

MUA Electricity Limited

USE OF SYSTEM CHARGING METHODOLOGY
STATEMENT

EFFECTIVE FROM 1ST JUNE 2018



Stuart Monk
Regulation and Compliance
Manager

Gregory Addison-Smyth
Managing Director

MAIN AUTHOR	Approver
-------------	----------

DOCUMENT No.	MUAE-0206
--------------	-----------

CURRENT REVISION	CURRENT STATUS CODE	SECURITY CLASSIFICATION
S0	P01	Public

REVISION HISTORY

REVISION	STATUS CODE	DATE	REVISION DESCRIPTION
S0	P01	04/10/2022	Rebrand to MUA Electricity

This statement is in a form approved by the Gas and Electricity Markets Authority

About this Statement

MUA Electricity Limited (MUAE) is an authorised Electricity Distribution Licence Holder ("the Licence") granted pursuant to section 6(1)(c) of the Electricity Act 1989.

This statement is produced in accordance with Standard Licence Condition 13 of (MUAE) licence and its intent is to describe the methodology that MUAE will use to set its charges for customers connected to its Electrical Distribution System

Unless stated otherwise, words and expressions in this statement shall have the meaning given to them in the Act and the Licence.

This statement has been approved by the Gas and Electricity Markets Authority ("the Authority").

If you have any questions about the application of this statement please contact:

Regulation & Compliance Manager

MUA Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

WS11 7LH

Tel: 0800 011 4193

Email: powerdistribution@muagroup.co.uk

Contents

1.0 Introduction	4
2.0 Charging Methodology.....	5
Loss adjustment factors (LAF)	5
3.0 Changes to this statment.....	6
4.0 Contact details	6

1.0 INTRODUCTION

1.1. The main purpose of this statement is to provide the basis of our charging methodology for our Use of System Charges. MUAE are obliged under Licence Condition 13 of the Licence paragraph 1(a) to prepare this statement approved by the authority, setting out the methodology which will be levied for the provision of Use of System.

This requires that MUAE

- “at all times have in force: a Use of System Charging Methodology which the Authority has approved on the basis that it achieves the Relevant Objectives”
- “comply with the Charging Methodology as modified from time to time”
- “review the methodology at least once every year;”
- “make such modifications (if any) of the methodology as are necessary for the purpose of better achieving the Relevant Objectives;”

1.2. 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; subject to standard licence condition BA2-2 of the Licence

(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.

2.0 CHARGING METHODOLOGY

- 2.1. MUAE is subject to a relative price control mechanism as described in amended standard condition BA2 of the Licence. This requires that MUAE produce charges for use of system “so that, except with the prior written consent of the Authority, the standing charge, unit rate and any other component of charges shall not exceed the distribution use of system charges to equivalent domestic customers.”

To achieve this objective MUAE's charging methodology for Domestic Customers is set out to replicate the Host Distribution Network Operator (DNO) Use of System tariffs in the areas that MUAE shall operate in.

MUAE's charging methodology for non-domestic, half hourly and generation customers who export their capacity is set out to replicate the Host DNO Use of System tariffs in the areas that MUAE shall operate in.

To determine any site-specific use of system tariffs, we will examine practical ways of extending the methodologies and models used by the host DNO area to suit the particular circumstances. Wherever appropriate, we will do so by using an extension of the Common Distribution Charging Methodology (CDCM) or Extra High Voltage Distribution Charging Methodology (EDCM) models of the Host DNO, modifying the assumptions in these models so as to reflect the circumstances of our Customer.

LOSS ADJUSTMENT FACTORS (LAF)

- 2.2. MUAE's networks will indirectly connect to the transmission system via the Host DNO networks Grid Supply Point (GSP) group. MUAE shall replicate the loss adjustment factors to match the host DNO for new Low Voltage & High Voltage connections. MUAE shall adopt Host DNO methodologies for LAF connections at Extra High Voltage (EHV) and shall be calculated on a site by site basis. These are obtained from LAF models and published standard loss adjustment factors, as submitted to Elexon and published on their web site. <https://www.elexon.co.uk/operations-settlement/losses/>

EHV loss adjustment factors are calculated on a site specific basis. In calculating the MUAE component of the EHV site specific loss adjustment factors, MUAE will adopt the methodology principles used by the Host DNO for each distribution services area in which MUAE operates

3.0 CHANGES TO THIS STATEMENT

3.1. Before making any modifications to this statement MUAE must submit a proposal in accordance with Condition 13 of the Licence

To achieve this MUAE must

(a) give the Authority a report which sets out:

(i) the terms proposed for the modification,

(ii) how the modification would better achieve the Relevant Objectives, and

(iii) a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect.

3.2 Any changes must be approved by the Authority, if approved MUAE will revise the relevant statement of the Charging Methodology so that it sets out the changed methodology and specifies the date from which it is to have effect

4.0 CONTACT DETAILS

4.1 If you have any questions about our methodology, please contact us at the below address:

Regulation & Compliance Manager

MUA Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

WS11 7LH

Tel: 0800 011 4193

Email: regualtion@muagroup.co.uk

4.2. All enquiries regarding Use of System Charging Statements should be addressed to:

Managing Director

MUA Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

WS11 7LH

Tel: 0800 011 4193

Email: regulation@muagroup.co.uk

For all other queries please contact our general enquiries telephone service on 0800 011 4193 lines are open 8:00am to 5:00pm Monday to Friday.