

ENERGY NETWORKS

Electralink revamps models for calculating distribution network charges

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Electralink has unveiled a new set of models for calculating the £8 billion of Distribution Use of System (DUoS) charges which are paid by network users each year.

The company said they will be more transparent and easier to use, allowing distribution network operators (DNOs) to track through calculations and network users to identify the causes of tariff changes, including the impacts of their own decisions.

Stefan Leedham, director of governance services at Electralink, said: "The new models represent a key milestone as we believe they set a precedent for the future of governance services, enabling those without prior access and understanding to interpret them much better."

Leedham told *Utility Week* the revamp is required because the old models have become complex and opaque. This is due to a series of incremental amendments to the models since they were first created, driven by modifications to the underlying charging methodology.

"It was really only the DNOs that understood how the models worked and how changes were occurring," he explained.

The replacement models will consolidate these previous amendments. They are based on exactly the same charging methodology as before, as laid out in the Distribution Connection and Use of System Agreement (DCUSA), and have therefore produced "almost identical tariffs" so far.

They will also aid the "embryonic" development of future proposals to modify the charging methodology.

The new models were created by Cambridge Economic Policy Associates and TNEI, who were appointed as service providers by Electralink in 2017.

The models were approved by the DCUSA board on 24 May 2018 and will be published on the DCUSA website shortly. They will be used to set all tariffs and conduct all impact assessments for code modifications which take effect from April 2020.

Electralink administers a number of energy industry codes, including the DCUSA, and also operates the Data Transfer Service.