

SSE Power Distribution

Price Control Teleconference

26 January 2010

Agenda

- Introductions
- Review of DCP 030 Information
 - key changes from previous submission
 - assumptions underlying submission
 - expected outturn for 2009/10
- 2010/11 Indicative charges
- Questions
- Future Teleconferences

DCP 030 Information – SHEPD

Published 8 Jan 2010

Table 1

Description	Relevant Year t 2009/10	Relevant Year t+1 2010/11	Relevant Year t+2 2011/12	Relevant Year t+3 2012/13	Relevant Year t+4 2013/14
Base Demand Revenue Forecast (A)	209	231	239	250	262
Total Pass Through Forecast (B)	-40	-48	-48	-48	-48
Incentive Payments and Adjustments* (C)	4	5	4	6	6
Final Allowed Demand Revenue Forecast (D) (being (A)+(B)+(C))	173	188	195	208	220
Final Collected Revenue Forecast (E)	171	188	195	208	220
Forecast Over / (Under) Recovery (F) (being (E)-(D))	-2.1	0	0	0	0
Forecast overall % change to Demand Use of System Charges to Balance (F) (Assumption 1)		10%	4%	7%	6%

DCP 030 Information – SEPD

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Table 2

Description	Relevant Year t 2009/10	Relevant Year t+1 2010/11	Relevant Year t+2 2011/12	Relevant Year t+3 2012/13	Relevant Year t+4 2013/14
Base Demand Revenue Forecast (A)	412	456	467	489	520
Total Pass Through Forecast (B)	1	0	0	0	
Incentive Payments and Adjustments* (C)	13	14	10	13	15
Final Allowed Demand Revenue Forecast (D) (being (A)+(B)+(C))	426	470	477	502	535
Final Collected Revenue Forecast (E)	424	470	477	502	535
Forecast Over / (Under) Recovery (F) (being (E)-(D))	-2.3	0	0	0	0
Forecast overall % change to Demand Use of System Charges to Balance (F) (Assumption 1)		11%	1%	5%	7%

DCP 030 Information

Assumptions and Commentary

- All £ figures are in money of the day and provided to the nearest £m
- * Incentive Payments and Adjustments are the Incentive Payments Forecast less Correction Factor Forecast
- It is assumed that there will be one set of price changes per year, effective on 1st April
- Figures shown are based on forecasts and assumptions made at the time of publication and are subject to change
- Figures for 2010/11 and beyond are based upon the DPCR5 Final Proposals, as published by Ofgem on 7th December 2009
- RPI assumptions are:
 - 2009/10 3.82%
 - 2010/11 -0.49% (includes estimated December 2009 Index)
 - 2011/12 0.00%
 - 2012/13 1.00%
 - 2013/14 2.00%
- “Forecast overall % change to Demand Use of System Charges to Balance (F)” (Tables 1 & 2) in year t+1: this reflects the change from the DPCR4 methodology (PU.GRt +PE) to the Ofgem determined PU values published on 17th December 2009

Review of DCP 030 – Key Updates

- Key changes from previous submission
 - DPCR5 Final Proposal reflected
 - allowed Revenues, volumes updated
 - ‘2009/10’ K latest view

2010/11 Indicative Charges

- Indicative 2010/11 UoS charges published on 22nd December 2009
 - based on understanding of DPCR5 final proposals
 - demand tariffs (generally increases for domestic and large non-domestic, decreases for small/medium non-domestic)
 - generation tariffs (unit rates) for HV and LV become negative
 - EHV charges, roll forward on current methodology
 - pre April 2005 Generation charged for the first time (all voltage levels)
- Final tariffs to be confirmed 19th February 2010
- Generic and site-specific losses updated (BSCP128)
- SSEPD out of area networks indicative charges to be published by 28th January 2010
- All up to date details are on our website (www.ssepd.co.uk)

**Impact on LV & HV Demand Use of System Tariffs
(Indicative)
SHEPD**

Table 3

	Change Indicative
Domestic Unrestricted	14%
Domestic Two Rate	35%
Domestic Off Peak (related MPAN)	46%
Small Non Domestic Unrestricted	-35%
Small Non Domestic Two Rate	-16%
Small Non Domestic Off Peak (rel MPAN)	16%
LV Medium Non-Domestic	1%
LV Sub Medium Non-Domestic	
HV Medium Non-Domestic	30%
LV HH Metered	28%
LV Sub HH Metered	
HV HH Metered	75%
HV Sub HH Metered	
NHH UMS	86%
LV UMS (Pseudo HH Metered)	

Impact on LV & HV Demand Use of System Tariffs (Indicative) SEPD	Change Indicative
Domestic Unrestricted	10%
Domestic Two Rate	3%
Domestic Off Peak (related MPAN)	2%
Small Non Domestic Unrestricted	-8%
Small Non Domestic Two Rate	-2%
Small Non Domestic Off Peak (rel MPAN)	-19%
LV Medium Non-Domestic	-22%
LV Sub Medium Non-Domestic	
HV Medium Non-Domestic	-17%
LV HH Metered	16%
LV Sub HH Metered	
HV HH Metered	44%
HV Sub HH Metered	
NHH UMS	59%
LV UMS (Pseudo HH Metered)	51%

2010/11 Indicative Charges – Price Impacts

CDCM HV and LV Tariffs

- first year one-off significant changes due to:
 - moving to a Common Distribution Charging Methodology
 - implementation of DPCR5

- kept Stakeholders informed via ENA and SSEPD websites

EHV Tariffs

- minimise price impacts prior to introduction of EDCM

Future DCP030 Teleconferences

Indicative Timetable

Submission Date	Teleconference
9 April 2010	Week 3 of April 2010
7 July 2010	Week 3 of July 2010