

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2024_1120_10_DCMDG 80 Headline Report
Action	For Information

# Distribution Charging Methodologies Development Group (DCMDG) Headline Report 80

## 1. Synopsis

- 1.1 This report sets out the headlines from the 80th DCMDG meeting held on 17 October 2024 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Dylan Townsend and the technical secretariat for the meeting was Alysson Peña.
- 1.3 A total of 29 industry participants dialled into the meeting.

## 2. Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log but there were no substantive comments raised during this item.

## 3. Ofgem Update

- 3.1 It was noted that the Ofgem representative had provided apologies for the meeting and that no other Ofgem representative had joined the meeting.

## 4. MHHS Update

- 4.1 Members noted that the DCP 445 'Implementation of Market-wide Half Hourly Settlement (MHHS) Arrangements' Change Report had been submitted to the DCUSA Panel during their meeting on 16 October and it had been agreed to be issued for voting on 17 October. for agreement that it can be issued to Parties for voting.
- 4.2 Members also noted that MHHS Change Request (CR) 55, which is looking to shift the current M10-milestone out by 5 months, could, if approved, mean that DCP 445 is implemented later than originally expected due to its implementation date being pinned to the M8 milestone, which itself is linked to the M10 milestone which CR55 seeks to amend

## 5. Private Networks Subgroup Update

- 5.1 The Chair noted that the intent will be to have what will likely be one final meeting to close off discussions for now but that this had not yet happened due to periods of annual leave

## 6. 'Annual Allocations Review (AAR) Lessons Learnt' Subgroup Update

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- 6.1 The Chair noted that whilst there had been in a delay in progressing those discussions, he had taken another form of action that would hopefully assist, being that an email had been circulated to Parties explaining to DNOs/IDNOs what their obligations were and to inform Suppliers about the data they had or would shortly be receiving. It was agreed for the Chair and proposer of the issue to discuss next steps and that this discussion took place directly after the meeting, with the next steps agreed.

## 7. Any Other Business (AOB)

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### **Charging Statements Process:**

- 7.1 One member raised a concern about the format of the charging statement produced in accordance with standard licence condition 14 (SLC 14) and its appendices, particularly in light of the upcoming changes due to Market Wide Half Hourly Settlement (MHHS). It was mentioned that the tariffs for the 2026/27 charging year are expected to be published at the end of the year or in January for IDNOs, and the format might change due to MHHS impacts.
- 7.2 It was confirmed that a group of DNOs had reviewed the existing SLC 14 charging statements and that given the transition period where both migrated and non-migrated MPANs will exist, they agreed to make several minor changes to the document, such as amending references to Line Loss Factor Class (LLFC) and updating the glossary with terms like "market segment" and "DUoS tariff ID." This revised document was sent to Ofgem for review, and Ofgem has 28 days to either approve or veto the changes. It was noted that the annexes to the charging statement are not expected to change significantly, except for minor updates to reflect the inclusion of DUoS Tariff IDs alongside LLFCs. It was mentioned for the 25/26 charging year that DNOs and IDNOs would need to revise their statements no later than 40 calendar days before the charges take effect and that some DNOs plan to republish the 2025/26 statements before Christmas to align with the publication of the 26/27 charging year publication.

### **IDNO EHV Charges:**

- 7.3 The Chair brought up the topic of Extra High Voltage (EHV) charges for Independent Distribution Network Operators (IDNOs), and mentioned that Ofgem had indicated in their response to a call for input that they were looking for an appropriate vehicle to take this discussion forward. The Chair sought input from the group on whether this should be handled by the DCMDG or another forum, such as the Transmission Charging Methodology Forum (TCMF). One member suggested that since the discussion involves EHV connections, which are typically fed from a Grid Supply Point (GSP) or above, it might require a joint effort between the DCMDG and the TCMF. The Chair agreed that a joint approach might be necessary and mentioned that he would seek further input from Andy Malley at Ofgem to determine the best way to proceed.

### **Updated Models for the purposes of setting charges:**

- 7.4 The Chair explained that he had Issued the modelling specification pack to CEPA/TNEI (the appointed DCUSA modelling support consultants) for them to update the relevant charging methodology models for the next set of DUoS tariffs that will apply from 01 April 2026. The Chair noted that this was issued on 03 October, with the instruction to update the models to include

any of the amendments that are needed as a result of the implementation of DCP 421. Members noted that the expectation is for the revised models to be provided no later than 20 working days following the submission of the request which is well within the timeframes set out in the DCUSA which provides for 30 working day

#### **Disputes Committee Elections:**

- 7.5 The Chair provided an update on the Disputes Committee elections, mentioning that they had received a number of nominations and would be issuing further communications about the elected members and any remaining vacancies.

#### **8. Date of Next Meeting**

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- 8.1 The next DCMDG meeting will be held on 21 November 2024 via Microsoft Teams / Teleconference.

#### **9. Actions**

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- 9.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this Paper.

**Dylan Townsend**  
**Governance Delivery Manager**