

# DCP 455 Working Group Meeting 02

06 August 2025 at 10:00 - Web-Conference

| Attendee                     | Company       |
|------------------------------|---------------|
| <b>Working Group Members</b> |               |
| Dave Wornell [DW]            | National Grid |
| Donald Preston [DP]          | SSE           |
| Mark Bellman [MB]            | ENWL          |
| Stephen Millar [SM]          | SPEN          |
| Isaac Hale [IH]              | EDF Energy    |
| <b>Code Administrator</b>    |               |
| Craig Booth [CB]             | Chair         |
| Rochard Colwill [RC]         | Secretariat   |

## 1. Administration

### Recording

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting.

### Apologies

- 1.2 No apologies were received ahead of the meeting.

### Competition Law Guidance and Terms of Reference

- 1.3 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

## 2. Purpose of the Meeting

- 2.1 The Chair advised that the purpose of the meeting was to review and approve the DCP 455 draft legal text and consultation documentation for issuing to industry.

### 3. Review and Finalise Draft Legal Text and Consultation Documentation

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3.1 The Working Group reviewed the draft legal text and consultations documentation, and the updated versions can be found in Attachment 1 of these minutes. Key points from the review can be found below:

- Removed legal text for solution A as this has been eliminated by the working group
- Added the following definition to the legal text for solution B:
  - CPIHn-1 = the arithmetic average of the Office for National Statistics CPIH INDEX 00: ALL ITEMS 2015=100, published or determined with respect to the months of December and January most recently preceding the start of the Regulatory Year to which RAV is to apply.

3.2 The Working Group took an action to have one final review of the documentation offline and provide any feedback. Once finalised the Secretariat agreed to collate and issue the consultation to industry.

**Post meeting note:**

3.3 The DCP 455 consultation was issued to industry on 8 August 2025, with a deadline for responses set at 29 August 2025.

### 4. Items for Next Meeting

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4.1 The Working Group agreed the following items for the next meeting scheduled for 01 September 2025:

- Review consultation responses
- Finalise proposed solution

### 5. Any Other Business

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5.1 No other business was raised.

## New and Open Actions

N/A

## Closed Actions

| Action Ref. | Action  | Owner | Update  |
|-------------|---|-------|---|
| 01/01       | MB to look into why Ofgem moved from using RPI to CPI.                                  | MB    | <p><b>Closed</b></p> <p><i>In their document RIIO-2 Sector Specific Methodology Decision – Finance (May 2019) Ofgem state “We decided in the RIIO-ED2 SSMD to implement an immediate switch from RPI indexation to CPIH indexation.”</i></p> <p><i>I couldn’t find an explicit rationale in the price control material, but from other sources using CPIH was <b>aligned with other regulators’ price controls</b> (e.g. Ofwat, the CAA), <b>fairer for consumers and investors</b> (CPIH typically grows more slowly than RPI, which reduces risk of overcompensation of revenues overcharging of consumers), <b>better reflection of real-world costs</b> (CPIH includes housing costs).</i></p> <p><i>In addition HMG and ONS have indicated plans to phase out RPI due to statistical shortcomings.</i></p> |
| 01/02       | MB to add a note to the legal text to confirm that the 129.1 is the May 23 CPIH figure. | MB    | <p><b>Closed</b></p> <p><i>Confirmed (see <a href="#">CPIH INDEX 00: ALL ITEMS 2015=100 - Office for National Statistics</a>)</i></p> <p><i>I suggest adding the following definition in the legal draft:</i></p>   |

# DCUSA

|       |   |    |   |
|-------|---|----|---|
|       |   |    | <i>“The value of 129.1 is the CPIH index factor for May-23 from the series L522 for mm23 (<a href="#">CPIH INDEX 00: ALL ITEMS 2015=100 - Office for National Statistics</a>) which can be obtained from the ONS website”</i> |
| 01/03 | MB to work with the Chair to ensure the legal text is updated to reflect solution B). | MB | <b>Closed</b>   |

## Closed Actions

| Action Ref. |  |  | Update |
|-------------|--|--|--------|
|             |  |  |        |