO Party and the LDNO system~~IDNO Party~~. Both EDCM import and export charges ~~will~~ may apply.

26.3 For the purposes of calculating the boundary-equivalent portfolio EDCM tariffs, each EDCM Connectee on the LDNO system ~~IDNO Party's network would be~~is assigned the demand Connectee category relating to the 15 LDNO system ~~IDNO Party boundary~~ categories.

26.4 Such Connectees ~~would~~ attract charges (credits) in respect of any reinforcements caused (avoided) on the DNO Party's network only, i.e. any network Branches that are on the LDNO system ~~IDNO Party's network~~ would be attributed a zero ~~FCP charge/credit~~contribution to charge 1.

26.5 ~~The setting of final charges to Embedded Designated EHV Properties including the calculation of charges for assets used on the Embedded network will be established by the IDNO Party~~Not used.

26.6 All EDCM charges ~~would be~~are calculated using "boundary equivalent" data provided by the ~~IDNO Party~~operator of the LDNO system to the host DNO Party for each ~~E~~embedded ~~Designated EHV Property~~user. For the purposes of the EDCM, boundary equivalent data should be what the ~~IDNO Party~~operator of the LDNO system has allowed for at the DNO Party - ~~IDNO Party~~ LDNO system boundary, for each EDCM Connectee, after taking into consideration the diversity and losses within the IDNO Party's network. Data relating to ~~CDCM~~ end users that would be charged under the CDCM if they were on the DNO Party's network must be considered for the purposes of calculating boundary equivalent data in order to cater for the effect of diversity and losses.

26.7 ~~The EDCM will include in the charges for Embedded Designated EHV Properties a f~~Fixed charges will be applied in respect of ~~relating~~ to any assets on the DNO Party's network that are for the sole use of ~~an Embedded IDNO Party's network~~the LDNO system. ~~These fixed charges would be calculated in the same way as it would be for EDCM Connectees connected directly to the host DNO Party's network.~~

26.8 In calculating charges for assets on the DNO Party's network that are for the sole use of ~~an Embedded IDNO Party's distribution~~the LDNO system, the DNO Party~~'s will~~ charges only for the proportion of sole use assets deemed to be used by Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~Embedded Designated EHV Properties~~. This proportion ~~will be~~is calculated, in respect of each ~~Embedded Designated EHV Properties~~ such Connectee, as the ratio of the boundary equivalent capacity of that Connectee to the capacity at the ~~IDNO Party~~boundary between the LDNO system and the ~~–~~ DNO Party's network ~~boundary~~.

26.9 If there are no Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~Embedded Designated EHV Properties on the IDNO Party's network~~, no sole use asset charges ~~would~~ apply.

26.10 ~~Demand scaling would be applied as normal to any EDCM portfolio tariff in respect of an EDCM Connectee~~. For the purposes of demand scaling, all Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network ~~EDCM Connectees connected to the IDNO Party's network~~ will be treated as notional EDCM Connectees with their category set to the ~~connected to the DNO Party's network at the voltage level of the boundary~~LDNO system's category.

26.11 For Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~EDCM Connectees connected to the IDNO Party's network~~, the capacity-based charge for the DNO Party's indirect costs is scaled down by a factor of 50 per cent, and the 20% share of residual revenue that is applied as a fixed adder~~, would be~~ is scaled down by a factor of 50 per cent~~, however, the scaling down will not apply where the residual revenue~~ unless it is negative.

Schedule 17, paragraphs 28.1 to 28.2, ~~version 6.2~~proposed

28.1 Unlicensed networks have a choice. If they are part of the Total System under the Balancing and Settlement Code with the network open to supply competition, and if they are party to the DCUSA, and have accepted the obligations to provide the necessary data, they can, if they wish, be treated according to section 24 "LDNO Charging". ~~treated as IDNO Parties.~~

28.2 Otherwise, the DNO Party applies the EDCM to calculate an import charge and an export charge based on capacity and power flow ~~data metered~~ at the boundary. Any sole use assets specific to the unlicensed network are charged as a p/day sole use asset charge calculated as applicable to ~~a normal~~ EDCM Connectees that are not LDNO systems.

Schedule 18, paragraph 24.1 to 24.9, ~~version 6.2~~proposed

24.1 In this schedule, a LDNO system refers to a distribution network operated by another DNO Party, an IDNO Party or, subject to section 28, an unlicensed person, which is embedded within the DNO Party's distribution network and which qualifies as an EDCM Designated EHV Property. ~~IDNO Parties with Distribution Systems that serve Connectees that fall within the scope of the CDCM would have their charges based on standard discount percentages applied to the CDCM all-the-way end user charges.~~

~~An IDNO Party with a Distribution System that qualifies as a CDCM "Designated Property" according to the definition set out in condition 50.10 of the Distribution Licences are eligible for portfolio discounts calculated using a price control disaggregation model (method M) consistent with the CDCM.~~

~~An IDNO Party with a Distribution Systems that qualifies as an EDCM "Designated EHV Property" according to the definition set out in condition 50A.11 of the Distribution Licences are eligible for discounts calculated using an "extended" price control disaggregation model (extended method M).~~

~~24.2 An IDNO Party with a Distribution System that qualifies as an EDCM "Designated EHV Property" could itself have Connectees who would fall under the scope of the EDCM. Since the EDCM is a locational charging method, the host DNO Party would calculate EDCM charges at the DNO Party's boundary for each EDCM-like Connectee on the IDNO Party's network. No discounts are calculated for such EDCM Connectees as the DNO Party's charges are based only on the specific site's equivalent use of the DNO Party's network.~~ LDNO systems are charged on a portfolio basis, with separate elements of charges for each Connectee on the LDNO system. In respect of Connectees on the LDNO system that would be covered by the CDCM if they were on the DNO Party's network, the LDNO tariff element will be set by applying a discount to the relevant CDCM tariff of the DNO Party. In respect of Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network, the LDNO tariff element will be set using a modified form of the EDCM.

24.3 Under the EDCM, the DNO Party's network is divided into five network levels:

Level 1 comprises 132 kV circuits

Level 2 comprises substations with a primary voltage of 132 kV and a secondary voltage of 22 kV or more.

Level 3 comprises circuits of 22 kV or more, excluding circuits already categorised as being in Level 1.

Level 4 comprises substations with a primary voltage of 22 kV or more but less than 132 kV and a secondary voltage of less than 22 kV.

Level 5 comprises substations with a primary voltage of 132 kV and a secondary voltage of less than 22 kV.

24.4 ~~The DNO Party may designate 66 kV circuits belonging to either network level 1 or 3 and substations with a primary voltage of 66 kV into level 2 or level 4 or level 5, depending on their network planning policies.~~ Not used.

24.5 The network level of the boundary between the host DNO Party and the LDNO system ~~IDNO Party's Distribution System~~ is determined by reference to the asset ownership boundary between the ~~host~~ DNO Party and the ~~IDNO Party~~LDNO system.

24.6 Where the LDNO system ~~IDNO Party's Distribution System~~ only has one Connectee ~~(whether a designated EHV property or not)~~, the network level of the boundary between the host DNO Party and LDNO system ~~IDNO Party~~ is determined by reference to the Point of Common Coupling. The Point of Common Coupling is determined in the same way as it is for ~~an~~ other EDCM Connectees connected ~~directly~~ to the ~~host~~ DNO Party's network.

24.7 ~~For EDCM Connectees, t~~The Point of Common Coupling is the point on the network where the power flow associated with the single Connectee under consideration, may under some (or all) possible arrangements interact with the power flows associated with other Connectees, taking into account all possible credible running arrangements.

24.8 ~~IDNO Party Distribution Systems~~LDNO systems are split into 15 categories based on the network level of the boundary between the ~~host~~ DNO Party and the ~~IDNO Party~~LDNO system, and whether or not higher network levels are used by the ~~IDNO Party~~LDNO system. In some cases, it might be appropriate to treat 66 kV equipment as being equivalent to 132 kV equipment and allocate LDNO systems to categories accordingly.

Table 16 Categorisation of ~~designated EHV IDNO Parties~~LDNO systems

Category	Definition
Category 0000	Boundary at the GSP, whether the GSP is shared or not~~, with no use of any circuits~~.
Category 1000	In England or Wales only, boundary at a voltage of 132 kV, unless the Connectee qualifies for category 0000.
Category 1100	Boundary at 22 kV or more on the secondary side of a substation where the primary side is attached to a 132 kV circuit.

Category 0100	Boundary at 22 kV or more, but less than 132 kV, on the secondary side of a substation where the primary side is attached at 132 kV to a co-located GSP with no use of any 132 kV circuits.
Category 1110	Boundary at a voltage of 22 kV or more, but less than 132 kV, not at a substation, fed from a substation whose primary side is attached to a 132 kV distribution circuit.
Category 0110	Boundary at a voltage of 22 kV or more, but less than 132 kV, not at a substation, fed from a substation whose primary side is attached at 132 kV to a co-located GSP with no use of any 132 kV circuits.
Category 0010	Boundary at a voltage of 22 kV or more, but less than 132 kV, fed from a GSP with no intermediate transformation ~~and no use of any 132 kV circuits~~.
Category 0001	Boundary at a voltage of less than 22 kV on the secondary side of a substation where the primary side is attached at 132 kV to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.
Category 0002	Boundary at a voltage of less than 22 kV on the secondary side of a substation where the primary side is attached at 22 kV or more but less than 132 kV, to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.
Category 1001	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is attached to a 132 kV distribution circuit.
Category 0011	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed from a GSP with no intermediate transformation ~~and no use of any 132 kV circuits~~.
Category 0111	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed through a distribution circuit from a substation whose primary side is attached at 132 kV to a co-located GSP with no ~~use of any 132 kV~~ circuit~~s~~.

Category 0101	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed from the secondary side of a co-located substation whose primary side is attached at 132 kV to a co-located GSP with no ~~use of any~~ circuit.
Category 1101	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more but less than 132 kV, with no use of 33 kV circuit, fed from the secondary side of a co-located substation whose primary side is attached to a 132 kV distribution circuit.
Category 1111	Boundary at a voltage of less than 22 kV on the secondary side of a substation whose primary side is at a voltage of 22 kV or more, but less than 132 kV, fed through a distribution circuit from a substation whose primary side is attached to a 132 kV distribution circuit.

24.9 All references to GSP in the table above relate to interconnections with the main interconnected onshore transmission network.

Schedule 18, paragraph 25.16, ~~version 6.2~~proposed

25.16 For the purposes of calculating portfolio discounts for Connectees that fall within the scope of the CDCM, the 15 boundary categories between the DNO Party and the LDNO system ~~IDNO Party~~ are grouped into five discount categories in England and Wales and three in Scotland:

(a) Discount category 0000 - This applies to ~~IDNO Party~~LDNO systems in category 0000.

(b) Discount category 132kV (in England and Wales only) - This applies to LDNO systems in ~~IDNO Party~~ category 1000.

(c) Discount category 132kV/EHV (in England and Wales only) - This applies to LDNO systems in ~~IDNO Party~~ categories 1100 and 0100.

(d) Discount category EHV - This applies to LDNO systems in ~~IDNO Party~~ categories 1110, 0110 and 0010.

(e) Discount category HVplus - This applies to LDNO systems in ~~IDNO Party~~ categories 1111, 0001, 1001, 0002, 0011, 0111, 1101, 0101.

Schedule 18, paragraph 25.18 and 25.19, ~~version 6.2~~proposed

25.18 ~~Whereas demand tariffs reflect costs at the network level of supply and at every level above that, generation tariffs only reflect costs above the network level of supply. For example, credits to HV generators do not include anything based on the costs of HV networks.~~ Not used.

25.19 In each case, the discount is applied to all CDCM tariff components. ~~Discount percentages are capped to 100 per cent.~~

Schedule 18, paragraphs 26.1 to 26.11, ~~version 6.2 + DCP 185~~proposed

26.1 For Connectees on an ~~IDNO Party's Distribution System~~ LDNO system that would be covered by the EDCM if they were on the DNO Party's network, the EDCM is applied to calculate a portfolio EDCM charge/credit for each such Connectee. This will be charged to the operator of the LDNO system.

26.2 These EDCM portfolio charges ~~would be~~ are calculated as if each EDCM Connectee on the ~~IDNO Party's distribution~~LDNO system were notionally connected at the boundary between the DNO Party and the LDNO system~~IDNO Party~~. Both EDCM import and export charges ~~will~~ may apply.

26.3 For the purposes of calculating the boundary-equivalent portfolio EDCM tariffs, each EDCM Connectee on the LDNO system ~~IDNO Party's network would be~~is assigned the demand Connectee category relating to the 15 LDNO system ~~IDNO Party boundary~~ categories.

26.4 Such Connectees ~~would~~ attract charges (credits) in respect of any reinforcements caused (avoided) on the DNO Party's network only, i.e. any network Branches that are on the LDNO system ~~IDNO Party's network~~ would be attributed a zero ~~LRIC charge/credit~~contribution to charge 1.

26.5 ~~The setting of final charges to Embedded Designated EHV Properties including the calculation of charges for assets used on the Embedded network will be established by the IDNO Party~~Not used.

26.6 All EDCM charges ~~would be~~are calculated using "boundary equivalent" data provided by the ~~IDNO Party~~operator of the LDNO system to the host DNO Party for each ~~E~~embedded ~~Designated EHV Property~~user. For the purposes of the EDCM, boundary equivalent data should be what the ~~IDNO Party~~operator of the LDNO system has allowed for at the DNO Party - ~~IDNO Party~~ LDNO system boundary, for each EDCM Connectee, after taking into consideration the diversity and losses within the IDNO Party's network. Data relating to ~~CDCM~~ end users that would be charged under the CDCM if they were on the DNO Party's network must be considered for the purposes of calculating boundary equivalent data in order to cater for the effect of diversity and losses.

26.7 ~~The EDCM will include in the charges for Embedded Designated EHV Properties a f~~Fixed charges will be applied in respect of ~~relating~~ to any assets on the DNO Party's network that are for the sole use of ~~an Embedded IDNO Party's network~~the LDNO system. -

~~These fixed charges would be calculated in the same way as it would be for EDCM Connectees connected directly to the host DNO Party's network.~~

26.8 In calculating charges for assets on the DNO Party's network that are for the sole use of ~~an Embedded IDNO Party's distribution~~the LDNO system, the DNO Party~~'s will~~ charges only for the proportion of sole use assets deemed to be used by Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~Embedded Designated EHV Properties~~. This proportion ~~will be~~is calculated, in respect of each ~~Embedded Designated EHV Properties~~ such Connectee, as the ratio of the boundary equivalent capacity of that Connectee to the capacity at the ~~IDNO Party~~boundary between the LDNO system and the~~–~~ DNO Party's network ~~boundary~~.

26.9 If there are no Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~Embedded Designated EHV Properties on the IDNO Party's network~~, no sole use asset charges ~~would~~ apply.

26.10 ~~Demand scaling would be applied as normal to any EDCM portfolio tariff in respect of an EDCM Connectee~~. For the purposes of demand scaling, all Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network ~~EDCM Connectees connected to the IDNO Party's network~~ will be treated as notional EDCM Connectees with their category set to the ~~connected to the DNO Party's network at the voltage level of the boundary~~LDNO system's category.

26.11 For Connectees on the LDNO system that would be covered by the EDCM if they were on the DNO Party's network~~EDCM Connectees connected to the IDNO Party's network~~, the capacity-based charge for the DNO Party's indirect costs is scaled down by a factor of 50 per cent, and the 20% share of residual revenue that is applied as a fixed adder~~, would be~~ is scaled down by a factor of 50 per cent~~, however, the scaling down will not apply where the residual revenue~~ unless it is negative.

Schedule 18, paragraphs 28.1 to 28.2, ~~version 6.2~~proposed

28.1 Unlicensed networks have a choice. If they are part of the Total System under the Balancing and Settlement Code with the network open to supply competition, and if they are party to the DCUSA, and have accepted the obligations to provide the necessary data, they can, if they wish, be treated according to section 24 "LDNO Charging".~~treated as IDNO Parties.~~

28.2 Otherwise, the DNO Party applies the EDCM to calculate an import charge and an export charge based on capacity and power flow ~~data metered~~ at the boundary. Any sole use assets specific to the unlicensed network are charged as a p/day sole use asset charge calculated as applicable to ~~a normal~~ EDCM Connectees that are not LDNO systems.