

## Question 1

Company	Confidential/ Anonymous	Do you believe there are any risks of non-compliance against Regulation (EU) 2019/943 if this CP is implemented? If so, please provide your reasoning for your answer.	Working Group Comments
National Grid		<p>This DCP uses a calculation to determine if a customer falls into the HCULU category and so all customers have the potential to be included if they perform under the HCULU profile. However customers are being segregated based on performance and the customers that do not fall into the HCULU category will end up paying more. Therefore there could be risks of non-compliance against regulation (EU) 2019/943 as the customers that pay more could argue that we don't comply with</p> <ol style="list-style-type: none"> <li>1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be cost-reflective, transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. Those charges shall not include unrelated costs supporting unrelated policy objectives.</li> </ol> <p>As DNOs will be charging them more residual due to others paying less.</p>	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
Witham & Humber Drainage Board		No	This was noted by the Working Group.
E.ON		No, we do not believe the regulation has any effect on this CP and do	This was noted by the Working

		<p>not perceive this CP to discriminate against any specific user group(s) on the network.</p> <p>We would also point out that in terms of residual cost allocation there are already two arrangements that are live and active in the regulations that offer a similar 'carve out' of standard cost allocation (Non-final Demand status &amp; Eligible services). Both require applicants to apply for the status and they are granted on the basis that certain conditions are met. We believe that this solution proposal is no different in that regard.</p>	Group.
Party	<b>Anonymous</b>	No	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
SSE Generation		<p>We welcome that the Working Group is exploring the risk of non-compliance of the proposal with Article 18 of said EU Regulation.</p> <p>In particular, we consider that there is a risk that the proposal may violate the requirement that network charges are applied in a non-discriminatory manner. Reducing residual charges for sites with a particular utilisation pattern could be considered to be discriminatory.</p> <p>The proposal could also be argued to violate the requirement that network charges shall be cost-reflective. Whilst we acknowledge that residual charges aren't cost reflective of consumption, they are directly linked, as set out in Schedule 32 of the DCUSA, to a site's TCR-specific characteristics, which for many sites is their maximum import capacity (MIC) (as well as voltage level). Under the proposal, sites with the same TCR characteristics would be subject to different residual charges, no longer reflecting what the TCR considered to be</p>	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.

		<p>This was noted by the Working Group. The Working Group will articulate all concerns in the change report.their fair contribution.</p> <p>We note that these issues are also being explored in the context of a similar change proposal, DCP 420, which seeks to provide targeted relief from residual charges for EV charging sites. <b>We believe that the Working Group should monitor the outcome of the DCP 420 legal analysis of the Article 18 issue, as well as seek their own bespoke legal advice on this matter.</b></p>	
Association of Drainage Authorities		No	This was noted by the Working Group.
Northern Powergrid		<p>Not at this time.</p> <p>We are aware that this question is being considered on the DCP 420 working group and that to date it has not yet been clearly established if there is any non-compliance under that CP. The eventual outcome of the DCP 420 legal query would likely also be applicable to this CP and there are distinct similarities between the two CPs.</p>	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
SSE Enterprise		We believe there may be some risk of non-compliance with regards Article 18 of EU Regulation 2019/943 which requires that charges for use of network must be applied in a non-discriminatory manner. We recommend that legal advice should be sought.	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
Water Management Alliance		No	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		No	This was noted by the Working Group.

Electricity North West		<p>Yes.</p> <p>In their determination on TCR Ofgem stated that the arrangements were fair and non-discriminatory. It seems therefore likely that this change proposal would change the burden of costs across market participants in a way that could be skewed in favour of those whose consumption pattern meets the HCULU definition. That is likely to apply to certain 'groups' of consumers at a cost to other 'groups' of consumers.</p> <p>In addition if DCP 420 is approved, EV Charge Point Operators will benefit from a discount (in effect representing a subsidy). It would then be entirely possible that some of these same consumers, where they meet the criteria, and are successful in applying, for HCULU status, would benefit from a further discount (subsidy) through DCP 412 (if approved).</p> <p>Therefore ENWL consider there is indeed a risk of non-compliance with Regulation (EU) 2019/943.</p>	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
UK Power Networks		It is likely to be that only a limited type of Customer would be eligible for this change due to the way they operate and as such this does potentially risk discriminatory charging. If we accept that levying charges based on network connection capacity is cost reflective then, this change may also impact the cost reflectivity aspects (see Q3 which suggests customers should be able to pick and choose their tariff so it's not clear how the charges can be cost reflective).	This was noted by the Working Group. The Working Group will articulate all concerns in the change report.
SSE Networks		No, as this process is somewhat similar to the Exceptional Circumstances process that is already in place.	This was noted by the Working Group.
York Consortium of Drainage		Uncertain as not our area of expertise.	This was noted by the Working Group.

Boards			
Witham Fourth District IDB		No	This was noted by the Working Group.
<p><b>Working Group Conclusions</b></p> <p>The Working Group noted there were split views from respondents on whether there was a risk of non-compliance against the regulation, with a small majority of respondents raising concerns.</p> <p>The Working Group also noted that some respondents did not believe there was a risk of non-compliance against the regulation.</p> <p>The Working Group agreed that the diverse views above should be fully articulated in the change report for the benefit of voting Parties and, once voting has completed and final feedback collated, for the benefit of the Authority in its decision making</p>			

## Question 2

Company	Confidential/ Anonymous	Do you agree with the proposal to re-allocate customers to the next lowest TCR band instead of applying some form of a discount? Please provide your rationale.	Working Group Comments
National Grid		The proposal to re-allocate customers to the next lowest TCR band would be simpler to implement as the other method would probably require creating new tariffs.	This was noted by the Working Group.
The Electricity Network Company Ltd.		Rebanding and applying a new rate moving forward, should the customer qualify, would be the fairer and easier to administrate and implement option.	This was noted by the Working Group.
Witham & Humber Drainage Board		We believe that end users who have to maintain a high ASC but would only utilise the capacity in adverse events (eg heavy rainfall) are being adversely affected by the TCR bandings. Internal Drainage Boards (IDB's) are responsible for land drainage pumping stations and	This was noted by the Working Group.

		<p>need to pump high volumes of water away during rainfall/flooding events which require high ASC which is only used on rare occasions or during testing of the equipment. The implementation of the TCR has also led to our daily standing charges rising exponentially due to our TCR banding.</p> <p>A policy which allows public sector organisations whose activities are for the public good/infrastructure should be treated differently than other commercial organisations. Ultimately the tax payer is incurring these additional cost through higher Special Levy payments from Councils (funded via Council Tax and Business Rates) and Land Drainage Rates.</p>	
E.ON		Yes, we believe that this offers a simple yet effective way of ensuring that customers that meet the criteria of HCULU do not pay an unfair share of the residual costs.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes – this would be simpler to administer.	This was noted by the Working Group.
SSE Generation		<p>In our response to the first consultation, we stated that we did not consider that a clear case for change has been made. We noted that a significant proportion of respondents (seven of 17) were not supportive of the principles of this proposal. We have not seen any information in the second consultation which has changed our position. Our responses to this second consultation should be read in that context.</p> <p>In answer to the specific question:</p> <p>We don't consider that it is within the remit of network charging arrangements to provide financial support to individual companies (who may or may not be struggling financially) by granting relief from certain charges. We consider that financial support is more</p>	The Working Group noted request for analysis to confirm that the assumption that a one-band move would have a lesser impact on the wider residual charging base than a move by more than one band.

		<p>appropriately addressed by other agencies. The proposal form itself cites the example of the Energy-intensive industries exemption scheme through which the government grants a form of energy tax relief.</p> <p>We are not able to say whether re-allocating those sites which have passed the HCULU threshold to the next lower TCR band would be preferable to applying a discount, as no discount option has been put forward for comparison.</p> <p>We think that re-allocating those sites which have passed the HCULU threshold to the next lower TCR band might be a less bad option than, for instance, using an approach which could result in re-banding by more than one band. This would be based on that assumption that a one-band move would have a lesser impact on the wider residual charging base (who would have to bear the cost of the proposal) than a move by more than one band. <b>However, we would like to see the Working Group test/prove that assumption with some analysis.</b></p>	
Association of Drainage Authorities		<p>We believe that customers who have to maintain a high ASC in order to deliver their essential public functions, but only utilise this capacity during adverse events (e.g. heavy rainfall), are being adversely affected by the TCR bandings. Internal drainage boards (IDBs) are responsible for over 600 pumping stations across lowland England, defending a tenth of England from flooding. IDBs need to rapidly pump high volumes of water away during rainfall/flooding events, and thus require high ASC during these infrequent events or during the periodic testing of pumping equipment to maintain this equipment in a state of readiness. The implementation of the TCR has led to IDBs' daily standing charges rising exponentially due to their TCR banding.</p> <p>A policy which allows public sector organisations whose activities and</p>	This was noted by the Working Group.

		infrastructure are for the public good should be treated differently than other commercial organisations. Ultimately the taxpayer is incurring these additional cost through higher Special Levy payments from Councils (funded via Council Tax and Business Rates) and Land Drainage Rates charged directly upon the occupiers of agricultural land within each drainage district.	
Northern Powergrid		<p>Yes, we agree that this is a sensible and pragmatic approach, delivering a discount utilising existing tariff structures.</p> <p>It should be clear in the legal text that you cannot move lower than band 1.</p>	This was noted by the Working Group.
SSE Enterprise		<p>No, we do not support the proposal to re-allocate customers to the next lowest TCR band instead of applying some form of discount. Neither do we support applying any form of a discount.</p> <p>Reallocation of banding or a discount on the banding for these customers will impact other customers. This modification if implemented will not only benefit those directly affected 'peaky customers' by reducing their residual charges but will impact all other customers who will see residual their charges increased to make up the monies that peaky customers will no longer be charged.</p>	This was noted by the Working Group.
Water Management Alliance		We believe that customers who have to maintain a high ASC in order to deliver their essential public functions, but only utilise this capacity during adverse events (e.g. heavy rainfall), are being adversely affected by the TCR bandings. Internal drainage boards (IDBs) are responsible for over 600 pumping stations across lowland England, defending a tenth of England from flooding. IDBs need to rapidly pump high volumes of water away during rainfall/flooding events, and thus require high ASC during these infrequent events or during the periodic testing of pumping equipment to maintain this equipment in a state of readiness. The implementation of the TCR has	This was noted by the Working Group.

		<p>led to IDBs' daily standing charges rising exponentially due to their TCR banding.</p> <p>A policy which allows public sector organisations whose activities and infrastructure are for the public good should be treated differently than other commercial organisations. Ultimately the taxpayer is incurring these additional cost through higher Special Levy payments from Councils (funded via Council Tax and Business Rates) and Land Drainage Rates charged directly upon the occupiers of agricultural land within each drainage district.</p>	
Yorkshire & Humber Drainage Board		<p>We believe that customers who have to maintain a high ASC in order to deliver their essential public functions, but only utilise this capacity during adverse events (e.g. heavy rainfall), are being adversely affected by the TCR bandings. Internal drainage boards (IDBs) are responsible for over 600 pumping stations across lowland England, defending a tenth of England from flooding. IDBs need to rapidly pump high volumes of water away during rainfall/flooding events, and thus require high ASC during these infrequent events or during the periodic testing of pumping equipment to maintain this equipment in a state of readiness. The implementation of the TCR has led to IDBs' daily standing charges rising exponentially due to their TCR banding.</p> <p>A policy which allows public sector organisations whose activities and infrastructure are for the public good should be treated differently than other commercial organisations. Ultimately the taxpayer is incurring these additional cost through higher Special Levy payments from Councils (funded via Council Tax and Business Rates) and Land Drainage Rates charged directly upon the occupiers of agricultural land within each drainage district.</p>	This was noted by the Working Group.
Electricity		No.	The Working Group noted the

North West		<p>The banding progression is purposefully 'non-linear' and so ENWL believe this proposal would introduce unequal percentage discounts e.g. Band 4 to 3 could represent a larger percentage discount than a Band 2 to 1 discount.</p> <p>It also means that a Band 1 customer would be unable to benefit from any discount.</p> <p>An alternative might be to apply a straight percentage discount on their capacity charge.</p>	suggestion that a fixed percentage discount may be an alternative, additionally noting that the current proposed use of re-banding customers would not allow band 1 customers to benefit from this.
UK Power Networks		Yes, the original approach would have been complex to implement and so moving eligible customers to the next lower band instead would provide them with a discount in their charges without introducing a complex new set of arrangements.	This was noted by the Working Group.
SSE Networks		Yes we agree with the proposal of re-allocating to the next lowest band as the application of a discount would require either a manual adjustment or creation of new tariffs.	This was noted by the Working Group.
UK Power Distribution		Yes, this will simplify the administration of the rules.	This was noted by the Working Group.
York Consortium of Drainage Boards		Yes because of the complexities of applying a discount. However, we are uncertain on the order of magnitude of cost reduction achieved as it is not shown in the document.	This was noted by the Working Group.
Witham Fourth District IDB		We believe that as a customer who has to maintain a high ASC in order to deliver our essential public functions, but only utilise this capacity during adverse events (e.g. heavy rainfall), we are being adversely affected by the TCR bandings. Internal drainage boards (IDBs) are responsible for over 600 pumping stations across lowland	This was noted by the Working Group.

		<p>England, defending a tenth of England from flooding. IDBs need to rapidly pump high volumes of water away during rainfall/flooding events, and thus require high ASC during these infrequent events or during the periodic testing of pumping equipment to maintain this equipment in a state of readiness. The implementation of the TCR has led to IDBs' daily standing charges rising exponentially due to their TCR banding and ours has gone up 290%!</p> <p>We need a policy which allows public sector organisations whose activities and infrastructure are for the public good, to be treated differently than other commercial organisations. Ultimately the taxpayer is incurring these additional cost through higher Special Levy payments from Councils (funded via Council Tax and Business Rates) and Land Drainage Rates charged directly upon the occupiers of agricultural land within each drainage district.</p>	
<p><b>Working Group Conclusions</b></p> <p>The Working Group noted the majority of respondents agreed with the approach to re-band customers instead of applying some form of discount</p> <p>The Working Group noted that one respondent had suggested that a fixed percentage discount may be an alternative, additionally noting that the current proposed use of re-banding customers would not allow band 1 customers to benefit from this.</p> <p>The Working Group noted that one respondent had requested analysis to confirm that the assumption that a one-band move would have a lesser impact on the wider residual charging base than a move by more than one band.</p> <p>The Working Group discussed that it is usual, and highly likely, that charges for TCR bands increase as the band increases (i.e., the charges for band 2, being a higher band, are higher than the charges for band 1). As such, it was agreed that any such analysis would be a forgone conclusion that moving only one band would be less impactful than moving more than one band. The Working Group noted, however, that there are some niche instances where this may not be true, being:</p> <ul style="list-style-type: none"> <li>• negative residual charges in some areas; and</li> </ul>			

- some higher bands having lower charges than the lower bands, due to the way these are calculated.

The Working Group noted that the Authority was investigating ways to resolve the issue of negative residual charging.

The Working Group discussed that whilst it was possible for some higher bands having lower charges than the lower bands, this was a niche situation that would only arise where there was a low number of users, or low consumption, within a TCR band. One Working Group member noted that in the four DNO areas his company was responsible for, this situation had never arisen.

The Working Group agreed that its position had not changed, and that re-banding to the next lowest band remained its preferred approach.

### Question 3

Company	Confidential/ Anonymous	Do you believe HCULU customers should be able to opt out and be returned to their previous band if the charges in the lower band are higher? Please provide your rationale.	Working Group Comments
National Grid		No. If HCULU customers benefit from most years due to positive residual then if residual becomes negative due to low allowed revenues in one year then they are paying back the excess that they gained.	This was noted by the Working Group.
The Electricity Network Company Ltd.		No, they should not be able to opt out.	This was noted by the Working Group.
Witham & Humber Drainage Board		Yes, Please see our reply to question 2.	This was noted by the Working Group.
E.ON		Yes – this should enable self-declaration of changes to the site usage of the network within the transmission price control.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes.	This was noted by the Working

		This may be a rare occurrence but the option should be made available if the circumstances are warranted.	Group.
SSE Generation		Yes, we do, as otherwise the intent of this proposal to lower residual charges for peaky sites would not be met (notwithstanding the fact we don't support the proposal overall).	This was noted by the Working Group.
Association of Drainage Authorities		Yes, public authorities delivering essential public functions should be entitled to the lowest charges they are eligible for.	This was noted by the Working Group.
Northern Powergrid		We see no reason why a customer cannot choose at any point to opt-out of the HCULU scheme.	This was noted by the Working Group.
SSE Enterprise		Yes. Whilst we do not support this modification, if it is implemented and there is a scenario where the customer would pay more in the lower band than their original band, the customer should be able to opt out and be returned to their previous band.	This was noted by the Working Group.
Water Management Alliance		Yes, public authorities delivering essential public functions should be entitled to the lowest charges they are eligible for.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, public authorities delivering essential public functions should be entitled to the lowest charges they are eligible for.	This was noted by the Working Group.
Electricity North West		No, we don't think that would be an appropriate basis for appealing to a lower band. It would present unnecessary and unpredictable volatility in banding.  Customers should however be able to change status based upon an expected change in future use, or indeed ceasing to be eligible for	This was noted by the Working Group.

		HCULU status (see Q6), but not opting out to achieve lower charges.	
UK Power Networks		No, if we have given customers the option to move bands then they must accept that there is a risk that there will be a disbenefit and, so long as they remain eligible for the changed band, should remain there (unless they demonstrate that they weren't HCULU for 12 months) and face the same costs as other customers in that band.	This was noted by the Working Group.
SSE Networks		We do not believe the customer should be able to opt out in this circumstance as this is not an option we would consider for any other Final Demand customer. A discussion should be held within the working group to consider whether a customer given HCULU status for the price control period as referenced in question 4, could 'apply' to have their HCULU status removed if they were to face a higher charge in a lower band, or if they would have to prove they no longer meet the requirement of a HCULU customer in order to be changed back.	This was noted by the Working Group.
UK Power Distribution		No: is a simpler alternative for them not to apply in the first place instead? Or is there value in them applying?	
York Consortium of Drainage Boards		Yes	This was noted by the Working Group.
Witham Fourth District IDB		Yes, public authorities delivering essential public functions should be entitled to the lowest charges they are eligible for.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  The Working Group noted that the majority of respondents were not in favour of the customer being able to opt out, stating that: <ul style="list-style-type: none"> <li>this would not be considered for any other Final Demand Customer;</li> </ul>			

- this presents unnecessary and unpredictable volatility in banding; and
- customers must accept that there is a risk that charges increase.

The Working Group discussed that, as per its discussion regarding the re-banding approach, there are scenarios where a lower band may have higher charges than a higher band.

The Working Group considered that the aim of this CP was to provide relief from the TCR charges and that to prevent the customer from opting out of this would seem to go against the principle of this CP.

A Working Group member suggested that, as phrased, the question alludes to customers being able to opt out only in a specific situation, and that it would be more pragmatic to allow these customers to simply be able to opt out at any time (e.g., a customer could opt out because they consider themselves to no longer be peaky).

The Working Group agreed that, whilst a majority of respondents were in not favour of a customer being able to opt out, that it would allow a customer to opt out at any time, rather than just in specific instances.

#### Question 4

Company	Confidential/ Anonymous	Should customers have their eligibility re-assessed at each price control period or more frequently? Please provide your rationale.	Working Group Comments
National Grid		This probably needs re-assessing at each price control period otherwise they may be switching bands on a yearly basis.	This was noted by the Working Group.
The Electricity Network Company Ltd.		More frequently to ensure fairness.	This was noted by the Working Group.
Witham & Humber Drainage Board		Yes, Reassessment at each price control would allow a more equitable allocation of the industry charges.	This was noted by the Working Group.
E.ON		We believe that the Transmission price control is the right window for	This was noted by the Working

		general reapplication of legibility on the basis that it aligns with the general review of the charging band boundaries.	Group.
Party	<b>Anonymous</b>	At each price control period for consistency with current processes.	This was noted by the Working Group.
SSE Generation		<p>We consider that there are two potential sides to the argument.</p> <p>On the one hand, we consider that HCULU customers' banding should be valid until the end of the price control period, but on the other hand, the same practice should be applied as for non-final demand sites which become final demand sites – see our response to q.7.</p>	This was noted by the Working Group.
Association of Drainage Authorities		Yes. Reassessment at each price control would allow a more equitable allocation of the industry charges.	This was noted by the Working Group.
Northern Powergrid		Each price control period seems reasonable enough in order to make this a worthwhile process. If it is implemented it needs to provide long term stability for sites and those that are on the border of meeting the criteria would likely fall in and out of eligibility if reviewed more regularly. Reviewing more frequently would introduce additional workloads for DNOs.	This was noted by the Working Group.
SSE Enterprise		Customers should be reassessed yearly rather than at each price control, as utilisation patterns of sites may change significantly over a short period. Our view is price control period is too long. However, reassessing eligibility more frequently i.e. shorter than a year would mean reassessment is too often.	This was noted by the Working Group.
Water Management Alliance		Yes. Reassessment at each price control would allow a more equitable allocation of the industry charges.	This was noted by the Working Group.

Yorkshire & Humber Drainage Board		Yes. Reassessment at each price control would allow a more equitable allocation of the industry charges.	This was noted by the Working Group.
Electricity North West		<p>No, this would add a burden to DNO.</p> <p>An appropriate alternative would be to implement arrangements similar to non-final demand certification.</p>	<p>This was noted by the Working Group.</p> <p>The Working Group discussed that non-final demand sites will continue to be classed as such until they advise the DNO that they are no longer a non-final demand site. The Working Group noted that the DNOs may have a right to audit non-final demand sites but discussed that the DNOs do not proactively do so as this would require physical checks on the sites. The Working Group also noted that the proposed solution under this CP is that eligibility is reviewed at, at the very least, each price control period, which adds a safeguard against non-eligible sites gaming the system and benefitting from the reduction in band in the longer term</p>
UK Power Networks		In advance of the start of each Transmission Price Control period each Customer should have to reapply and be reassessed, this needs to be well in advance, as an example we would suggest no later than 31 December which provides the DNOs 3 months to undertake an assessment, this would also take account of where the band	This was noted by the Working Group.

		thresholds have changed. But DNOs need to be able to check at any point that each Customer remains compliant and can withdraw their eligibility if their usage has changed and they are no longer eligible.	
SSE Networks		We believe the eligibility being reassessed at each price control period is sufficient.	This was noted by the Working Group.
UK Power Distribution		Yes, a formal one at the start of each price control, but then leave it to the DNO's discretion to do audits from time to time, at their convenience.	This was noted by the Working Group.
York Consortium of Drainage Boards		Reassessed at each price control period.	This was noted by the Working Group.
Witham Fourth District IDB		Yes. Reassessment at each price control would allow a more equitable allocation of the industry charges.	This was noted by the Working Group.

### Working Group Conclusions

The Working Group noted that a strong majority of respondents favoured customers' eligibility being re-assessed at each price control period, citing reasons such as:

- aligning with the general review of charging boundaries;
- providing long-term stability for sites, which would help businesses with planning;
- sites could otherwise be switching bands on a yearly basis; and
- a more frequent review period would result in additional burdens on DNOs.

The Working Group noted that one respondent stated that the review should be in advance of the price control period.

The Working Group noted that a small number of respondents favoured a more frequent review period, due to: sites utilisation changing a lot over a short period of time; and ensuring fairness.

The Working Group discussed that the question did not allow for a consideration of whether a re-assessment of eligibility could be performed less frequently than at the price control periods. The Working Group discussed that in the case of Non-Final Demand customers, once a declaration had been made, this remained in perpetuity until there was a cause to revoke it, which was usually the result of a re-declaration made by the customer.

The Working Group discussed that non-final demand sites will continue to be classed as such until they advise the DNO that they are no longer a non-final demand site. The Working Group noted that the DNOs may have a right to audit non-final demand sites but discussed that the DNOs do not proactively do so as this would require physical checks on the sites. The Working Group also noted that the proposed solution under this CP is that eligibility is reviewed at, at the very least, each price control period, which adds a safeguard against non-eligible sites gaming the system and benefitting from the reduction in band in the longer term.

The Working concluded that the eligibility would be reviewed at the price control period.

## Question 5

Company	Confidential/ Anonymous	If the review is performed at the price control period, should customers have to reapply, or should they retain their HCULU eligibility status? Please provide your rationale.	Working Group Comments
National Grid		They should retain their HCULU status as the analysis would already determine if this is the case.	This was noted by the Working Group.
The Electricity Network Company Ltd.		They should reapply to prove the situation hasn't changed.	This was noted by the Working Group.
Witham & Humber Drainage Board		In industries where the nature of the HCULU is never going to change, it seems pointless to make them reapply for HCULU status.	This was noted by the Working Group.
E.ON		We believe customers should retain their status because this will reduce levels of bureaucracy for both customers and DNOs. As it is	This was noted by the Working Group.

		anticipated that HCULU status will not be widespread, this should reduce DNO administration burdens (checking and accounting for HCULU customers during the 5 year banding review).	
Party	<b>Anonymous</b>	Customers should reapply to review that their HCULU status is still appropriate with a 12-month window prior to the price control period. As discussed this avoids the admin of maintaining a register.	This was noted by the Working Group.
SSE Generation		We consider that if the HCULU review is performed at the price control banding review, sites should be treated in line with non-final demand sites which have to resubmit a declaration at this point. We understand that in practice, (some/all?) DNOs proactively contact known NFD sites to prompt them for a resubmission of their declaration. A similar process could be followed for HCULU sites.	This was noted by the Working Group.
Association of Drainage Authorities		Customers from sectors where the nature of the HCULU is never going to change (e.g. IDBs with pumping stations delivering their essential public functions, requiring the infrequent use of high ASC during heavy rainfall events) should not have to reapply for HCULU status.	This was noted by the Working Group.
Northern Powergrid		<p>We do not believe the customer should need to reapply, but the review periods and obligations need to be clearly defined in the legal text.</p> <p>End customers would not know when they need to reapply and they would not have to meet any obligations relating to dates for reapplying in the DCUSA as they are not DCUSA parties.</p> <p>Any change in HCULU status should be communicated to the Supplier who should then communicate the change to the Customer.</p>	This was noted by the Working Group.
SSE Enterprise		If customers are reassessed at the price control period and are still peaky, then they should retain their HCULU eligibility status and not	This was noted by the Working Group.

		<p>have to reapply.</p> <p>If customers are reassessed at the price control period and then required to reapply in order to retain their eligibility, this would increase the administrative burden during the price control process which is already complex and time consuming.</p>	
Water Management Alliance		Customers from sectors where the nature of the HCULU is never going to change (e.g. IDBs with pumping stations delivering their essential public functions, requiring the infrequent use of high ASC during heavy rainfall events) should not have to reapply for HCULU status.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Customers from sectors where the nature of the HCULU is never going to change (e.g. IDBs with pumping stations delivering their essential public functions, requiring the infrequent use of high ASC during heavy rainfall events) should not have to reapply for HCULU status.	This was noted by the Working Group.
Electricity North West		<p>Were a cut-off date/period to be prescribed in code, ENWL believe there could be inefficiencies if a customer was to be required to submit certificates only a few months after their (prior) application.</p> <p>This would add a burden to consumer and DNO, but arrangements similar to non-final demand certification would seem an appropriate alternative.</p>	This was noted by the Working Group.
UK Power Networks		We believe they should have to reapply, see answer to Q4.	This was noted by the Working Group.
SSE Networks		We support the process of customers having to reapply for their HCULU status prior to the new price control period beginning, as suggested a 12-month window prior to that date would be sufficient.	This was noted by the Working Group.

UK Power Distribution		Retain	This was noted by the Working Group.
York Consortium of Drainage Boards		In our industry HCULU assets may be in default of HCULU criteria after very wet periods over which we have no control. Is it possible to have a fixed HCULU status for these public service assets unless the supply is being used for a wider purpose?	This was noted by the Working Group.
Witham Fourth District IDB		Customers from sectors where the nature of the HCULU is never going to change (e.g. IDBs with pumping stations delivering their essential public functions, requiring the infrequent use of high ASC during heavy rainfall events), should not have to reapply for HCULU status.	

### Working Group Conclusions

The Working Group noted that a small majority of respondents favoured the customer retaining eligibility at the price control period review, rather than requiring customers to re-apply. These respondents stated that:

- customers are not Parties to the DCUSA and are not obliged to adhere to any timescales stated within the DCUSA;
- customers would not know when they needed to apply;
- retaining eligibility reduced the level of bureaucracy for both customers and DNOs; and
- the analysis performed by the DNO for the price control period would already be able to confirm ongoing eligibility.

The Working Group noted that some respondents favoured customers needing to re-apply, so that:

- it removes the need for DNOs to maintain a register of eligible customers; and
- it ensures customers to prove their situation has not changed.

The Working Group had noted in the case of Non-Final Demand customers, once a declaration had been made, this remained in perpetuity until there was a cause to revoke it, which was usually the result of a re-declaration made by the customer. A Working Group member noted that to assess a site's eligibility for Non-Final Demand would require the DNO to visit the site and check its use, which was not feasible to do in an efficient manner.

The Working Group discussed that, unlike the Non-Final Demand process which relied on a customer declaration to avoid the need for site visits, this CP relied on data the DNO already holds, which could be used to reassess eligibility at specified times.

The Working Group concluded that, where the DNO analysis of the previous 12 months of data shows that a customer remains eligible, they would retain their eligibility status.

The Working Group discussed that, in the case of retaining HCULU status if the data shows the customer continues to be eligible, the data for the next price control period is assessed 14 months in advance of the price control period and is based on the previous 24 months of data, which is arguably nearly two years out of date by the time the price control period commences.

The Working Group considered whether HCULU eligibility, for retaining the status:

- should be performed at the same time the data is submitted for the next price control period (i.e., 14 months in advance); or
- should be performed closer to the commencement of the price control period, using more recent data.

The Proposer highlighted a competition concern, noting that the DNOs send the information on all MPANs to all Suppliers, but only the Supplier for each specific MPAN would be aware of the HCULU status, leading to advantages in pricing.

The Working Group noted that one respondent had stated that the obligations and timescales needed to be stated clearly in the legal text and considered that, if the review period was to be closer to the commencement of the next price control period, the timescales for doing this may need to be specified in the DCUSA, to ensure consistency across DNO areas.

## Question 6

Company	Confidential/ Anonymous	If the review is more frequent, do you agree that customers who are no longer eligible for HCULU status should be allocated to their previous charging band? Please provide your rationale.	Working Group Comments
National Grid		Yes previous charging band is the sensible option.	This was noted by the Working Group.
The Electricity		Yes, the customers should be reverted to their original charging band.	This was noted by the Working

Network Company Ltd.			Group.
Witham & Humber Drainage Board		Yes, If a customer no longer qualifies for the HCULU status they should be re banded as per their ASC and consumption profile.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes.	This was noted by the Working Group.
SSE Generation		We agree, as this would have been the site's default.	This was noted by the Working Group.
Association of Drainage Authorities		Yes. If a customer no longer qualifies for the HCULU status they should be re banded as per their ASC and consumption profile.	This was noted by the Working Group.
Northern Powergrid		<p>If a site is reviewed and deemed to no longer have eligible HCULU behaviour it should go back to the charging band it was in prior the HCULU reallocation.</p> <p>If the circumstance at site has changed, they should apply through the exceptional circumstance route to change band, just as if the HCULU status had never been applied.</p> <p>A fresh allocation after a period of HCULU could allow gaming where the customer has lowered the MIC to be allocated into a lower band without the need to meet the 50% criteria and is not in line with the way any other customer is treated.</p> <p>Any change to/from HCULU status/banding should be communicated to the Supplier who should then communicate the change to the Customer.</p>	This was noted by the Working Group.

SSE Enterprise		Yes. If customers are found to no longer be eligible for HCULU status after the review, they should be reallocated to their previous charging band.	This was noted by the Working Group.
Water Management Alliance		Yes. If a customer no longer qualifies for the HCULU status they should be re banded as per their ASC and consumption profile.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes. If a customer no longer qualifies for the HCULU status they should be re banded as per their ASC and consumption profile.	This was noted by the Working Group.
Electricity North West		Yes	This was noted by the Working Group.
UK Power Networks		See answer to Q4, but yes the previous charging band would be appropriate, unless their capacity has changed then a different charging band might need to apply.	This was noted by the Working Group.
SSE Networks		We do not support a more frequent review, but we would agree that customers who are no longer eligible will be returned to their previous band. If they have changed their capacity they can use the exceptional circumstances process.	This was noted by the Working Group.
UK Power Distribution		Yes, if they stop being eligible, then the "discount" should stop too.	This was noted by the Working Group.
York Consortium of Drainage Boards		In our industry HCULU assets may be in default of HCULU criteria after very wet periods over which we have no control. This is likely to be more apparent if the review period is more frequent. Is it possible to have a fixed HCULU status for these public service assets unless the supply is being used for a wider purpose?	This was noted by the Working Group.
Witham Fourth District IDB		Yes. If a customer no longer qualifies for the HCULU status they should be re banded as per their ASC and consumption profile.	This was noted by the Working Group.

**Working Group Conclusions**

The Working Group noted that, in the event the review period was to be more frequent, respondents had agreed unanimously that sites which are no longer eligible should be returned to their previous bands.

**Question 7**

Company	Confidential/ Anonymous	Do you agree that the DNOs should have the ability to review sites where their behaviours have changed in a significant way?	Working Group Comments
National Grid		We will be able to analyse the data but not be able to understand the reason behind them as there could be temporary changes.	This was noted by the Working Group.
The Electricity Network Company Ltd.		Where concerns regarding a significant change in customers behaviours are being flagged internally, yes, we believe the distributors should be able to review the sites.	This was noted by the Working Group.
Witham & Humber Drainage Board		Yes, this would allow the DNO to manage those who are using different behaviours to avoid industry charges.	This was noted by the Working Group.
E.ON		Yes – this makes sense because it is plausible that a customer may qualify for HCULU due to a period of downtime on site and once agreed could enjoy the reduced residual cost allocation despite clearly not continuing to meet HCULU status.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes.	This was noted by the Working Group.
SSE Generation		We consider that there are two potential sides to the argument.  On the one hand, such provision would be in line with the practice, as we understand it, for re-assessing non-final demand sites in cases	This was noted by the Working Group.

		<p>where their status has changed to becoming a final demand site, at that particular point in time.</p> <p>On the other hand, we consider that if there is no codified re-assessment of HCULU status between price controls, then giving DNOs discretion to review sites could lead to unfairness whereby some sites are reviewed and re-banded, and others with similar changes in their usage pattern are not reviewed and retain their HCULU status.</p> <p>We would like the Working Group to consider both arguments.</p>	
Association of Drainage Authorities		Yes, this would allow the DNO to manage those who are using different behaviours to avoid industry charges.	This was noted by the Working Group.
Northern Powergrid		<p>Yes. The DNO should be able to review any site at any time. If the DNO deems that the site has changed behaviour significantly and is no longer acting like a HCULU site (as per the eligibility formula) the DNO (at its discretion) should be able to remove the HCULU status from the site.</p> <p>This would avoid sites adapting their behaviour for a relatively short period of time to appear 'peaky' only to then change to a less 'peaky' usage pattern. It would also allow sites that have been repurposed since successfully applying for HCULU status to be reallocated back to the original charging band.</p> <p>Any change to/from HCULU status/banding should be communicated to the Supplier who should then communicate with the Customer.</p>	This was noted by the Working Group.
SSE Enterprise		Yes.	This was noted by the Working Group.

Water Management Alliance		Yes, this would allow the DNO to manage those who are using different behaviours to avoid industry charges.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, this would allow the DNO to manage those who are using different behaviours to avoid industry charges.	This was noted by the Working Group.
Electricity North West		<p>Yes, this helps minimise the risk that an unscrupulous consumer games the system by managing their usage to qualify for a lower band.</p> <p>But noting the potential additional burden on DNOs, ENWL believe this should be a right of, rather than an obligation on, DNOs.</p> <p>Further, DNOs already review the LLFC allocations for consumers, ENWL suggest that the timing and methodology for such review should not be prescribed, so as to allow DNOs to best align such reviews with their current review activity.</p>	This was noted by the Working Group.
UK Power Networks		Yes, see answer to 4.	This was noted by the Working Group.
SSE Networks		We do agree that DNOs should have the ability to review sites in extreme cases.	This was noted by the Working Group.
UK Power Distribution		Yes, of course. This is part of sound management of revenue collection.	This was noted by the Working Group.
York Consortium of Drainage Boards		Yes	This was noted by the Working Group.

Witham Fourth District IDB		Yes, this would allow the DNO to manage those who are using different behaviours to avoid industry charges.	This was noted by the Working Group.
<p><b>Working Group Conclusions</b></p> <p>The Working Group noted that a strong majority of respondents were in favour of the DNO having the ability to review sites where their behaviours have changed in a significant way.</p> <p>The Working Group noted that one respondent had cited concerns around fairness, whereby some sites may be reviewed whilst others may not. The Working Group discussed that to ensure fairness, it could be necessary to ensure every site is reviewed as least once in every price control period.</p> <p>The Working Group also noted that one respondent had stated that the ability to review a site should be a right of the DNOs and not an obligation on them, to avoid additional DNO burden.</p> <p>The Working Group discussed that if customers were not reviewed and instead retained their eligibility status on an ongoing basis, this could mean that sites would remain eligible on an enduring basis, potentially benefitting for a prolonged period where they would otherwise have been deemed to not be eligible, had they been reviewed, at a cost to other customers.</p> <p>The Working Group agreed that, as a compromise, it would therefore be a right of the DNOs to review sites at any time, rather than an obligation to do so, on the basis that sites would be reviewed at each price control period</p>			

## Question 8

Company	Confidential/ Anonymous	Do you agree that customers who change their capacity whilst classed as a HCULU customer will remain on their current band until they are reassessed? Please provide your rationale.	Working Group Comments
National Grid		We agree with the working group that if a site had not applied for 'exceptional circumstances', including HCULU status, they would have remained on their previous band, and hence this should be the default fall back.	This was noted by the Working Group.

The Electricity Network Company Ltd.		A significant change in imported capacity should flag automatically a reassessment against the HCULU criteria.	This was noted by the Working Group.
Witham & Humber Drainage Board		Yes, unless there is a significant change in consumption.	This was noted by the Working Group.
E.ON		We believe this needs to work in conjunction with both exceptional circumstances and the right for DNOs to review sites as per the previous question, so in principle yes we agree but with these caveats.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes, consistent with TCR practises.	This was noted by the Working Group.
SSE Generation		<p>We consider that such sites should be treated in the same manner as those sites where their behaviour has changed in a significant way (e.g. as per the 'Exceptional circumstances' provisions in Schedule 32 of the DCUSA).</p> <p>If, subject to the outcomes in relation to questions 4 and 7, the final solution for this proposal included, respectively, a codified or a discretionary review of HCULU sites between price controls, then the sites' banding status should be adjusted following the outcome of the review.</p>	This was noted by the Working Group.
Association of Drainage Authorities		Yes, unless there is a significant change in consumption.	This was noted by the Working Group.
Northern Powergrid		Yes. A change in MIC should NOT be an automatic trigger to remove HCULU and force a new application, with the caveat that a DNO can review sites at their discretion (as per question 7).	This was noted by the Working Group.

SSE Enterprise		Agree, that such customers should remain on their current band until reassessed.	This was noted by the Working Group.
Water Management Alliance		Yes, unless there is a significant change in consumption.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, unless there is a significant change in consumption.	This was noted by the Working Group.
Electricity North West		Yes.  Capacity changes don't trigger a review of residual bands under current arrangements but we would hopefully have the right to review where appropriate (as proposed under Q7).	This was noted by the Working Group.
UK Power Networks		No as with all other Customers where their capacity changes they should be reassessed, although their entitlement to HCULU status would remain in place all the while their usage retains eligibility.	This was noted by the Working Group.
SSE Networks		Yes we agree, the exceptional circumstances process can still be used if the customer changes their capacity.	This was noted by the Working Group.
York Consortium of Drainage Boards		It is important to reassess the situation to understand why they have changed their capacity. A change in capacity could be used as a trigger to consider a reassessment as the issue relates to usage.	This was noted by the Working Group.
Witham Fourth District IDB		Yes, unless there is a significant change in consumption.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  The Working Group noted that a strong majority of respondents favoured leaving customers who change capacity in their current band,			

stating that:

- this works alongside the existing exceptional circumstances process; and
- capacity changes do not currently trigger a review of a customer's band.

The Working Group reviewed Schedule 32 of the DCUSA relating to the exceptional circumstances. Whilst it was not stated that the exceptional circumstances cannot be triggered by the DNOs, it was discussed that this is usually a customer-triggered process.

The Working Group noted that if a customer increased their capacity at a site, it is possible that they will increase activity in such a way that remains peaky in nature, and they remain eligible. The Working Group also noted that in such cases, it would not be possible to reassess their eligibility for another 12 months against the new capacity, as 12 months of usage against the new capacity would be required.

The Working Group agreed that customers who change their capacity would remain on their current band.

## Question 9

Company	Confidential/ Anonymous	Should customers be limited in how many times they can apply for HCULU status over a given period, and if so, what should the limit and period be? Please provide your rationale.	Working Group Comments
National Grid		The customer should be limited to one application per year.	This was noted by the Working Group.
The Electricity Network Company Ltd.		Given there are administration costs associated with each application and assessment against the qualifying criteria, yes, we believe a limit should be implemented on the number of applications made available for a customer. A customer should not be able to apply more than once every 12 months period.	This was noted by the Working Group.
Witham & Humber Drainage Board		Not if the reason for the application is valid.	This was noted by the Working Group.

E.ON		Yes, as we believe that any sites which apply should have done background checks to the point that they believe they meet HCULU status. Putting a limit on the frequency of application would support this.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Agree that a customer should be limited to making one application in each charging year.	This was noted by the Working Group.
SSE Generation		Yes, we do. We consider that an annual application opportunity is sufficient and allows the build-up of new, recent consumption data of the site needed for the re-assessment.	This was noted by the Working Group.
Association of Drainage Authorities		Not if the reason for the application is valid.	This was noted by the Working Group.
Northern Powergrid		Yes. We believe customer applications should be limited to one every 12 months.  Without a limit a site may choose to apply for HCULU status each billing month until they eventually hit the criteria. This could have a significant increase on workload for DNOs.	This was noted by the Working Group.
SSE Enterprise		Yes, customers should be limited to make one application each charging year.	This was noted by the Working Group.
Water Management Alliance		Not if the reason for the application is valid.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Not if the reason for the application is valid.	This was noted by the Working Group.
Electricity		Yes.	This was noted by the Working

North West		<p>ENWL do not believe that it's efficient for the same consumer to apply multiple times in a short period.</p> <p>For that reason, unless there is a change of use at the premises then such applications should be limited to once per year (as per changes to Agreed Capacity).</p>	Group.
UK Power Networks		We believe that application once a year in advance of the start of a new charging year is appropriate, as an example a Customer would need to apply during the month of March to be eligible for the start of April. Other than in advance of a new Transmission Price Control period where all Customers who currently have HCULU status would need to apply between January and March – see answer to Q4.	This was noted by the Working Group.
SSE Networks		We believe that the customer should be limited to one application per charging year.	This was noted by the Working Group.
UK Power Distribution		No, I don't foresee a scenario where the customer would have unreasonable behaviour with that regard.	This was noted by the Working Group.
York Consortium of Drainage Boards		I am sure the industry has criteria for appropriately managing this type of application.	This was noted by the Working Group.
Witham Fourth District IDB		Not if the reason for the application is valid.	This was noted by the Working Group.
<b>Working Group Conclusions</b> <p>The Working Group noted that a strong majority of respondents favoured a limit on the number of applications that a customer could make, stating that:</p>			

- there was a risk of customers submitting repeat applications, increasing the burden on DNOs;
- there are costs associated with each application;
- that once a year, in advance of the charging year, would be appropriate; and
- a limit would allow the build-up of new, recent consumption data.

The Working Group discussed whether the application should be for or at the start of a new charging year or could be made at any time within the charging year. The Working Group considered that if the timescales were bound to charging years, there would be a bottleneck of applications aligning with the start of each charging year.

The Working Group agreed that allowing one application every 12 months would provide the necessary mitigation against repeat applications causing issues for the DNO whilst avoiding the potential for a backlog of applications to build up.

## Question 10

Company	Confidential/ Anonymous	Should there be a transitional period of 6 months during which customers who apply for HCULU status would be eligible for retrospective re-banding? Please provide your rationale.	Working Group Comments
National Grid		We disagree with retrospective re-banding and in MWHHS this will be limited to 4 months.	This was noted by the Working Group.
The Electricity Network Company Ltd.		There should not be a 6 months transitional period. From previous experience, we consider the transitional periods to potentially bring more confusion especially from a billing perspective and thus would not encourage it.	This was noted by the Working Group.
Witham & Humber Drainage Board		No, it should be available whenever there is a change of status or use.	This was noted by the Working Group.
E.ON		Yes, we strongly support this, namely because we believe that customers meeting HCULU status was an omission of the original TCR direction. Customers should be able to claim their reduced rate back	This was noted by the Working Group.

		to TCR inception to align with the costs they will have accrued.	
Party	<b>Anonymous</b>	Agree that a 6 month transitional period would be appropriate with the provision of 12 months data.	This was noted by the Working Group.
SSE Generation		Yes, there should. The raising of the change proposal was initially prompted, back in October 2022, by the situation of a particular network user whose viability was at stake. Whilst we don't support the proposal, it would seem logical that if it was to be approved, it should benefit the network user in question as far as possible, assuming they become HCULU-eligible.	This was noted by the Working Group.
Association of Drainage Authorities		No, it should be available whenever there is a change of status or use.	This was noted by the Working Group.
Northern Powergrid		<p>No – We do not support any retrospectivity.</p> <p>To our knowledge there is no precedent for retrospectivity of this type. Typically changes that are approved take effect from the date they go live, or from a set date in the future.</p> <p>These customers are currently in the correct charging band as per the current DCUSA legal text, therefore they are being charged correctly. We see no justification to backdate the charges for these customers.</p> <p>We believe that any changes to the customers charging band should take effect from the start of the next billing period after the application has been received. This aligns with NFD certification and reallocations under section 6.</p>	<p>This was noted by the Working Group.</p> <p>The Working Group particularly noted the point raised that these customers are in the correct band as per the current DCUSA legal text, and not as a result of any error.</p>
SSE Enterprise		Although we do not support this proposal overall, we believe if the modification is approved then it would only be fair that customers who successfully apply for the HCULU status in the window should be	This was noted by the Working Group.

		eligible for retrospective banding.	
Water Management Alliance		No, it should be available whenever there is a change of status or use.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		No, it should be available whenever there is a change of status or use.	This was noted by the Working Group.
Electricity North West		<p>Yes, because this is fairer to consumers who have been eligible for this status for some time.</p> <p>ENWL believe that the Legal Text refers to 12 month backdating from application – this could create a log-jam of applications immediately after implementation.</p> <p>It could also risk some applications being rejected for being incomplete which might otherwise have been accepted.</p> <p>Finally it could benefit those consumers who can submit early compared to those who may have to submit later.</p> <p>ENWL propose that the backdate is uniformly 12 months back from implementation with a submission deadline 6 months from implementation.</p>	<p>This was noted by the Working Group.</p> <p>The Working Group particularly noted the concerns around the logjam of applications.</p>
UK Power Networks		No we believe that eligibility should be going forward only and no retrospective re-banding should apply, which aligns to the approach we would take with a NFD site contacting us today.	This was noted by the Working Group.
SSE Networks		Yes we are in agreement with a 6 month transitional period.	This was noted by the Working Group.

UK Power Distribution		No, I think retrospective banding should be accessible to all.	This was noted by the Working Group.
York Consortium of Drainage Boards		Yes partially linked to the response in Q 11.	This was noted by the Working Group.
Witham Fourth District IDB		No, it should be available whenever there is a change of status or use.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  <p>The Working Group noted the split views from respondents around whether there should be any retrospective elements of the proposal.</p> <p>The Working Group noted that key themes emerged from questions 10 through to 12, which all relate to retrospective rebates. the Working Group agreed that these themes should be fully articulated in the change report along with the conclusions reached by the Working Group as a result its review of all these themes.</p>			

## Question 11

Company	Confidential/ Anonymous	Do you agree that customers should be re-banded up to a maximum of 12 months unless they are able to provide data showing that the excessive charges began on 1 April 2023, which would justify that they be re-banded back to that date? Please provide your rationale.	Working Group Comments
National Grid		See answer to question 10	
The Electricity Network Company Ltd.		Yes	This was noted by the Working Group.
Witham &		Yes, if a customer can evidence that they have been subjected to	This was noted by the Working

Humber Drainage Board		excessive charges since April 23.	Group.
E.ON		Yes	This was noted by the Working Group.
Party	<b>Anonymous</b>	The maximum retrospective re-banding should be 12 months. If a particular year is missed then the re-banding should not go back this far.	This was noted by the Working Group.
SSE Generation		<p>Yes, in line with our response to q.10: The raising of the change proposal was initially prompted, back in October 2022, by the situation of a particular network user whose viability was at stake. Whilst we don't support the proposal, it would seem logical that if it was to be approved, it should benefit the network user in question as far as possible, assuming they become HCULU-eligible.</p> <p>We note that if DCP 439 was approved, backdating would be applied for no more than 14 months, and following the MHHS migration, 4 months.</p>	<p>This was noted by the Working Group.</p> <p>The Working Group noted that, at the time of reviewing these responses, that DCP 439 had been sent to the Authority for a decision, and that it would therefore not currently be possible to write legal text catering for this proposal.</p>
Association of Drainage Authorities		Yes, if a customer can evidence that they have been subjected to excessive charges since 1 April 2023.	This was noted by the Working Group.
Northern Powergrid		No – as per the previous response (Q10), we do not support retrospective action.	This was noted by the Working Group.
SSE Enterprise		Whilst we do not support this modification, if implemented, customers should be re banded based on 12 months data they provided, as this is the most recent use of energy. If a customer is found not to be a peaky customer, the charges should be levied retrospectively and move back to previous banding.	This was noted by the Working Group.

Water Management Alliance		Yes, if a customer can evidence that they have been subjected to excessive charges since 1 April 2023. However, it should be considered that many of these standing charges began increasing excessively prior to 01 April 2023, it may therefore be necessary to consider this information also.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, if a customer can evidence that they have been subjected to excessive charges since 1 April 2023.	This was noted by the Working Group.
Electricity North West		Yes, provided that the volume and costs of such retrospective changes are expected to be minimal.  ENWL believe that retrospective changes to charging should be considered very carefully, weighing the detriment of unfairness for one customer group with that of retrospective increases for another for periods that should reasonably be considered finalised. If the adjustment is only a small proportion of the market then redressing unfairness seems the right thing to do.	This was noted by the Working Group.
UK Power Networks		No We do not believe that retrospective re-banding should apply, see answer to Q10.	This was noted by the Working Group.
SSE Networks		We believe that a customer should be re-banded a maximum of 12-months.	This was noted by the Working Group.
UK Power Distribution		Yes, this sounds fair	This was noted by the Working Group.
York Consortium of Drainage Boards		Yes significant costs have been expended and data available to demonstrate.	This was noted by the Working Group.

Witham Fourth District IDB		Yes, if a customer can evidence that they have been subjected to excessive charges since 1 April 2023, which my IDB can.	This was noted by the Working Group.
<p><b>Working Group Conclusions</b></p> <p>The Working Group considered whether, in the case of DCP 412 and the potential low impact it would have, whether that would have any bearing on whether retrospectivity was appropriate. One Working Group member noted that whilst he did not agree with retrospectivity as a general principle, if this CP was accepted and it was concluded that these customers had indeed suffered a detriment as a result, that it would be only right that they be retrospectively rebated.</p> <p>The Working Group discussed that any retrospective rebates could be backdated to a maximum of 12 months or, if evidence showed detriment, back to 1 April 2023. The Proposer noted that, assuming this was approved in 2025 and taking into account the potential 6-month transition period for retrospective rebates, that rebates could be for up to two years or more, if rebates went back to 1 April 2023.</p> <p>A Working Group member highlighted a concern that the legal text for a transition period could result in a logjam of applications, if the maximum rebate was 12 months and depending on how the solution was developed. The Working Group member compared the two options:</p> <ul style="list-style-type: none"> <li>• that eligible customers would be eligible for a maximum rebate of 12 months from their application date; or</li> <li>• that eligible customers would be eligible for a maximum rebate of 12 months from the implementation date.</li> </ul> <p>The Working Group member noted that in the first scenario, this could lead to a rush of applications, likely of poor quality, in order to secure the maximum rebate possible, contrary to the second scenario whereby customers would be rebated for the same period regardless of when they submitted their application, so long as this was within the transition period. It was also noted that backdating all eligible customers to 1 April 2023 would also avoid the potential logjam of applications.</p> <p>The Secretariat noted that for the second option above (customers being eligible for a maximum rebate of 12 months from the implementation date), that this could result in rebates of up to nearly 18 months if customers delayed their applications to the end of the transition period (e.g., if the CP was implemented on 1 February 2025 and the customer successfully applied on 31 July 2025, the customer would be eligible for a rebate back to 1 February 2024.)</p> <p>The Working Group noted that customers may also be eligible for rebates for more than 12 months under the first option, in the event that there were any delays in processing the applications.</p>			

The Working Group discussed that to include retrospectivity for these customers:

- would result in a complicated set of legal text;
- could result in more volatility in charges; and
- could be particularly divisive with Parties, making the difference between there being support for the CP or the CP being recommended for rejection.

## Question 12

Company	Confidential/ Anonymous	Do you agree that customers who request to be re-banded further back than 12 months should first be assessed on the basis of the previous 12 months, as part of a two-step process, and only customers who are eligible based on the previous 12 months will be assessed for further retrospective re-banding? Please provide your rationale.	Working Group Comments
National Grid		See answer to question 10	This was noted by the Working Group.
The Electricity Network Company Ltd.		Yes, we believe that would simplify the process.	This was noted by the Working Group.
Witham & Humber Drainage Board		Yes, if a customer can evidence that they have been subjected to excessive charges pre April 23.	This was noted by the Working Group.
E.ON		Yes, we believe that a two-step process is the fairest way to allow customers to achieve HCULU status immediately and thereby benefit from future cost allocations whilst they are waiting to be assessed for historic cost allocations.	This was noted by the Working Group.

Party	<b>Anonymous</b>	The maximum retrospective re-banding should be 12 months.	This was noted by the Working Group.
SSE Generation		<p>The two-step process seems unnecessarily complicated. We think an assessment on the full dataset would be preferable (notwithstanding our responses to q. 10 and 11).</p> <p>We note that if DCP 439 was approved, backdating would be applied for no more than 14 months, and following the MHHS migration, 4 months.</p>	This was noted by the Working Group.
Association of Drainage Authorities		Yes, if a customer can evidence that they have been subjected to excessive charges pre-1 April 2023.	This was noted by the Working Group.
Northern Powergrid		No – as per the previous response (Q10), we do not support retrospective action.	This was noted by the Working Group.
SSE Enterprise		We do not support this proposal overall. However, on the basis that it would be approved, our view is only customers who are eligible based on previous 12 months data should be re assessed further for retrospective re-banding.	This was noted by the Working Group.
Water Management Alliance		Yes, if a customer can evidence that they have been subjected to excessive charges pre-1 April 2023. Please see response to number 11 also.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, if a customer can evidence that they have been subjected to excessive charges pre-1 April 2023.	This was noted by the Working Group.
Electricity North West		<p>Yes.</p> <p>Assuming from the position of the question in the consultation</p>	This was noted by the Working Group.

		document that the question relates to the post-implementation transition period only, ENWL believe that to do otherwise would potentially result in a customer, who does not qualify on the last 12 months data, but does so on the previous 12 months, benefitting from HCULU status for that latest 12-month period, a status that would have been removed upon DNO review if that period of consumption had been in the enduring period, post-transition.	
UK Power Networks		No we do not believe that retrospective re-banding should apply, see answer to Q10.	This was noted by the Working Group.
SSE Networks		We do not believe there should be an option to re-band further back than 12-months.	This was noted by the Working Group.
UK Power Distribution		Yes	This was noted by the Working Group.
York Consortium of Drainage Boards		It would appear sensible for customers to decide on the period of assessment but criteria can be given in relation to the claim to demonstrate say 12 month compliance to avoid having a two stage process.	This was noted by the Working Group.
Witham Fourth District IDB		Yes, if a customer can evidence that they have been subjected to excessive charges pre-1 April 2023.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  The Working Group discussed that if the solution was to only allow rebates of up to 12 months, the need for a two-step process for retrospective rebates is removed. However, no consensus on this has been reached and it is possible that both options will be taken forward as alternatives.			

## Question 13

Company	Confidential/ Anonymous	Should sites with insufficient data (i.e., sites with less than 12 consecutive months of data) be required to wait until there is sufficient data in order to be assessed for HCULU eligibility? Please provide your rationale.	Working Group Comments
National Grid		Yes there needs to sufficient data to analyse.	This was noted by the Working Group.
The Electricity Network Company Ltd.		Yes, sites with insufficient data at the time wishing to apply for an assessment should wait until enough data is available to provide to the distributor. Given the current qualification criteria requires 12 months worth of consecutive data, not having sufficient data would automatically imply that the customer cannot be assessed yet. The customer may however engage and make the distributor aware of their desire to apply as soon as data is available.	This was noted by the Working Group.
Witham & Humber Drainage Board		Not if they are in an industry which will clearly qualify for HCULU status.	This was noted by the Working Group.
E.ON		Yes – this is namely because it should be evidenced that a customer meets the HCULU status and not having the requisite metered data to support this makes it impossible to be sure the status is met.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes, 12 months of consecutive energised data should be available before assessment can be considered. Preferably this should Actual rather than Estimated data.	This was noted by the Working Group.
SSE Generation		Yes, they should. We don't see how else a robust and fair assessment can be made of a site's utilisation.	This was noted by the Working Group.
Association of Drainage		Not if they are from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.

Authorities			
Northern Powergrid		Yes. At least a full year's data would be required to prove eligibility.	This was noted by the Working Group.
SSE Enterprise		Sites with insufficient data should wait until they can provide sufficient data in order to be eligible as HCULU customer.	This was noted by the Working Group.
Water Management Alliance		Not if they are from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Not if they are from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.
Electricity North West		<p>Yes.</p> <p>Many sites might show cyclical or seasonal variation that would not be apparent in data for less than a 12-month period.</p> <p>There should be some flexibility and discretion exercised by the DNO on what constitutes complete data. For example a missing day should not delay an application for a further 12 months. However ENWL believe that to reduce the risk of disputes, Ofgem should provide a brief guidance document on what flexibility might typically be exercised in assessing completeness of data.</p>	<p>This was noted by the Working Group.</p> <p>The Working Group noted the concern around the definition of complete data.</p>
UK Power Networks		Yes, a DNO would need to see a full 12 months of data to be sure of a Customers eligibility for HCULU status, however once this data is available they could apply from the following March and then the HCULU eligibility would commence from the start of April.	This was noted by the Working Group.
SSE Networks		Yes to keep consistency we would ask that a full 12 months of	This was noted by the Working

		consecutive data is provided.	Group.
UK Power Distribution		Yes, I do. This is a safer revenue collection practise.	This was noted by the Working Group.
Witham Fourth District IDB		Not if they are from a sector operating assets (e.g. flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  <p>The Working Group noted the concern that there should be some discretion for DNOs to assess what constitutes 'complete data', as within a 12-month period there could be small gaps (e.g., de-energised for a few days for works). A Working Group member suggested it could be disingenuous to exclude these customers from applying.</p> <p>The Working Group discussed whether the customer should require 12 calendar months of data to perform the assessment (rather than allowing part months at either end of the assessment period.) The Working Group noted that the impact on the customer would be minimal (delaying the benefit by less than one calendar month) but would make the assessment process simpler. The Working Group agreed that the customers would require 12 calendar months of data for the assessment to be performed.</p>			

## Question 14

Company	Confidential/ Anonymous	If sites require 12 months of consecutive data to support becoming a HCULU customer, should those sites with insufficient data, which need to wait until there is sufficient data, be eligible for a backdated re-banding? Please provide your rationale.	Working Group Comments
National Grid		See answer to question 10	This was noted by the Working Group.
Witham & Humber Drainage Board		Please see response to q 13	

E.ON		Yes as per response to Q13.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Yes, if on provision of the required amount of data the application is supported, a back-dated re-banding should be considered if the MIC estimated was inappropriate. However, only to a maximum of 12 months.	This was noted by the Working Group.
SSE Generation		Whilst we don't support this proposal, we consider that if it were to be approved, any backdating arrangements should be aligned with those for sites which are subject to the 'Annual allocation review' set out in the DCUSA, Schedule 32.	This was noted by the Working Group.
Association of Drainage Authorities		If they were made to wait 12 months to develop a required period of consecutive data to support becoming a HCULU customer than they should be automatically eligible for backdated re-banding by 12 months, or further see answer to Q13.	This was noted by the Working Group.
Northern Powergrid		We believe they should be eligible from the month following the date the application is received. If that means that it takes 10-months to have enough data, then the HCULU allocation should be backdated accordingly (e.g., an application is received in March 2025, but we don't have 12-months data until November 2025, if that site is eligible once the data has been received then the effective from date should be backdated to 01 April 2025).	This was noted by the Working Group.
SSE Enterprise		Yes.	This was noted by the Working Group.
Water Management Alliance		If they were made to wait 12 months to develop a required period of consecutive data to support becoming a HCULU customer than they should be automatically eligible for backdated re-banding by 12 months, or further see answer to Q13.	This was noted by the Working Group.

Yorkshire & Humber Drainage Board		If they were made to wait 12 months to develop a required period of consecutive data to support becoming a HCULU customer than they should be automatically eligible for backdated re-banding by 12 months, or further see answer to Q13.	This was noted by the Working Group.
Electricity North West		Yes. Sites should wait until there is 12 months of data before application so it is necessary to backdate to the start of that period.	This was noted by the Working Group.
UK Power Networks		No, we do not agree that an HCULU site should be eligible for retrospective re-banding as stated in answers to questions above. In addition, as a full year's worth of data would be required for the DNO to be sure of a Customers HCULU eligibility, this would only apply going forward like all other eligible customers, which is in line with a NFD site submitting a certificate.	This was noted by the Working Group.
SSE Networks		No.	This was noted by the Working Group.
UK Power Distribution		Yes. I believe back dating should be applicable to all who can provide the right evidence.	This was noted by the Working Group.
Witham Fourth District IDB		If they were made to wait 12 months to develop a required period of consecutive data to support becoming a HCULU customer than they should be automatically eligible for backdated re-banding by 12 months, or further see answer to Q13.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  <p>The Working Group discussed the potential for customers to receive different treatment based on the date they applied for HCULU status. The Working Group discussed that two sites, which for all intents and purposes are the same, could receive different rebates based purely on the date they apply for HCULU status.</p> <p>The Working Group deliberated on whether it was fair to customers to receive different treatment as a result of the application date and noted that such a precedent existed for non-final demand. It was noted that customers who apply for non-final demand are subject to this</p>			

classification from the next billing month and that any customers who fail to apply in a timely manner will miss out. Some Working Group members felt that some of the onus needed to be placed on the customer to know when to apply.

The Working Group concluded that rebates would only be made to the application date and that it was for customers to ensure they submit their applications in a timely manner.

### Question 15

Company	Confidential/ Anonymous	Should new connection sites be able to apply for HCULU status prior to the first re-allocation under paragraph 6.7 of Schedule 32 or only after the first re-allocation has taken place? Please provide your rationale.	Working Group Comments
National Grid		No as sufficient data will not be available.	This was noted by the Working Group.
The Electricity Network Company Ltd.		Sites should only be able to apply after the first re-allocation process.	This was noted by the Working Group.
Witham & Humber Drainage Board		Please see response to q 13	This was noted by the Working Group.
E.ON		Yes as per response to Q13.	This was noted by the Working Group.
Party	<b>Anonymous</b>	Only after the first re-allocation has taken place.	This was noted by the Working Group.
SSE Generation		Whilst we don't support this proposal, we consider that if it were to be approved, a site should be able to have its HCULU status assessed at the time of its Annual allocation review where relevant.	This was noted by the Working Group.

Association of Drainage Authorities		Yes if the new connection site operator is from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.
Northern Powergrid		<p>No. We believe the legal text could be adapted so that a successful application means the site that originally allocated under 4.1b(ii) is first correctly allocated to a charging band based on the 12-months of actual MIC data that will be used in the HCULU eligibility.</p> <p>The HCULU status can then be applied, and the band reduced to the tier below.</p> <p>This would avoid the need for that site to be included in the annual allocation review. If this is not done and the site cannot have HCULU status prior to the first reallocation then there is a danger that a site that connected in e.g. August of year 1 could not have HCULU status until September of year 3 because they would not have 12 months of data when the re-allocation under 6.7 happens in September of year 2. This does not seem reasonable.</p>	This was noted by the Working Group.
SSE Enterprise		<p>No.</p> <p>New connection sites should wait for their first annual allocation review, this would ensure sites are correctly assessed as HCULU and re-banded.</p>	This was noted by the Working Group.
Water Management Alliance		Yes if the new connection site operator is from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes if the new connection site operator is from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.

Electricity North West		<p>ENWL agree that Customers can apply for HCULU once they have 12 months of data, but believe they should not need to await the re-allocation review before applying. This is because Customers will not know when the review would be carried out and so could potentially be left waiting a considerable period before being able to apply, with concomitant delay before knowing their correct charges.</p> <p>ENWL believe it's not reasonable to expect a consumer to wait longer than necessary to know their correct charges.</p> <p>Customers should be made aware of course that the re-allocation (if following their HCULU application) could result in further movement in their banding, which, even with eventual charges informed by the HCULU status, might involve a further retrospective credit or charge.</p> <p>ENWL suggests that the Working Group considers that the retrospective application of the correct band AND the HCULU discount could result in up to nearly 24 months of retrospective charges/credits.</p> <p>Take the example that HCULU application is made at 18months and the re-allocation review is done at 23.5 months. Retrospective adjustments could be 23.5 months for the banding re-allocation and 18 months for HCULU status, if the re-allocation review, taking its normal course for a particular DNO happens to be 5.5 months after the HCULU application.</p>	<p>This was noted by the Working Group.</p> <p>This concern was noted by the Working Group and will be articulated in the change report.</p>
UK Power Networks		As 12 months of data would be required, a new connection site would not be eligible until they have been connected for a year, after which they can apply and be treated alongside any existing site which believes they would be eligible for HCULU treatment.	This was noted by the Working Group.
SSE Networks		We believe that the site should only be allowed to apply after the first	This was noted by the Working

		re-allocation has taken place to ensure the correct data is being used.	Group.
York Consortium of Drainage Boards		Uncertain but it would need to demonstrate the demand design will be HCULU.	This was noted by the Working Group.
Witham Fourth District IDB		Yes if the new connection site operator is from a sector operating assets (flood defence pumping stations), which will clearly qualify for HCULU status.	This was noted by the Working Group.

### Working Group Conclusions

The Working Group noted that the majority of consultation responses supported waiting until after the annual allocation review.

The Working Group discussed that some sites may be on a default or estimated MIC, as per Schedule 31 paragraph 4ii(b) and that these sites, assuming they had 12 months of data available, would be potentially re-banded following the annual allocation review and could be subject to a rebate or additional charges.

The Working Group considered three options:

- that customers must wait until after the first annual allocation review before they can apply for HCULU status;
- that customers can apply for HCULU status before the first annual allocation review but would not be re-banded until after the first annual allocation review; and
- that customers can apply for HCULU status and be re-banded before the first annual allocation review.

The Working Group discussed that the first option, not allowing an application prior to the first annual allocation review, was the simplest option but resulted in the least benefit to customers.

The Working Group discussed that the second option would require DNOs to hold the applications until after the first annual allocation review, delaying the benefit to the customer, to perform the review whilst considering the site's HCULU eligibility and potentially to rebate the customer.

The Working Group discussed that the third option would allow DNOs to progress the application sooner, delivering the benefit to the customer sooner, and require the DNOs to note the HCULU status during the annual allocation review.

The Working Group noted that under option 3, it was possible that HCULU customers would be subject to additional charges at the first annual allocation review. For example, if a customer on band 2 successfully applied for HCULU status prior to the first annual allocation review, they would be re-banded to band 1. If the annual allocation review subsequently concluded that the customer should have been in band 3, the customer would therefore be re-banded to band 2 as a HCULU customer and would be liable for the difference in charges between the two bands

## Question 16

Company	Confidential/ Anonymous	Can you think of any other interactions that the Working Group should consider? Please provide your rationale.	Working Group Comments
National Grid		None	
Witham & Humber Drainage Board		No	
E.ON		No we believe the WG has conducted a thorough assessment.	
Party	<b>Anonymous</b>	No	
SSE Generation		<p>Yes, we do, in particular,</p> <ul style="list-style-type: none"> <li>the EU Regulation 2019/943 issue being explored in the context of DCP 420, which seeks to provide targeted relief from residual charges for EV charging sites. We believe that the Working Group should monitor the outcome of the DCP 420 analysis of the Article 18 issue, as well as seek their own bespoke legal advice on this matter.</li> </ul>	This was noted by the Working Group.

		<ul style="list-style-type: none"> <li>We note that if DCP 439 was approved, backdating would be applied for no more than 14 months, and following the MHHS migration, 4 months.</li> </ul>	The Working Group noted that, at the time of reviewing these responses, that DCP 439 had been sent to the Authority for a decision, and that it would therefore not currently be possible to write legal text catering for this proposal.
Association of Drainage Authorities		No. Although we would welcome the Working Group familiarising itself further with the needs of those sectors providing essential public services such as IDBs. ADA is happy to help make that connection.	
Northern Powergrid		The working group should consider that the DUoS SCR and DCP 439 may interact with this.	The Working Group noted that, at the time of reviewing these responses, that DCP 439 had been sent to the Authority for a decision, and that it would therefore not currently be possible to write legal text catering for this proposal.
SSE Enterprise		No.	
Water Management Alliance		No. Although we would welcome the Working Group familiarising itself further with the needs of those sectors providing essential public services such as IDBs.	
Yorkshire & Humber Drainage Board		No. Although we would welcome the Working Group familiarising itself further with the needs of those sectors providing essential public services such as IDBs. Our representative body the Association of Drainage Authorities is happy to help make that connection.	
Electricity North West		No	

UK Power Networks		None that we are aware of at this time.	
SSE Networks		None.	
UK Power Distribution		DCP 433 - 'Limitation for backdating of rebates/charges under Schedule 32	The Working Group noted that, at the time of reviewing these responses, that DCP 433 had been sent to the Authority for a decision, and that it would therefore not currently be possible to write legal text catering for this proposal.
York Consortium of Drainage Boards		In our industry HCULU assets may be in default of HCULU criteria after very wet periods over which we have no control. Is it possible to have a fixed HCULU status for these public service assets unless the supply is being used for a wider purpose?	
Witham Fourth District IDB		No. Although we would welcome the Working Group familiarising itself further with the needs of those sectors providing essential public services such as IDBs. Our membership body ADA, is happy to help make that connection.	
<p><b>Working Group Conclusions</b></p> <p>The Working Group noted that, at the time of writing this change report, that DCPs 433 and 439 had been sent to the Authority for a decision, and that it would therefore not be possible to write legal text catering for these proposals. Should these proposals be approved, it may be necessary to raise consequential change proposals.</p> <p>The Working Group noted that the DUoS SCR and MHHS Programme had been highlighted by consultation responses as areas for concern.</p> <p>The Working Group discussed that it did not believe residual charges were currently in scope of the DUoS SCR and that, in the event that they were, the impacts on this CP, if approved, would need to be considered in the future.</p>			

The Working Group noted that, under the MHHS Programme, rebates would become limited. The Working Group discussed that the transitional period for retrospective rebates would be subject to a sunset clause and that it was possible that this would have closed before the MHHS Programme has implemented its changes.

### Question 17

Company	Confidential/ Anonymous	Do you believe this change will lead to any unintended consequences? If so, can you think of ways to mitigate these? Please provide your rationale.	Working Group Comments
National Grid		This could lead to a small group of sites moving band very frequently depending on the outcome of this change.	This was noted by the Working Group.
The Electricity Network Company Ltd.		This change proposal may lead indirectly to unfair or preferential treatment or unintended discrimination towards certain customers if not all possible scenarios are being considered.	This was noted by the Working Group.
Witham & Humber Drainage Board		The change will inevitably lead to possible under recovery in the charging period and the DNO should be able to recover any under recovery in the subsequent charging period.	This was noted by the Working Group.
E.ON		We do not believe any unintended consequences will arise in the event this DCP is approved.	This was noted by the Working Group.
Party	<b>Anonymous</b>	No	This was noted by the Working Group.
SSE Generation		The change would lead to the wider residual charging base making up the shortfall that would result from lowering 'peak' users' residual charges, in other words, the majority of residual charge payers would cross-subsidise 'peak' users.	This was noted by the Working Group.
Northern		No, not at this time.	This was noted by the Working

Powergrid			Group.
SSE Enterprise		Yes. As peaky customers pay less, the majority of residual paying customers will have to pay more. This is not inline with TCR principles on fairness.	This was noted by the Working Group.
Electricity North West		Some categories of consumer might qualify for this status for a short time and then change usage to game the DUoS charging discounts.  If approved, DCP 420 could result in some Electric Vehicle Charge Point Operators, who meet both the DCP 420 criteria and HCULU criteria, benefitting from two discounts.	This was noted by the Working Group.
UK Power Networks		We are concerned with this change alongside DCP 420 we are either looking to exclude groups of customers from the TCR arrangements or reducing the charges they pay. This will see other Customers (including Domestic) pay a greater charge, although we accept this is likely to be a very small increase, but does this set a precedent for other changes to be brought forward? The TCR has seen some customers paying a much larger amount of residual than was previously the case, and so it could be that instead of piecemeal changes a wider review of the TCR is required, although this is clearly outside the scope of this change.	This was noted by the Working Group.
SSE Networks		None.	This was noted by the Working Group.

### Working Group Conclusions

The Working Group noted that consultation responses had highlighted the following potential unintended consequences:

- that the majority of residual charge payers would cross-subsidise 'peaky' network users;
- that the proposal could lead to unfair, preferential or discriminatory treatment of customers; and
- that the proposal could lead to a small number of customers moving bands very frequently.

The Working Group discussed that by moving customers to lower bands, this would result in other customers paying more charges as a result, but that this was by design rather than an unintended consequence of the proposed solution.

The Working Group noted the concerns around the unfair, preferential or discriminatory treatment of customers and noted that these concerns mirrored those considered under question 1 of consultation 2.

The Working Group discussed the concern that some customers could move bands very frequently and considered that this should be mitigated by aligning the reviews of HCULU sites with the price control period and by customers who remain eligible for HCULU status continuing to retain their HCULU status for subsequent price control periods.

The Working Group considered whether customers in scope of DCP 420, which, at the time of writing this change report, is in the consultation phase, could also benefit from the relief from TCR charges delivered under this CP. The Working Group agreed that if DCP 420 took forward a solution under which customers could feasibly qualify for relief from TCR charges under both proposals, it would be necessary to include some form of exclusion in the legal text.

The Working Group noted that DCP 420 would likely be sent to the Authority for a decision after this CP has been sent, and it would therefore be difficult to include such an exclusion in the legal text.

The Chair agreed that he would pick this up in the DCP 420 Working Group, should the need arise.

## Question 18

Company	Confidential/ Anonymous	Do you consider that the proposal better facilitates the DCUSA Charging Objectives? If so, please detail which of the Charging Objectives you believe are better facilitated and provide supporting reasons. If not, please provide supporting reasons.	Working Group Comments
National Grid		We don't believe that it is clear cut that this change proposal better facilitates the DCUSA charging objectives as we would be treating this group of customers on different principles to other customers under the TCR.	This was noted by the Working Group.

The Electricity Network Company Ltd.		We do not consider this change proposal to better facilitate the DCUSA Charging Objectives.	This was noted by the Working Group.
Witham & Humber Drainage Board		<p>Yes, the current system penalises customers who do not take action to change their ASC and in some cases leads to customers giving up ASC which they ultimately will need in the future. The current system says that customers can only be re banded due to a change of use of a building but we are aware that some DNO's are already re banding customers when this is not the case.</p> <p>We have also seen that some customers are reducing their ASC's below what is needed as it is more economical to incur excess charges when they exceed their agreed ASC.</p>	This was noted by the Working Group.
E.ON		Yes, in line with our proposal rationale.	
Party	<b>Anonymous</b>	The proposal could be seen to better facilitate DCUSA Charging objective 1 for the reasons against the TCR principles.	This was noted by the Working Group.
SSE Generation		<p>We note that the consultation document states that Charging Objectives 1 (discharge the DNO of its legal obligations) and 3 (charges which reflect costs incurred etc) would be better facilitated. We don't agree that either of the Objectives is better facilitated by the Proposal because:</p> <ul style="list-style-type: none"> <li>• With regard to Objective 3, the proposal could be argued to violate the requirement that network charges shall be cost-reflective. Whilst we acknowledge that residual charges aren't cost-reflective of consumption, they are directly linked, as set out in Schedule 32 of the DCUSA, to a site's TCR-specific characteristics, which for many sites is their maximum import capacity (MIC) (as well as voltage level). Under the proposal, sites with the same TCR characteristics would be subject to</li> </ul>	This was noted by the Working Group.

		<p>different residual charges, no longer reflecting what the TCR considered to be their fair contribution.</p> <ul style="list-style-type: none"> <li>With regard to Objective 1, due to our argument in relation to Objective 3, we don't consider that Objective 1 is better facilitated, either.</li> </ul>	
Centrica		We do not believe that the modification better facilitates the DCUSA Charging objectives than the baseline.	This was noted by the Working Group.
Association of Drainage Authorities		Yes, the current system penalises customers who do not or cannot take action to change their ASC. The changes would at least recognise that there is a fundamental inequity in the current TCR bandings.	This was noted by the Working Group.
Northern Powergrid		<p>No – we believe this change proposal is neutral to the charging objectives 1-5, and negative to charging objective 6.</p> <p>CO3 – Neutral – although these sites use a low capacity the majority of the time, they do still require high capacity at points in time and DNO networks are built to cope with this high capacity, which is not currently time restricted meaning that it could occur at peak times.</p> <p>CO6 – Negative – introduces complexities and additional workstreams which reduce efficiency in implementation and administration.</p>	This was noted by the Working Group.
SSE Enterprise		<p>No we do not believe the proposal better facilitates the DCUSA charging objectives.</p> <p>It is creating a cross subsidy in the market and will see additional charges spread across other customers. Although this new solution involves reallocating customers to a lower band, all other customers will see residual charges rise to make up for the money that peaky customers have not paid as a result of peaky customers being moved</p>	This was noted by the Working Group.

		to a lower band.	
Water Management Alliance		Yes, the current system penalises customers who do not or cannot take action to change their ASC. The changes would at least recognise that there is a fundamental inequity in the current TCR bandings.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes, the current system penalises customers who do not or cannot take action to change their ASC. The changes would at least recognise that there is a fundamental inequity in the current TCR bandings.	This was noted by the Working Group.
Electricity North West		ENWL do not believe the case is made that the proposal better facilitates any of the DCUSA Charging Objectives.	This was noted by the Working Group.
UK Power Networks		We do not believe any of the DCUSA Charging Objectives are better facilitated by this change as for sites with a MIC the requirement is to band based upon their agreed capacity, not on what they are actually using. In most cases an HCULU customer would be using their capacity at least a small number of times each year which makes them eligible for the band they have been allocated, as a result we believe this change actually negatively impacts Charging Objective One, and is neutral to Charging Objective Three.	This was noted by the Working Group.
SSE Networks		We believe charging objectives 1 and 3 will be better facilitated. As currently it is unavoidable for customers who legitimately do require a large capacity, but do not regularly utilise it, to incur a large residual charge.	This was noted by the Working Group.
Witham Fourth District IDB		Yes, the current system penalises customers who do not or cannot take action to change their ASC. The changes would at least recognise that there is a fundamental inequity in the current TCR bandings.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  The Working Group noted the majority of consultation responses did not consider that the proposal better facilitates the DCUSA Charging			

Objectives, highlighting the following reasons why they did not consider the CP better facilitates the objectives:

- the proposal treats customers on different principles to other customers under the TCR;
- the proposal creates additional work and reduces efficiency in the implementation and administration of the DCUSA;
- the proposal could be argued to violate the requirement that network charges be cost reflective;
- the proposal creates a cross-subsidy that will see charges spread across other network users; and
- the requirement is to band based on the capacity and not what a customer uses.

One consultation response highlighted a neutral impact on DCUSA Charging Objective 3, noting that that networks are built to cope with the high capacity that these sites sometimes need but that this is not time restricted and usage could occur at peak times.

The Working Group noted that some consultation responses considered the proposal did better facilitates the DCUSA Charging Objectives, highlighting the following reasons why they did consider the CP better facilitates the objectives:

- it could be seen to better facilitate DCUSA Charging Objective 1; and
- it is unavoidable for those customers legitimately requiring a large capacity but not regularly using it.

## Question 19

Company	Confidential/ Anonymous	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
National Grid		No	
Witham & Humber Drainage Board		No	
E.ON		No	
Party	<b>Anonymous</b>	No	
SSE Generation		We consider that this proposal does not align with the TCR principles	This was noted by the Working

		<p>as we understand them, whereby the allocation to a residual band is linked to a site's MIC (insofar that the site has a stated MIC), regardless of the extent to which the site uses that MIC.</p> <p>If approved, this proposal would, in our view, materially alter a key TCR principle, and would set a precedent for other types of sites who may argue that their characteristics warrant a reduction in their residual charges (other than those types of sites which were exempted from residual charges under the TCR principles from the outset, such as generators).</p> <p>The Authority assessed the impacts of the TCR and found that whilst there would be winners and losers, the policy would overall be better for consumers. If particular groups of losers were to be compensated, and losses socialised, the benefits of the TCR for all other users would be diminished.</p>	Group.
Association of Drainage Authorities		Yes. The massive increases in standing charges for flood defence public stations has made IDBs reconsider replacing the remaining diesel powered pumping stations to electrical power, and is therefore directly interfering with the flood defence sector and public authorities' objectives to reduce emissions.	This was noted by the Working Group.
Northern Powergrid		<p>If retrospectivity is carried into the final solution it may interact with the backdating limits proposed in DCP 439 (if approved).</p> <p>The DUoS SCR may also interact with this CP.</p>	This was noted by the Working Group.
SSE Enterprise		<p>In our view this proposal is not aligned with the principles of TCR on fairness i.e., improving the fairness of residual charges. Please see response in question 18.</p> <p>Additionally, we believe it may impact the effectiveness of the Market wide half hourly programme, as customers would have to</p>	This was noted by the Working Group.

		change their demand patterns to have HCULU status.	
Water Management Alliance		Yes. The massive increases in standing charges for flood defence public stations has made IDBs reconsider replacing the remaining diesel powered pumping stations to electrical power, and is therefore directly interfering with the flood defence sector and public authorities' objectives to reduce emissions.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		Yes. The massive increases in standing charges for flood defence public stations has made IDBs reconsider replacing the remaining diesel powered pumping stations to electrical power, and is therefore directly interfering with the flood defence sector and public authorities' objectives to reduce emissions.	This was noted by the Working Group.
Electricity North West		<p>Ofgem issued a Call for Input (<i>Distribution Use of System Charging – Managing the effects of surplus residual charges</i>) which might have a bearing on DCP 412.</p> <p>DCP 420 – risk of EV Charge Point Operators benefitting twice, if they qualify for both DCP 420 discount and for HCULU status under DCP 412.</p> <p>DCP 439 Backdating Tariff Changes – as noted in para 6.21 of the consultation document, ENWL agree that DCP 412 solution is dependent on, and should therefore account for, the arrangement (if approved) in DCP 439.</p>	This was noted by the Working Group.
UK Power Networks		No not at this time.	
SSE Networks		None.	
UK Power Distribution		I don't know to what extent the government's Network Charging Compensation Scheme will be benefiting the same companies that	This was noted by the Working Group.

		apply for HCULU. If so, this CP would be offering a discount to a subsidy, but I can't decide if this is an issue or not.	
York Consortium of Drainage Boards		In the longer-term, economic investment decisions with the current charging regime could influence installing fossil fuel solutions on site which are likely to be less environmentally favourable and potentially more difficult to maintain because of the variable usage. The progression of the proposals in this consultation may help to improve these arrangements.	This was noted by the Working Group.
Witham Fourth District IDB		Yes. The massive increases in standing charges for flood defence public stations has made us reconsider replacing the remaining diesel powered pumping stations to electrical power, and is therefore directly interfering with the flood defence sector and public authorities' objectives to reduce emissions.	This was noted by the Working Group.
<b>Working Group Conclusions</b>  <p>The Working Group noted that industry responses had highlighted the DUoS SCR and the MHHS Programme, which the Working Group noted under responses to a previous question.</p> <p>The Working Group noted, as per one of the responses, that the Authority had issued a call for input titled 'Distribution Use of System Charging – Managing the effects of surplus residual charges'. The Working Group discussed that this was limited in scope and was looking at how methodologies will result in final tariffs based on a negative residual.</p>			

## Question 20

Company	Confidential/ Anonymous	Do you have any comments on the proposed legal text?	Working Group Comments
National Grid		No	
The Electricity		We do not support this change proposal.	

Network Company Ltd.			
Witham & Humber Drainage Board		No	
E.ON		No	
Party	<b>Anonymous</b>	No	
SSE Generation		<p>We consider that the HCULU definition at paragraph 8.2 is insufficient and should include how capacity utilisation and load factor are to be calculated. We gather that, based on Northern Powergrid's consultation 1 response, this would be:</p> <p>Capacity Utilisation = Max Demand /MIC</p> <p>Load Factor = total consumption /(max demand x hours)</p>	This was noted by the Working Group and the legal text amended to expand the definition.
Association of Drainage Authorities		No	
Northern Powergrid		<p>The legal text needs to be clear on timelines, obligations and processes for reassessments and for communicating any changes or requirements to Customers.</p> <p>Paragraph 6.2c(iv) of the legal text states the following application criteria: "submitting half hourly data and their own assessment of their HCULU eligibility, using the established criteria". We do not believe the customer should have to provide this data. The DNO will already have this data to hand. It does not seem a reasonable ask. If the customer did provide the data, the DNO would perform its own</p>	This was noted by the Working Group.

		checks by extracting the data and checking they reach the same conclusion regardless.	
SSE Enterprise		No	
Water Management Alliance		No	
Yorkshire & Humber Drainage Board		No	
Electricity North West		The 6-month transitional period is not yet reflected in the Legal Text.	This was noted by the Working Group.
UK Power Networks		No we are comfortable with it as drafted.	
SSE Networks		No	
UK Power Distribution		No	
York Consortium of Drainage Boards		No	
Witham Fourth District IDB		No	
<b>Working Group Conclusions</b>  The Working Group discussed the feedback that the definition of 'High Capacity Usage, Low Utilisation' was not clear and that it would			

benefit from a clearer explanation of what is meant by utilisation and load factor.

The Working Group noted the feedback that customers should not have to submit data that the DNO already holds. The Working Group agreed to update the legal text to remove this requirement.

The Working Group noted the feedback that the timeline for obligations needs to be clear in the legal text. The Working Group agreed that it should ensure that the legal text is clear on the timeline.

## Question 21

Company	Confidential/ Anonymous	Do you have any other comments on this CP?	Working Group Comments
National Grid		No	
The Electricity Network Company Ltd.		We do not support this change proposal because it goes against the TCR decision to have residual charges incorporated, which has been a long, ongoing project led and analysed in detail by Ofgem.	This was noted by the Working Group.
Witham & Humber Drainage Board		There should be special dispensation for organisations who are involved in emergency responses and have to have the ability to respond on standby.	This was noted by the Working Group.
E.ON		No	
Party	<b>Anonymous</b>	No	
SSE Generation		In our response to the first consultation, we stated that we did not consider that a clear case for change has been made. We noted that a significant share of the respondents was not supportive of the principles of this proposal. We have not seen any information in the second consultation which has changed our position. Our responses to this second consultation should be read in that context.	This was noted by the Working Group.

		<p>We don't consider that it is within the remit of network charging arrangements to provide financial support to individual companies (who may or may not be struggling financially) by granting relief from certain charges. We consider that financial support is more appropriately addressed by other agencies. The proposal form itself cites the example of the Energy-intensive industries exemption scheme through which the government grants a form of energy tax relief.</p> <p>The change would lead to the wider residual charging base making up the shortfall that would result from lowering 'peak' users' residual charges, in other words, the majority of residual charge payers would cross-subsidise 'peak' users.</p> <p>We also consider that the proposal would add unwarranted complexity in determining residual charges and by assessing sites periodically which we don't consider to align with the TCR principle on proportionality and practical considerations.</p>	
Centrica		<p>We do not support the implementation of this MOD.</p> <ul style="list-style-type: none"> <li>• It works against the principles of the Targeted Charging Review.</li> <li>• It creates an unjustified arbitrary boundary for a High Capacity Usage, Low Utilisation customer.</li> <li>• The requirement for a HCULU customer to justify why they are unable to change their usage patterns is open to interpretation. This could lead to differential treatment and the analysis provided does not provide information on whether the identified HCULU customers could meet this justification.</li> </ul>	This was noted by the Working Group.

		<p>This MOD acts to water down the principles of the TCR by creating a subset of customers that receive a discount for which other customers will have to pay. Ofgem were aware of the impacts on “peaky” customers when they implemented the TCR and the decision was made to allocate customers into charging bands based on their agreed capacity. It is unfair on all other customers to deviate from this methodology for a certain subset of customers, the TCR created winners and losers vs the previous methodology as is the case with the majority of large methodology changes.</p> <p>As this MOD would impact the TNUoS charges faced by HCULU customers as well as the DUoS charges, is there a potential conflict where the treatment of distribution connected customers differs to those that are transmission connected? Could there be “Peak” transmission connected customers that wouldn’t have a HCULU option to reduce their TNUoS residual?</p> <p>We see no justification for the boundary point to qualify as a HCULU customer to be set at a specified level. Would it be justifiable to a customer that sat just on the wrong side of said boundary to have an increase to their charges so that a marginally peakier customer could receive a substantial discount of their charges?</p> <p>The working group have not defined what is an acceptable justification for a HCULU customer being deemed incapable of adjusting their demand to reduce their charges, this opens up the potential for differential treatment depending on which network a HCULU customer is connected to. Further to that we believe that further analysis should be undertaken to ascertain whether the identified HCULU customers would meet the required justification criteria for a reduced TCR band before processes are implemented that no doubt will pose a cost to the industry. The examples given in the initial consultation seem to centre around sites for charging</p>	
--	--	--	--

		electric vehicles. If the aim is to promote the rollout of public EV chargers in order to facilitate the government's net zero aims, our suggestion is that a targeted MOD would be more appropriate (noting the comments around little overlap with DCP 420).	
Association of Drainage Authorities		There should be special dispensation for organisations, especially public bodies, who are involved in emergency responses and must always have the capacity to respond on standby, should conditions (heavy rainfall) require action.	This was noted by the Working Group.
Northern Powergrid		No	
SSE Enterprise		No other comments.	
Water Management Alliance		There should be special dispensation for organisations, especially public bodies, who are involved in emergency responses and must always have the capacity to respond on standby, should conditions (heavy rainfall) require action.	This was noted by the Working Group.
Yorkshire & Humber Drainage Board		There should be special dispensation for organisations, especially public bodies, who are involved in emergency responses and must always have the capacity to respond on standby, should conditions (heavy rainfall) require action.	This was noted by the Working Group.
Electricity North West		<p>ENWL believe that the Proposer has highlighted a legitimate issue arising from the TCR approach to residuals and agree that it needs to be resolved fairly. However ENWL do not believe that the proposed solution better facilitates the Charging Objectives.</p> <p>It has the potential to introduce a second vector for discounts for some Electric Vehicle Charge Point Operators if DCP 420 is approved. The solution presents a risk of challenge due to the arbitrary nature of the qualifying criteria for HCULU status.</p>	This was noted by the Working Group.

		<p>Furthermore we consider it leaves a risk of discrimination and potential for gaming by unscrupulous actors and would be an additional burden on DNOs, noting that they already carry out 4 reviews of consumer demand for the purposes of charging, namely, the non-final demand certification helping to minimise consumers' exposure to residuals, review of sites where demand has moved by more than 50% (exceptional circumstances), annual allocation reviews for new sites and those with previously insufficient data, and the 5-year band allocation for each price control period. This proposal would add a 5th such review of demand profiles.</p> <p>Noting the high level of concern expressed by customer groups about residuals, ENWL wonder whether the issue could be addressed by wrapping the issue up with the DUoS SCR.</p>	
UK Power Networks		<p>We believe that previous Working Group discussions have suggested that customers who exceed their capacity would be eligible to be treated as HCULU. However we believe that Customers should have to have stayed within their MIC during the period being assessed in order to be eligible to be treated as an HCULU customer, and where they subsequently exceed they should have their eligibility removed. When they exceed their capacity, they are in breach of their terms and conditions and so should lose the benefit of being a HCULU customer. This is how a NFD site would be treated where their usage changed, and we need to ensure we are consistent with the arrangements for all Customers.</p>	This was noted by the Working Group.
SSE Networks		No	
UK Power Distribution		No	
York		Thank you for the opportunity to respond.	

Consortium of Drainage Boards			
Witham Fourth District IDB		There should be special dispensation for organisations, especially public bodies, who are involved in emergency responses and must always have the capacity to respond on standby, should conditions (heavy rainfall) require action.	This was noted by the Working Group.

### Working Group Conclusions

The Working Group noted the large number of comments provided under this question.

The Working Group noted the following comments:

- that the treatment of transmission connected customers would differ to distribution connected customers;
- that it is not in the remit of network charging to provide financial support to companies;
- that it creates an unjustified and arbitrary boundary for a HCULU site;
- that customers should have stayed within their agreed capacity during the period being assessed;
- that changes to the residual charging methodologies to support peaky customers could be picked up in the DUoS SCR;
- that the legal text around the customers justification for being a HCULU customer is open to interpretation;
- that financial support is more appropriately addressed by other agencies;
- that it is unfair to deviate from an agreed methodology for a subset of customers;
- that it adds unwarranted complexity in determining residual charges;
- that the TCR had been a long ongoing project, led and analysed in detail by the Authority;
- that the proposal goes against, or waters down, the principles of the TCR;
- that it leaves a risk of discrimination;
- that it leaves a risk of 'gaming' by unscrupulous actors; and
- that it adds an additional burden on DNOs which already perform a number of reviews.

The Working Group discussed the feedback around the arbitrary boundary and that it had used analysis, performed on the data obtained from industry, to determine a threshold that provided the benefit to genuinely peaky customers whilst limiting the scope of the support to only those customers genuinely needing it.

The Working Group discussed whether the boundary under the two-step process had been assessed for impact on the customers eligible for HCULU status and for all other customers. The Chair agreed to review the data obtained from industry and engage with the Proposer to articulate the impact.

The Working Group discussed that one consultation response stated the legal text around the customer justifying their reasons for being a HCULU customer was open to interpretation. The Working Group discussed that it had previously considered whether this was necessary, but that it had concluded it should be kept to:

- prompt the customer to consider whether they could change their behaviours and/or capacity; and
- ensure the DNOs are not seen to re-banding and rebating customers without just cause