

# DCP 452 Working Group Meeting 03

Tuesday, 3 June 2025 (10:00 to 12:00)

Via MS Teams

Attendee	Company
<b>Working Group Member</b>	
Andrew Enzor [AE] (The Proposer)	Field Energy
Kara Burke [KB]	Northern Powergrid
Emma Clark [EC]	Scottish and Southern Electricity Networks
Edda Dirks [ED]	SSE Generation
Thomas Holderness [TH]	Ofgem
Alex Lam [AL]	National Grid Electricity Distribution
Giao Le [GL]	Scottish and Southern Electricity Networks
Lorna Murray [LM]	SP Energy Networks
Louise Robinson [LR]	ESP Utilities Group
Chris Ong	UK Power Networks
<b>Code Administrator</b>	
Dylan Townsend [DT] (The Chair)	ElectraLink
George Kestner [GK] (Technical Secretariat)	ElectraLink

Apologies	Company
(None)	

## 1. Administration

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1.1 DT NOTED that he had taken over as Chair of this Working Group from Craig Booth.

### Recording

1.2 The Working Group AGREED to record this meeting to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted once the minutes for the meeting are approved.

### Apologies

1.3 No apologies had been received.

### Competition Law Guidance

1.4 The Working Group reviewed the "Competition Law Guidance". All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

### Action Logs

1.5 An action log has been created, and all updates are provided in **Appendix A**.

## 2. Purpose of the Meeting

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2.1 The Chair confirmed that the purpose of the meeting was to review the updated models and modelling documentation provided by the DCUSA modelling consultants, to share views on the document setting out concerns raised by SSEN during the last meeting and to discuss

2.2 agenda for the meeting.

## 3. Review of updated models and modelling documentation

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3.1 The Chair NOTED that CEPA/TNEI had completed their work to update the models and produce a document detailing the changes made as well as a summary of the expected impacts. It was noted that the file consisted of two updated models (the FCP and LRIC versions of the EDCM) and a PDF file, all of which had been circulated prior to the meeting. See paper (DCP 452 WG 03\_02). The documents were taken as read.

3.2 Members discussed the results of their own testing of the models, which included:

- AL advised that National Grid had tested the model and had found that the new model had redistributed the remainder of the charge 1 revenues into the residual fixed charge element for other sites and there had been no changes to overall revenue recovered. It was noted that these results were in line with expectations, but that additional work remained as carrying out the iterative calculations between the CDCM and EDCM still needed to be done.
- GL advised that SSEN had found that the updated models were working in line with expectations, although a slight difference had been identified with EDCM revenues. It was noted that they too would need to carry out the iterative calculations between the CDCM and EDCM.
- LM advised that SPEN had not yet run their tests on these models, but observed that if EDCM revenue was not changing then there should be no changes to revenues to be recovered by the CDCM.

- The Working Group NOTED these updates and AGREED that any networks that used FCP methodology should run modelling iterations between CDCM and EDCM and report the results of these tests at the next meeting of this Working Group.

**ACTION 03/01: Testing updated models:** The Working Group agreed that any of its members who use the FCP version of the EDCM should run modelling iterations between CDCM and EDCM and report the results of these tests at the next meeting of this Working Group.

3.3 THE CHAIR asked what the impact upon total revenues was, to which members of the Working Group provided the following comments:

- ED observed that Table 2 ('Summary of impact on charges for EHV customers in category 0000') and Table 3 ('Summary of impact on charges for EHV customers not in category 0000') provided a basic level of detail as to the effects of the change, but had not been produced with the actual EDCM inputs (as the modelling consultant don't have access to these), which meant that the impact could not be quantified in the documentation.
- AE advised that the data provided by DNOs in response to the RFI had provided the total values that Import Capacity Charges and Super Red Unit Credits would decrease by, and therefore the total difference (either positive or negative) would be spread between fixed charges for all other customers. However, this had not been broken down into an increase/decrease on a per-customer basis. It was noted that the impacted DNOs will hold such information.
- The Working Group NOTED concerns around whether making the data provided by DNOs in response to the RFI publicly available in full by publishing it in the consultation document would breach confidentiality requirements.
- The Working Group AGREED to add a qualitative explanation of the impacts, based on the data provided in response to the RFI, to the consultation document to provide a quantitative explanation of the impacts.

**ACTION 03/02: Providing additional detail on customer charging impact:** The Secretariat to include, within the first draft of the consultation document, qualitative and quantitative impact summaries referencing RFI data (based upon anonymised overviews of the data provided in response to the RFI) and CEPA/TNEI findings set out within the modelling documentation.

## 4. Discussion on concerns raised by SSEN and whether there is an alternative solution to progress

4.1 THE Chair NOTED that comments from SSEN had been included in the meeting pack and circulated prior to the meeting. See paper (DCP 452 WG 03\_03).

- THE Chair further NOTED that updated versions of this document had been shared between Working Group members by email, which added additional observations and commentary from AE and GL.
- The Chair presented the latest version of the annotated document for discussion, which had been last been circulated to the Working Group by email Friday, 30 May 2025.
- The Working Group AGREED to use this version of the document as the basis for continuing discussion. The amended document was taken as read.

4.2 The Working Group members provided opinions on the concerns raised by SSEN as laid out in the document,

- AE, whilst accepting that the possibility, of an unusual set of circumstances that resulted in atypical outcomes, exists, disagreed with the opinion that 0000 customers would drive reinforcement in their network group under 'Normal Running Arrangements'. AE therefore considered that it was inappropriate for a forward-looking cost signal to be levied upon these customers.
- GL NOTED that SSEN was currently following the FCP methodology as written and that 0000 customers did have an impact on the wider network for the reasons laid out in the document. It was further NOTED that SSEN was one of a number of DNOs that use the FCP methodology, and argued that further opinions from other DNOs, using either the FCP or LRIC versions of the methodology, should be sought in order to strengthen the evidence base before progressing any change.
- Additionally, GL NOTED that DCP 139 '[Non-Application of FCP charge for Category 0000 Customers](#)' had previously considered a very similar solution to a comparable problem that DCP 452 had proposed and that DCP 139 had been rejected by Ofgem. Some members considered that it would be important to include Ofgem's rationale behind their decision to reject DCP 139 as it was likely to be relevant to the progression of DCP 452.
- LM advised that she had sought views from colleagues in their engineering division and opinions were that their powerflow models do definitely pick up 0000 customers under the existing methodology, but that there was some agreement with the premise of the change. It was also noted that the engineers hadn't been able to determine a way of accounting for the removal of 0000 customers from the powerflow modelling. With respect to the FCP powerflow modelling only, it was noted that the document set out that both thermal issues and rising fault levels were seen as factors driving costs, but that in fact, rising fault levels are not factored in.
- The Proposer acknowledged that they do see some merit in SSEN's points, particularly regarding interconnected GSPs and suggested that a more nuanced solution could in theory be a better option as compared to the original proposal. It was noted that such a solution could look at applying an exemption to customers connected to non-interconnected GSPs only but that such an option had not yet been brought forward. The Proposer concluded that, at this moment in time, their original proposal remains unchanged.
- EC expressed support for obtaining additional views from DNOs as the party constituency that was most heavily impacted by these issues.
- The Working Group considered whether there was a countervailing body of opinion from DNOs that used FCP version of the EDCM that the apportionment of costs under FCP's methodology was appropriate and that LRIC should be changed to better align with FCP. No Working Group members expressed views on this suggestion.

- AE argued that attempts to strengthen the evidence base should not come at the expense of allowing the timelines to slide and stressed the continuing existence and detrimental impact of not resolving the issue that DCP 452 was seeking to fix.

4.3 The Working Group was in agreement that the consultation will include both SSEN's concerns and proposer's rationale as well as any additional feedback from members of the Working Group in a balanced and rounded way.

#### Actions:

- **A03/05:** Secretariat to incorporate a balanced summary of the debate into the consultation draft.

4.4 The Working Group discussed what additional evidence should be sought to better inform its work, \

- The Working Group considered whether there was a countervailing body of opinion from DNOs that used FCP version of the EDCM that the apportionment of costs under FCP's methodology was appropriate and that LRIC should be changed to better align with FCP. No Working Group members expressed views on this suggestion.
- AE argued that attempts to strengthen the evidence base should not come at the expense of allowing the timelines to slide and stressed the continuing existence and detrimental impact of not resolving the issue that DCP 452 was seeking to fix.

4.5 The Working Group agreed the following Actions.

- Working Group members agreed to hold internal discussions with their technical/engineering colleagues to gauge their opinions, and to report back within the document circulating amongst members or at the next meeting of this Working Group.
- The Chair AGREED to write an a balanced summary of the debate in this area for the consultation document.
- LM AGREED to circulate additional annotated comments to the document and to then share this with members for further consideration/comments.

**ACTION 03/03: Comments from SPEN on the concerns raised by SSEN:** LM to provide additional comments to the concerns raised by SSEN in the document circulating around the Working Group and then send the document on for further consideration/comments.

**ACTION 03/04: Inclusion the debate following concerns raised by SSEN in the consultation:** ElectraLink to incorporate a balanced summary of the debate into the consultation draft.

## 5. Discussion on DCP-139 Non-Application of FCP charge for Category 0000 Customers

5.1 The Working Group discussed the precedent set by DCP 139, in particular the decision by Ofgem to reject the change. The following points were raised during the discussion:

- The Working Group NOTED the history of DCP 139 and FURTHER NOTED the different policy and industry landscape in 2012, when it had been rejected.
- AE disagreed that the precedent of DCP 139 should prevent the current Working Group from progressing DCP 452, as whilst the solutions were the same, there were considerable

differences in context and rationale behind DCP 139 and DCP 452. AE AGREED to write additional explanatory notes for inclusion the consultation document that explained this.

- GL disagreed that the effects of the proposed solution for DCP 452 would only impact 0000 customers. GL's interpretation was that this would distort the principle of the FCP methodology, both downstream and within the same network level of the 0000 customer, and that these impacts had formed part of the rationale for Ofgem's previous rejection of DCP 139. GL AGREED to share comments that explained the comparison between DCP 139 and DCP 452.
- TH NOTED that Ofgem recognised the different contexts between DCP 139 and DCP 452 and PROVIDED ASSURANCES that Ofgem would make a decision on DCP 452 on its own merits.
- The Working Group NOTED that the DCP 139 Working Group had discussed whether their solution could be applied to other customer categories and not just the 0000 category, but FURTHER NOTED that these discussions were beyond the scope of DCP 452, which explicitly stated that it was limited to the 0000 customers.

**ACTION 03/05: Wording about the history of DCP 139:** AE to provide text explaining the background and history of DCP 139 for inclusion in the Consultation Document.

**ACTION 03/06: Comparison between DCP 139 and DCP 452:** GL to provide comments regarding Ofgem's decision to reject DCP 139 and whether the rationale behind this decision remained applicable to DCP 452.

## 6. Next Steps and Work Plan

### 6.1 The Working Group agreed next steps:

- Those Working Group members who worked for DNOs would complete any remaining testing of the models and provide feedback on the results of this.
- The Secretariat would continue working on the draft of the Consultation Document, including incorporating those additional information or commentary that Working Group members had agreed to provide, and circulate a draft with the Meeting Pack for Working Group meeting 04, which was scheduled for 16 June 2025.

6.2 With regards to the differences in opinion around if and what the most appropriate course of action was, the Working Group NOTED that under Section 11.18 of the DCUSA states: *'Where any person serving on the Working Group objects to any aspect of the final consultation draft referred to in Clause 11.17, that person may require the Working Group to include in the final consultation draft such alternative to any aspect of the final consultation draft as that person may specify, so as to allow the Parties to comment on those alternatives.'*

6.3 The Working Group NOTED the timescale that would be required in order to submit a Change Report for progression at the August 2025 DCUSA Panel Meeting, which would be required in order for this to be sent to Ofgem for decision before the end of September 2025.

## 7. Any Other Business

7.1 No items of other business were raised.

## 8. Next Meeting

## Monday, 16 June 2025

- 8.1 The Working Group NOTED that its FOURTH meeting had been scheduled to run between 10:00-13:00 on Monday, 16 June 2025.

## Appendix 1 – Actions Log

### New and Open Actions

Ref.	Action	Owner	Update
01/01	The Secretariat to add additional commentary or examples to the yet to be drafted consultation document to highlight key differences between the methodologies/models	ElectraLink	Update 1 May 2025 (meeting 02): Not progressed as drafting of the Consultation Document has not yet started. KEEP OPEN  Update 3 June 2025: This was a continuing item and would be progressed with input from the Working Group. KEEP OPEN
02/02	<b>Rationale for downstream charges:</b> additional detail to be added to the consultation document to explain the rationale behind changing the treatment of customers that were categorised 0000 and to clarify that the proposed apportionment was in line with other cost treatments.	AE	Update 3 June 2025: This remained open. AE would provide comments as the Consultation Document was drafted. KEEP OPEN
03/01	<b>Testing updated models:</b> The Working Group agreed that any of its members who use the FCP version of the EDCM should run modelling iterations between CDCM and EDCM and report the results of these tests at the next meeting of this Working Group.	All applicable Working Group members	
03/02	<b>Providing additional detail on customer impacts:</b> The Secretariat to include, within the first draft of the consultation document, qualitative and quantitative impact summaries referencing RFI data (based upon anonymised overviews of the data provided in response to the RFI) and CEPA/TNEI findings set out within the modelling documentation.	ElectraLink	
03/03	<b>Comments from SPEN on the concerns raised by SSEN:</b> LM to provide additional comments to the concerns raised by SSEN in the document circulating around the Working Group and then send the document on for further consideration/comments.	LM	
03/04	<b>Inclusion the debate following concerns raised by SSEN in the consultation:</b> ElectraLink to incorporate a balanced summary of the debate into the consultation draft.	ElectraLink	

Ref.	Action	Owner	Update
03/05	<b>Wording about the history of DCP 139:</b> AE to provide text explaining the background and history of DCP 139 for inclusion in the Consultation Document.	AE	
03/06	<b>Comparison between DCP 139 and DCP 452:</b> GL to provide comments regarding Ofgem's decision to reject DCP 139 and whether the rationale behind this decision remained applicable to DCP 452.	GL	

### Closed Actions

Ref.	Action	Owner	Update
02/01	<b>Concerns around fairness of proposed solution:</b> GL to discuss concerns around the apportionment of recharged network fees with SSE's engineering team and provide alternative wording that reflected these concerns with the proposed solution.	GL	Update 3 June 2025: These comments had been circulated and were discussed at WG 03. CLOSED
02/03	<b>Analysis of dataset produced by RFI:</b> LM to analyse the data produced by the RFI and produce a more granular dataset.	LM	Update 3 June 2025: This had been completed. The Working Group AGREED that this information should not be published as it contained commercially sensitive data, but FURTHER AGREED to include a qualitative summary in the Consultation Document. CLOSED
02/04	<b>Request clarifications from Ofgem around Impact Assessment requirements:</b> In order to pre-empt any risk of a send-back decision from Ofgem, the Secretariat to seek guidance from Ofgem on what supporting evidence would be required to evidence this Change Proposal.	Secretariat	Update 3 June 2025: Tom Holderness from Ofgem had joined the working group and would have sight of its work. CLOSED
02/05	<b>Progress Modelling Request:</b> The Secretariat to seek approval from the DCUSA Board to progress modelling requests from CEPA/TNEI.	Secretariat	Update 3 June 2025: This was progressed and approved and the results of the modelling request were presented at WG 03. CLOSED