

Distribution Charging Methodologies Development Group (“DCMDG”) - Meeting 90

21 August 2025 at 10:00 via Microsoft Teams

Attendees	Company
Adam McNae [AM ¹]	Brook Green Supply
Ahna Taylor [AT]	SSE
Andrew Malley [AM]	Ofgem
Dave Wornell [DW]	National Grid Electricity Distribution
David Fewings [DF]	Inenco
Diandra Orodan [DO]	BUUK
Dimuthu Wijetunga [DW]	Shell Energy
Donald Preston [DP]	SSEN
Donna Jamieson [DJ]	IDCSL
Ed Grimsey [EG]	BUUK
Edda Dirks [ED]	SSE Generation
Emma Clark [EC ¹]	SSE
Emma Robinson [ER]	E.ON
Hannah Penfold [HP]	ESPUG
Itunu Akin-Olawale [IA]	ENWL
James Jones [JJ]	SSEN
Jen St Claire-Hughes	ESPUG
Kara Burke [KB]	Northern Powergrid
Karl Maryon [KM]	Drax
Lee Stone [LS]	E.ON
Lorna Murray [LM]	SPEN
Mark Fletcher [MF]	Shell
Matthew Smith [MS]	UKPN
Meg Wong [MW]	Stark
Monique Pereira [MP]	SSE
Nik Wills [NW]	Stark Energy
Pamela Howe [PH]	Northern Powergrid
Rebecca Chiverton [RC]	ESPUG
Ryan Farrell [RF]	NPg
Seun Adedapo [SA]	NGED
Simon Vicary [SV]	EDF
Virginia Patey [VP]	St Clements
Secretariat	
Craig Booth [CB] (TechSec)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink
Dylan Townsend [DT]	ElectraLink
Apologies	
No apologies	

1. Administration

- 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. The recording will be deleted after the minutes are approved.
- 1.2 The Working Group reviewed the “Competition Law Guidance” and it was noted that all members agreed to be bound by the Competition Law Guidance for the duration of the meeting.
- 1.3 Attendees reviewed the draft minutes from the previous meeting. No comments were made on the accuracy of the minutes.

2. DCMDG Forward Work Plan and Issues Log

- 2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log, during which the following points were covered:
 - 2.1.1 Action 87/01 – The Chair explained that a Change Proposal (“CP”) had been raised by Ben Godfrey of National Grid relating to this. The Chair confirmed he had raised this at the Cross Code Steering Group (“CCSG”) and had been in contact with Connection and Use of System Code (“CUSC”) to engage them in the CP. This action was closed.
 - 2.1.2 Action 88/01 – The Chair confirmed, as above, that CUSC had been engaged. This action was closed.
 - 2.1.3 Action 88/02 – AM explained that now that a CP has been raised, Ofgem will attend the Working Group in its usual capacity as an observer and allow industry to start discussions through that CP. This action was closed.
 - 2.1.4 Action 88/04 – The Chair confirmed the guidance naming was updated. This action was closed.
 - 2.1.5 Action 88/05 – The Chair confirmed this would be discussed in the meeting as part of the agenda. This action was closed.
 - 2.1.6 Action 89/01 – The Chair confirmed an email had been sent to highlight the use of Secure Data Exchange Portal (“SDEP”). This action was closed.
 - 2.1.7 Action 89/03 – The Chair confirmed an email had been sent to remind IDNOs to provide their contact details to Suppliers. This action was closed.
 - 2.1.8 Action 89/04 – DJ confirmed an email had been sent to the Independent Networks Association (“INA”) to confirm their contact details to Suppliers. This action was closed.
 - 2.1.9 Action 89/05 – The Chair confirmed this would be discussed in the meeting as part of the agenda. This action was closed.

DCMDG Issues

- 2.2 The Chair explained there were no DCMDG issues currently open.

3. Ofgem Update

- 3.1 AM explained the main development of interest to the group is the publishing of information on the cost allocation review. AM provided a link (<https://www.ofgem.gov.uk/press-release/ofgem-announces-major-review-how-costs-are-allocated-across-energy-system>) to this for DCMDG members to review and invited questions to be sent, which he would pass onto the Ofgem lead for this work.
- 3.2 KB asked about the DUoS SCR and the flexibility roadmap, noting that this stated it would be progressed immediately. AM explained that the intention would be to move the DUoS SCR forward once the outcomes of REMA are clear, smart targets with clear timelines have been agreed, and the required transmission changes have been identified. AM explained that it was the intention to ensure the DUoS SCR aligned with these other items.
- 3.3 AM explained that a recent meeting of with the ENA took place, at which commencing work on the DUoS SCR was discussed, but Ofgem had committed them to getting activities scheduled only once the above (ref para 3.2) has been completed.
- 3.4 DW asked whether Ofgem had a view on when the work on the DUoS SCR would commence. AM explained that some work could commence around October but noted that this was a busy time for distributors (due to tariff setting) and that Ofgem would be mindful of this.

4. Connection Boundary Between Distribution & Transmission

- 4.1 The Chair explained that DCP 461 'Reducing the impact of Transmission Distribution Charges' had been raised and approved by Panel for progression to a Working Group. The Secretariat noted that invitations would be sent once the Proposer's availability had been determined.
- 4.2 ED asked whether CUSC had been invited to attend the Working Group meetings. The Chair confirmed that he had raised this at the Cross Code Steering Group and directly with NESO, and that they had been invited to attend the Working Group.

5. DCP 414 Guidance Update – DCP 458 CP Discussion

- 5.1 The Chair noted that DCP 458 had been raised that was related to DCP 414. The Secretariat noted this had been raised as an urgent change and was currently out for consultation with colleagues.
- 5.2 LS noted that it had been raised as a Part 2 Matter, which he felt was not appropriate due to there being customer impacts. LS stated that E.ON's response would state this position.
- 5.3 The Chair noted, relating to this topic, that the Panel had expressed some concerns that discussions held within the DCMDG may be more focused on processes than the charging methodology, and that they may have been better discussed at the SIG. The Chair explained that contract managers would identify the necessary experts to attend the SIG, meaning the audience is more dynamic and has a better chance of the relevant experts being in attendance.

Action 90/01	Secretariat to update the DCMDG Terms of Reference around discussions that should be considered for presentation at the SIG instead of/in addition to the DCMDG.
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6. Content in Charging Statements Regarding Private Networks

- 6.1 DT explained that following the implementation of [P455 'On-Site Aggregation as a method to facilitate Third Party Access'](#), there were three methods for treating Private Networks, and asked if any members had considered if there is a need to add anything further into the LC-14 charging statements relating to this.
- 6.2 LS stated the P455 rules should be updated in the LC-14 at a minimum, though it should be in the DCUSA and would need a CP to be raised.
- 6.3 DW asked how the LC-14 would be updated in the absence of a DCUSA change. DW stated that there are charges outside the DCUSA that are billed to the site, but it may not be possible to update the LC-14 without updating the DCUSA. LS and DT noted that there are elements in the LC-14 charging statements that are not contained in the DCUSA (e.g., difference metering, full metering).
- 6.4 The Chair closed by summarising that it appeared from discussions that a DCUSA change would be appropriate if the LC-14 is to be updated.

7. CDCM Capacity Charges for Batteries

- 7.1 DW presented an overview of the issue to the DCMDG (see attachment 2) and explained that a customer had raised a query that CDCM capacity charges are very high making it difficult for them to operate batteries. DW explained that capacity charges had risen a lot following the Access SCR, as a result of the zeroing of the customer contributions, and that National Grid had investigated whether there is a disconnect between the EDCM and CDCM.
- 7.2 DW explained that the EDCM makes a provision for generation customers (including batteries) and these customers are put onto minimum Network Use Factors ("NUFs") whereas demand sites are charged actual NUFs. DW explained that the CDCM does not treat generation sites differently to demand sites, so there is a difference in the import capacity charges for generation and demand customers in the EDCM, which is not replicated in the CDCM.
- 7.3 DW presented some analysis to determine what the benefit to generation and battery customers is in the EDCM, which came out at around a 75% difference.
- 7.4 DW stated that following the TCR, there is now a means to identify generation dominated sites in the CDCM, as these are now classed as non-final demand, and the same benefits can be applied to them.
- 7.5 DW explained that he'd assessed what would happen to capacity charges if the benefits to the EDCM generation and battery customers was to be applied to those under the CDCM, on page 2 of his overview.
- 7.6 DW noted that by applying the same benefits to customers under the CDCM, this would align the approach between the two methodologies.
- 7.7 DW confirmed that he intended to submit a CP for this issue in the future.

8. The Application of the 2026 TCR Banding Thresholds When Applying the Exceptional Circumstances Process

- 8.1 JJ explained a consultant had asked SSEN how a customer would be treated if they changed their capacity by the 50% required for exceptional circumstances in advance of April 2026.
- 8.2 JJ explained that SSEN's approach would be to re-band customers for the current period and to not automatically re-band customers as of April 2026, and that, in discussion with other DNOs, the fairness of this had been raised as a concern.
- 8.3 ED suggested that another avenue the customer could take would be the schedule 32 disputes committee.
- 8.4 The Secretariat explained that the disputes committee would only look at whether the DNO followed the requirements of Schedule 32 at the point in time that the re-banding did/did not take place.
- 8.5 RF explained that NPg looks at the ET2 and ET3 allocations separately, and so the request is looked at as two separate allocations. For example, if a customer applied for a reallocation in advance of April 2026 and met the threshold for reallocation under both the ET2 threshold and ET3 threshold, the customer would get reallocated immediately under ET2 and would then be reallocated for April 2026.
- 8.6 RF noted that treating the allocation as a single request means that a customer could be reduced by one band immediately, but when April 2026 comes around the customer would be re-banded back to their original band and the DNO would be unable to do anything about it. However, if they are treated as two separate allocations (two separate requests) this solves the problem.
- 8.7 DW noted that NGED follows the same principles and treats the request as two separate allocations. DW noted that this was fairer for customers.
- 8.8 EC¹ asked for clarification, specifically on the point of allocations already done on the 24 months of data and for the files issued the previous June, whether the thresholds were being assessed against this as it is effectively "complete". DW confirmed this would be the case, and by treating them as two separate allocations it may be that a site that qualifies for a reallocation for the current period may not actually meet the thresholds for 2026.
- 8.9 LM suggested the Secretariat note this element and ask DNO colleagues to validate the understanding, so that there is alignment between DNOs on the approach.

Action 90/02	Secretariat to circulate a note on the approach articulated above around DNO colleagues for comment, prior to being circulated as guidance.
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9. Site-Specific Shared Network Asset Categories Feedback

- 9.1 The Chair shared a presentation on screen, which is attached to these minutes as attachment 3.
- 9.2 The Chair noted that members had an action to ask their engineers to provide feedback on this.
- 9.3 DW noted that an example had been provided (on page 3 of the presentation) and that there was no clear answer, as the DCUSA lacks clarity on this. DW asked whether a DCUSA CP would be required to provide the clarity on this.

- 9.4 EC provided feedback that an SSEN engineer had fed back that category 1100 “may fit better despite the shared asset as 1110 specifically calls out that it is not at a substation”.
- 9.5 The Chair suggested that a subgroup, specifically for DNO contract managers to forward this to their engineers for discussion, might be useful in arriving at a solution. The Chair explained that if this progressed to a CP and it could not be determined through the Working Group what the correct category should be, the Working Group could stall and fail to develop a solution.

Action 90/03	Secretariat to issue a doodle poll for a subgroup to discuss this issue.
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10. MHHS Update

- 10.1 The Chair asked whether this standing update should continue to be included or removed.
- 10.2 It was agreed to remove this as a standing item.

Action 90/04	Secretariat to update the DCMDG agenda to remove MHHS as a standing item.
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11. Any Other Business

ET3 Allocations & Annual Review Process

- 11.1 RF explained that the annual allocation review (“AAR”) processes will be underway and asked whether any other DNOs were considering putting ET3 allocations through the annual allocations process now, in advance of it going live. RF noted that some allocations will have been done using assumptions and default data, but there would now be factual data which could be used to allocate them to their correct band.
- 11.2 DW asked if there was anything that precludes DNOs from doing this. RF did not believe so and suggested that the legal text could be interpreted as meaning DNOs *should* do this. DW stated that NGED would look further into this and noted that it would simplify the process as it would negate the need for backdating.
- 11.3 RF noted that a site cannot be reallocated until it goes through the annual allocation review, so putting them through the annual allocation review sooner removes that as an issue.
- 11.4 DW noted that there would need to be a mop up of the allocations for ET3 as there will have been new MPANs created in the time since the allocations for ET3 were done, which may be completed by NGED in January 2026. RF noted there is a gap in the legal text as it does not cover MPANs that are created since the allocations and the go live, so there will need to be at least one mop up for these.
- 11.5 LM asked whether, as done under the implementation of the TCR, the changes would need to be done in batches and the time that would be required for this. LS clarified that the LLFCs were created in batches due to the volumes, whereas this would not be updated in batches as they are updates to the current LLFCs. LM asked for clarification on the updates to MPRS. LS explained there would be a need to update MPRS where there have been band updates. LS and RF clarified that the purpose of the batching was previously done as it required a significant number to be completed, whereas the updates for April 2026 would be a much smaller number and MPRS should be able to handle this.
- 11.6 RF summarised, relating to both allocations discussions held at the DCMDG today:

11.6.1 there would be a need for a mop up exercise for MPANs created since the allocations for ET3 were initially done;

11.6.2 DNOs should consider allocations requests separately for ET2 and ET3 if a request is received prior to April 2026; and

11.6.3 where needed, sites would be put under the correct band under the AAR process for ET3.

Action 90/05	Secretariat to send a note to the DNOs for comment, re the above conversations (ET3 allocations, AAR and mop up).
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11.7 LM queried how Suppliers would be made aware of the changes in allocation. RF suggested that Suppliers would likely need to receive two separate emails, one for the ET2 allocation and one for the upcoming ET3 allocation.

11.8 LS stated that E.ON would be happy with 2 separate messages and with 2 separate spreadsheets.

DCP 460 'Updating incorrect company names referenced throughout the DCUSA'

11.9 DT explained that in raising the CP, it was noted that there are incorrect company names in Schedules 2B, 17 and 18. DT explained that it had been suggested in the SIG to update these schedules in a way that future-proofs the DCUSA (to prevent the need to update the company names again.)

11.10 DT presented some potential options for this, such as using the GSP ID or the MPID. DT also noted that the company number could be used.

11.11 DW agreed that the use of GSP IDs or MPIDs would be acceptable.

11.12 DP and LS also agreed that the use of MPIDs would be acceptable.

11.13 CO agreed that using GSPs or MPIDs would be acceptable but asked whether new Supplier entrants would be able to ascertain which DNO *company* uses which MPID.

DCP 462 'Amend outdated references to "Engineering Recommendation P2/6" and "Engineering Technical Report 130"'

11.14 DT presented the draft CP and explained that P2/6 has since moved to P2/8 and that some of the recommendations in P2/6 or P2/7 had moved to the ETR 130.

11.15 DW asked if it was possible to refer to "the latest version" of the recommendations and report, instead of continuing to need to amend the issued versions in the DCUSA. DT confirmed he had drafted legal text to take this approach and presented this on screen.

11.16 DT explained that as part of drafting the CP, DNOs may wish to provide feedback on the way the CP has been worded in respect to the use of the F Factors from P2/6 or whether DNOs had moved on to later editions. One DNO member confirmed that they used the P2/6 recommendations, as specified in the DCUSA.

Action 90/06	DNOs to provide comments back by 5 th September, to allow DT to incorporate feedback into the CP that will be presented to Panel. <i>(Paper to follow.)</i>
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12. Agenda Items for the Next Meeting

- 12.1 The Chair explained that there we no specific items for the agenda, however the progress of the actions would be assessed and a draft agenda produced with these in mind.

13. DNO (“Distribution Network Operator”) Operational Matters

- 13.1 The Chair asked if there were any DNO Matters to be raised. No matters were raised.

14. Date of Next Meeting

- 14.1 The next DCMDG meeting will be held on 18 September 2025 via Microsoft Teams.

15. Attachments

- 15.1 Attachment 1 – DCMDG Action Log & Forward Work Plan
- 15.2 Attachment 2 – NGED ‘CDCM Capacity Charges for Batteries’ Overview
- 15.3 Attachment 3 – Site-Specific Shared Network Asset Categories Presentation