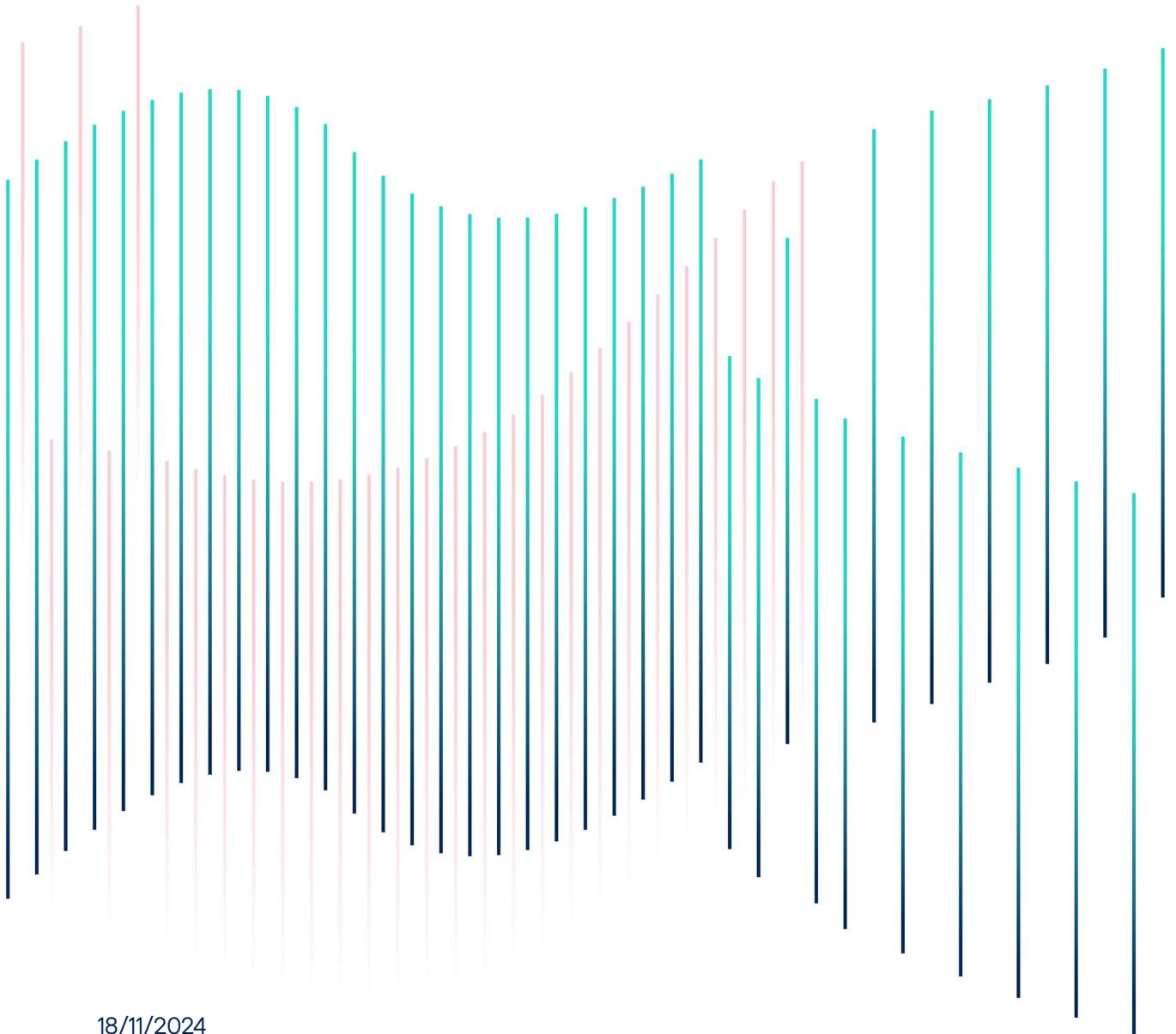




# Statement of Charging Methodology for Use of Aurora Utilities Limited's Distribution System



18/11/2024

Classification: Approved for publication



Version			
Version	Author	Date	Reason
01	Jamie McAinsh	18/11/2024	Initial document

Sign off			
Role	Name	Position	Date
Director	Simon Reilly	CEO	18/11/2024



## 1. Introduction

- 1.1 This statement sets out Aurora Utilities Limited (Aurora) Distribution Use of System (DUoS) Charging methodology. It is prepared in accordance with the requirements of Aurora's Electricity distribution licence issued under the Electricity Act 1989, as amended by the Utilities Act 2000 ('the Act').
- 1.2 Aurora is required by Licence Condition 13 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. Aurora is also required to review this 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 use of system charging methodology facilitates the discharge by Aurora of the obligations imposed on it under the Act and by the Distribution Licence;
  - (b) that compliance with the use of system 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 use of system charging methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by Aurora in its distribution business; and
  - (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 Aurora distribution business.
- 1.3 In addition, as an Independent Distribution Network Operator (IDNO), Aurora is required by its Licence to set its DUoS charges in relation to domestic customers so that, except without 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<sup>1</sup>.

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<sup>1</sup> equivalent charges are the Use of System 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 are located



## 2. Methodology to determine distribution use of system tariffs

- 2.1 This section contains the methodology used by Aurora to determine the Distribution Use of System (DUoS) tariffs for sites and distributions systems connected to Aurora network.
- 2.2 The methodology differentiates between those properties connected at Low Voltage (LV) or High Voltage and those connected at Extra High Voltage (EHV).

### Definition of LV, HV and EHV Properties

- 2.3 LV and HV Properties are defined as follows:

*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.*

- 2.4 EHV properties are defined as any premises that do not meet the criteria set out above for LV and HV properties.

### Methodology to determine DUoS tariffs for Import to LV and HV Properties

- 2.5 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.
- 2.6 At the time of preparing this statement, the method used by Distribution Services Providers to determine the relevant use of system tariffs for import to LV and HV Properties is called the Common Distribution Charging Methodology (CDCM).

### Methodology to determine DUoS tariffs for Export from LV and HV Properties

- 2.7 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, Aurora 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 Aurora. This credit will depend on the voltage of the boundary of connection between Aurora and the Host DNO.

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

### **Methodology to determine DUoS tariffs for Import and Export from EHV Properties**

- 2.9 Where an EHV property is connected to an Aurora network and the host DNO publishes an All The Way (ATW) import or export DUoS tariff then Aurora will apply this tariff. An ATW tariff is defined as the tariff that would apply if the customer was connected directly to the host DNOs network.
- 2.10 Where Aurora is not able set an import or export tariff for an EHV property in accordance with paragraph 2.9 or where the tariff would not allow Aurora to recover all reasonable costs associated with providing the network to the customer, Aurora will calculate the DUoS tariff that applies as the sum of:
- The boundary tariff levied by the host DNO at the boundary with the Aurora Electricity network in respect of the EHV property; and
  - All reasonable costs associated with the fulfilment of Aurora 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.
- 2.11 Where an EHV property is connected to a distribution system that is connected to a Aurora network, Aurora will determine a boundary equivalent price that applies at the boundary between the Aurora 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 2.9 and 2.10.
- 2.12 For EHV properties, Aurora will apply the host DNO generic line loss factors where these are published. Where these are not published, or Aurora does not believe that the generic losses are a good approximation for the actual losses appropriate for an EHV property, Aurora will calculate site specific losses for the site.



### 3. General

#### 3.1. Contact Details

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

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