Mua Electricity Limited

Use of System Charging Methodology & Statement

Effective from 1 April 2026

Document control

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Revision history

Version	Date	Revision notes
V0.1	31 March 2026	Updated to new mua branded template
V0.1.1	19 April 2026	Updated 2026 draft for review and comment
V0.1.2	13 September 2026	Draft update to include LV, HV & EHV Methodologies for review and comment
V0.1.3	10 November 2026	All tracked changes reviewed and approved

About this Statement

MUA Electricity Limited **(MUAE)** is an Independent Distribution Network Operator (IDNO) licensed by the Gas and Electricity Markets Authority (GEMA) to design, build, adopt, operate, and maintain electricity Distribution Systems in Great Britain.

This Use of System (UoS) Charging Methodology Statement describes the methodology that **MUAE** uses to set charges for Customers connected to our electricity Distribution System and is produced in accordance with Standard Licence Condition 13 of **MUAE** electricity Distribution licence.

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

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

Regulation Manager

MUA Electricity Limited

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Cannock

Staffordshire

WS11 7LH

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1.0 INTRODUCTION

1.1 **MUAE** must prepare a UoS Charging Methodology approved by GEMA setting out the methodology upon which charges will be made for the use of our electricity Distribution Systems. This Use of System (UoS) Charging Methodology statement describes the methodology that **MUAE** uses to set charges for our customers connected to our electricity Distribution System.

1.2 **MUAE** must comply with this UoS Charging Methodology and ensure that the statement is available at all times in a form approved by GEMA. **MUAE** are required to review our UoS Charging Methodology Statement annually to ensure that it continues to facilitate the Relevant Objectives set out in Standard License Condition 13.

The Relevant Objectives are: -

- that compliance with the UoS Charging Methodology facilitates the discharge by MUA Electricity Limited of the obligations imposed on it under the Electricity Act 1989, as amended by the Utilities Act 2000, and by our Electricity Distribution license;
- 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;
- 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 by us in its Distribution Business; subject to Standard Licence Condition BA2-2 of the licence.
- 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.

1.3 As an IDNO, **MUAE** is subject to a relative price control mechanism as described in amended standard condition BA2 of the Licence and is required by its licence to set its Distribution Use of System (DUoS) charges so that, except without prior written consent of GEMA, the standing charge, unit rate and any other component of charges shall not exceed the DUoS charges to equivalent domestic customers (connected to a Host Distribution Network Operator's (DNO) networks) [1]

For a completed understanding you should refer to the following: -

- Electricity Act 1989, as amended by the Utilities Act 2000
- Standard License Condition 13 (SLC13) "Charging Methodologies for Use of System and connection"
- Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast).

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[1] Equivalent charge are the UoS charges made by the Electricity Distributor which has a Distribution Services Direction that specifies the Distribution Services Area in which the Domestic Premises connected to the licensee's Distribution System. This Electricity Distributor is referred to as the "Host DNO".

2.0 CHARGING METHODOLOGY

This section contains the methodology used by **MUAE** to determine the DUoS charges for sites and distributions systems connected to **MUAE's** electricity Distribution System.

2.1 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.

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

2.2 Definition of LV, HV, EHV

LV and HV Properties are defined as: -

- premises connected to the licensee's electricity Distribution System at less than 22 kilovolts excluding those premises connected directly to substation assets that form part of the licensee's electricity 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.

EHV properties are defined as: -

- any premises that do not meet the criteria set out above for LV and HV properties.

2.3 Methodology to determine DUoS charges for Import to LV and HV Properties

2.3.1 For demand customers supplied through our network at LV or HV and which fall within the scope of a generic tariff published by the Distribution Services Provider in the Host DNO Area, our applicable use of system tariff is the same as the published tariff that would apply to an equivalent customer supplied by the Distribution Services Provider in the Host DNO Area.

2.3.2 At the time of preparing this statement the method used by the Distribution Services Provider to determine the relevant use of system tariff is called the Common Distribution Charging Methodology (CDCM).

2.4 Methodology to determine DUoS charges for Export from LV and HV Properties

2.4.1 For export customers connected to our network at LV or HV and which fall within the scope of a generic tariff published by the Distribution Services Provider in the Host DNO Area, our applicable use of system tariff is the same as the published tariff that would

apply to an equivalent customer supplied by the Distribution Services Provider in the Host DNO Area and amended as follows: -

- where the Host DNO export tariff for a LV or HV customer contains a unit-based credit, Indigo Power Limited 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 **MUAE**. This credit will depend on the voltage of the boundary of connection between **MUAE** and the Host DNO.

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

2.5 Methodology to determine DUoS charges for Import & Export from EHV Properties

2.5.1 Where an EHV property is connected to **MUAE's** network and the host DNO publishes an All the Way (ATW) import or export DUoS tariff then **MUAE** will apply this tariff. An ATW tariff is defined as the tariff that would apply if the customer were connected directly to the host DNO's network.

2.5.2 Where **MUAE** is not able to set an import or export tariff for an EHV property in accordance with paragraph 2.4.1 or where the tariff would not allow **MUAE** to recover all reasonable costs associated with providing the network to the customer **MUAE** will calculate the DUoS tariff that applies as the sum of:

- The boundary tariff levied by the host DNO at the boundary with **MUAE's** network in respect of the EHV property; and
- All reasonable costs associated with the fulfilment of **MUAE's** obligation to provide a safe and secure network between the host DNO and the EHV property, and a reasonable rate of return on the assets deemed to be used by the customer. This will include an allocation of direct and indirect costs, network rates, transmission exit charges and depreciation.

2.5.3 Where n EHV property is connected to a distribution system that is connected to an IDNO network, **MUAE** will determine a boundary equivalent price that applies at the boundary between the IDNO network and the distribution system to which the customer is connected. The boundary equivalent price will be calculated based on the principles set out in paragraph 2.4.1 and 2.4.

3.0 LOSS ADJUSTMENT FACTORS (LAF)

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. 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.

4.0 DISTRIBUTION USE OF SYSTEM CHARGES (DUoS)

MUAE's DUoS charges are published in a separate SLC14 Statement which can be found on our website muagroup.co.uk/regulatory documents/

5.0 CHANGES TO THIS STATEMENT

5.1 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. Provide GEMA with 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.

5.2 Any changes must be approved by the GEMA, 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.

6.0 CONTACT DETAILS

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

Regulation Manager

MUA Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

WS11 7LH

Tel: 0800 011 4193

Email: regulationmanager@muagroup.co.uk

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

Managing Director

MUA Electricity Limited

Hawks Green Lane

Cannock

Staffordshire

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.