

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2025_0716_07_DCMDG 88 Headline Report
Action	For Information

## Distribution Charging Methodologies Development Group (DCMDG) Headline Report 88

### 1. Synopsis

- 1.1 This report sets out the headlines from the 88th DCMDG meeting held on 19 June 2025 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.
- 1.2 This meeting was chaired by Richard Colwill.
- 1.3 A total of 36 industry participants dialled into the meeting.

### 2. Forward Work Plan and Issues Log

- 2.1 The group reviewed the Forward Work Plan and Issues Log, with no new issues raised.
- 2.2 It was noted that the issue previously tracked under DCP 420 has now formally progressed to a Change Proposal, registered as DCP 454.

### 3. Ofgem Update

- 3.1 Ofgem provided an update on recent developments, including the 2025 Charging Futures Forum (CFF), which did not introduce any new topics beyond those already discussed within DCMDG. Several regulatory decisions are pending, including:
  - **DCP 446** (Emergency Disconnections), with a decision expected by the end of June.
  - **CMP441** (Hydrogen Electrolysers), with a decision anticipated shortly.
  - **DCP 412** (TCR Charges for Peaky Customers), which is still under consideration. Ofgem acknowledged the recommendation for rejection but noted its relevance to broader initiatives such as the DUoS Significant Code Review (SCR) and cost recovery work.
- 3.2 Ofgem clarified that while DCP 420 is a more narrowly scoped change, DCP 412 touches on broader systemic issues. The regulator also reiterated its preference for resolving defects through CPs rather than introducing design changes unless absolutely necessary.
- 3.3 The boundary between transmission and distribution was raised again at the CFF. Although no new insights emerged, Ofgem is considering whether a cross-code workstream or task force might be appropriate to address this issue.

## 4. Transmission/Distribution Boundary Discussion

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- 4.1 The group discussed the potential for a DCUSA Change Proposal to address the transmission/distribution boundary issue. Updates were shared from a recent workshop facilitated by Roadknight Taylor, which explored various approaches, including raising modifications under CUSC, DCUSA, or both.
- 4.2 There was broad agreement that a joint working group involving DCUSA and CUSC representatives could be the most effective way forward. Ofgem offered to prepare a presentation summarising its current thinking to support this initiative. Concerns were raised about the potential for delays in new connections if stakeholders anticipate future cost reductions, highlighting the need for timely action.

### **Actions Agreed:**

- The Chair will engage with CUSC to coordinate the formation of a joint working group.
- Ofgem will prepare slides outlining its current position to support the group's discussions.

## 5. Surplus Residual Charges – DCP 450

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- 5.1 The group received an overview of DCP 450, which addresses the issue of negative residual charges causing model errors. The proposed solution involves scaling asset values to ensure valid outputs, though it does not eliminate the underlying surplus issue.
- 5.2 It was acknowledged that while the proposed fix is simple and timely, a more comprehensive review may be required in the future. The group agreed that progressing DCP 450 swiftly is essential to avoid delays in charge setting and the need for derogations.

## 6. DCP 414 Guidance and Data Transfer Mechanism

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- 6.1 The Chair confirmed that guidance related to DCP 414 has been published. Discussions focused on the appropriate mechanism for securely transferring customer data. The Secure Data Exchange Platform (SDEP) was proposed as a preferred alternative to email, particularly in light of GDPR requirements.
- 6.2 There were differing views on the practicality of using SDEP, particularly regarding message volume and clarity. It was suggested that existing process types, such as PT0031 (Contract Manager Query), could be used to streamline communication. The group agreed that each party should determine the most appropriate internal process for handling the data, provided it meets security standards.

### **Actions Agreed:**

- The Chair will consult REC on the use of the contract manager process type within SDEP.
- The Secretariat will update the guidance document based on the outcome of this discussion.

## 7. Site-Specific Shared Network Asset Categories

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- 7.1 A technical issue was raised regarding the appropriate categorisation of shared network assets, particularly in scenarios involving transformers with 132kV and 33kV connections. Clarification is needed on whether category codes 1100 or 1110 should apply. DNO representatives agreed to consult their engineering teams and provide feedback at the next meeting.

### Action Agreed:

- DNOs to gather engineering feedback and report back at DCMDG 89.

## 8. Next Meeting

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- 8.1 The next DCMDG meeting will be held on 17 July 2025 via Microsoft Teams.

## 9. Actions

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

**Richard Colwill**  
**Resource & Change Delivery Manager**