# EDCM Statement of Extra High Voltage Charging Methodology for Use of mua Electricity Distribution System

March 2026
V2.1.2

## Document control

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| Author | Jo Hargreaves, Regulatory Reporting Analyst |
| Reviewer | Diana Korkli, Senior Pricing Analyst |
| Approver | Gregory Addison-Smyth, Managing Director |
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### Revision history

| Version | Date | Revision notes |
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| V1.1 | 17 February 2022 | Rebrand to MUA Electricity |
| V2.1 | 18 March 2026 | Updated onto new mua branded template |
| V2.1.1 | 27 March 2026 | Administration Review & updates |
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# Contents

# 1.0 Introduction

1.1 Mua Electricity Limited (**MUAEL)** accepts customers which will connect to its networks at Extra High Voltage (EHV) and in doing so requires a charging methodology enabling it to calculate Distribution Use of System (DUoS) tariffs for those customers. Unlike customers connected at High Voltage (HV) and Low Voltage (LV), **MUAEL** is not able to simply replicate the charges which the DNO would levy (as in the case of HV and LV customers), as those charges are not published for EHV connected end customers by the respective DNOs.

1.2 This document sets out **MUAEL'**s ("we", "us", "our") proposed charging methodology for EHV Connected customers.

1.3 Section 2 sets out the content of the formal methodology which **MUAEL** publish on its website and otherwise make available to the public. Where possible, it mirrors the tone and language used in MUAEL's published charging statements.

## 2.1 Methodology to determine distribution UoS tariffs

2.1.1 This statement sets out **MUAEL's** Distribution Use of System (DUoS) Charging methodology. It has been prepared consistent with Standard Licence Condition 13 of **MUAEL's** Electricity Distribution Licence, which requires **MUAEL** to prepare a statement approved by the Authority setting out the methodology upon which charges will be made for the use of its distribution system. **MUAEL** is also required to review the statement annually to ensure that the objectives of the licence condition continue to be achieved. The relevant licence obligations are as follows:

A) That compliance with the DUoS charging methodology facilitates the discharge by **MUAEL** of the obligations imposed on it under the Electricity Act (1989) and by the Electricity Distribution Licence

B) That compliance with the UoS charging 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 UoS charging methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred or reasonably expect to be incurred by **MUAEL** in its distribution business

D) That, so far as is consistent with sub-paragraphs (a), (b) and (c), the use of system charging methodology, as far as is reasonably practicable, properly takes account of developments in **MUAEL's** distribution business.

2.1.2 In addition, as an Independent Distribution Network Operator (IDNO), **MUAEL** is required by its Licence to set its DUoS charges in relation to domestic customers so that, except with prior written consent of the Authority, the standing charge, unit rate and any other component of charges shall not exceed the DUoS charges to equivalent domestic customers.

2.1.3 This document sets out the methodology used by **MUAEL** to determine the DUoS tariffs for sites and distributions systems connected to **MUAEL's** network.

### 2.1.4 Definition of LV, HV and EHV properties

The methodology differentiates between those properties connected at Low Voltage (LV) or High Voltage and those connected at Extra High Voltage (EHV).

**LV and HV properties are defined as:** *Premises connected to the licensee's Distribution System at less than 22 kilovolts, excluding those premises connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and less than 22 kilovolts, where the*

*primary voltage of the substation is 22 kilovolts or more and where the Metering Point is located at the same substation.*

2.1.5 **EHV properties are defined as**: any premises connected to a licenced distribution system that do not meet the criteria set out above for LV and HV properties.

## 2.2 Methodology to determine DUoS tariffs for LV and HV properties

2.2.1 The DUoS tariff for demand customers supplied through our network at LV or HV will be the same as the published tariff that would apply to an equivalent customer supplied by the Distribution Services Provider in the Host DNO Area ("the Host DNO").

2.2.2 For export customers connected to our network at LV or HV, our applicable UoS tariff is the same as the published tariff that would apply to an equivalent customer supplied by the Host DNO, except where the equivalent export tariff for a LV or HV customer supplied by the Host DNO contains a unit-based credit. If this applies**, MUAEL** will only pay a unit-based credit in respect of export from LV and HV properties at the same level as that paid by the Host DNO to **MUAEL**. This credit will depend on the voltage of the boundary of connection between **MUAEL** and the Host DNO.

2.2.3 At the time of preparing this statement, the method used by Distribution Services Providers to determine the relevant use of system tariffs for LV and HV properties is called the Common Distribution Charging Methodology (CDCM).

## 2.3 Methodology to determine DUoS tariffs for import to and export from EHV properties

2.3.1 For EHV properties, our applicable use of system tariff will be determined on a site-specific basis.

2.3.2 Where appropriate, we will set our site-specific tariff to be the notional tariff that would have applied to the site if the Host DNO owned the relevant section of our system. This would be consistent with our methodology for setting LV and HV import tariffs.

2.3.3 However, this notional tariff approach might not be always appropriate, because:

a). We might not always be able to estimate the tariff that would apply to the site if the Host DNO owned the relevant section of our system. Making such estimates is dependent on the provision of information by the Host DNO and the Host DNO needing to incorporate the **MUAEL** network into their powerflow modelling. Under the current regulatory arrangements, the Host DNO is only obliged to provide a boundary equivalent price for each EHV site connected to an IDNO network. Consequently, calculating an 'all-the-way' tariff for an EHV site may not be possible.

b). The design and implementation of the Host DNO's charging methodology is out of our control. There is a risk that the notional tariff might not cover the charges applied to us by any other networks or might give an inadequate margin over these charges. Alternatively, this charge might be too high to cover our reasonable expenses and risk overcharging customers.

2.3.4 If we determine that the notional tariff approach is not appropriate for a site, then we will set the tariff for the site as the sum of:

a). The pass-through of the charges applied to us by any other networks (distribution or transmission) in respect of the supply to the site.

b). The costs associated with the fulfilment of our obligation to provide a safe and secure distribution system to supply the site. Where assets are used in the supply, we will set the charging rate at 7.61 percent a year of the modern equivalent value or un-depreciated value of these assets to cover their depreciation, our operating and maintenance costs, and our rate of return. Where costs or assets are used for supplies to more than one site, we will apportion the costs to on the basis of the maximum capacity allocation or each customer divided by the rating of each asset. We will review the 7.6 per cent rate of return as part of our annual review of this methodology. The current figure is based on the rate of return determined by Ofgem for Independent Networks and on precedent from previously accepted charging methodologies.

## 2.4 Contact details

2.4.1 If you have any questions about this statement, please contact us at this address:

Regulation Manager

Mua Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

WS11 7LH

Tel: 0800 011 4193

Email: regulation@muagroup.co.uk

## 2.5 Glossary

| Term / Acronym | Definition |
|---|---|
| **MUAEL** | mua Electricity Limited |
| **DNO** | Distribution Network Operator |
| **DUoS** | Distribution Use of System |
| **The Authority** | The Gas and Electricity Markets Authority (GEMA), colloquially referred to as the wide Office of Gas and Electricity Markets (Ofgem) |
| **LDNO** | Licenced Distribution Network Operator |
| **LV** | Low Voltage |
| **HV** | High Voltage |
| **EHV** | Extra High Voltage |
| **Host DNO** | The Distribution Services Provider to whose system an LDNO network is connected |