

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

21 August 2025 at 10:00 via Microsoft Teams

Attendees	Company
Chris Barker [CB ¹]	ENWL
Chris Ong [CO]	UKPN
Chou Hon Leong (Felix) [CHL]	Ofgem
Dave Wornell [DW]	NGED
Ed Grimsey [EG]	BUUK
James Jones [JJ]	SSEN
Lorna Murray [LM]	SPEN
Ryan Farrell [RF]	NPg
Secretariat	
Craig Booth [CB ²] (TechSec)	ElectraLink
Richard Colwill [RC] (Chair)	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. Introduction

- 2.1 The Chair gave an update on the discussions held to date and on a related subgroup, as yet to be formed, on banding, thresholds for exceptional circumstances and the need for a letter relating to a change of use.
- 2.2 The group discussed whether certain elements would fall under design or defect, and the need for clarity on this so that no effort is wasted on elements Ofgem does not wish the group to attempt to address.

3. Annual Allocation Review

- 3.1 The Chair asked members what their preferred outcome would be relating to putting customers allocated for future ET price control periods through an Annual Allocation Review prior to the commencement of the ET price control period if there is sufficient data.
- 3.2 It was discussed that the current legal text does not allow this to be done and that it could potentially cause confusion if making changes for an ET price control period ahead of the period being live.
- 3.3 The group discussed whether there would be a benefit to customers to be able to put them through this earlier. It was noted that under Market-Wife Half Hourly Settlement, the window would be limited to a 4-month window and would prevent customers reviewed in September from being backdated to 1 April (the commencement of the ET price control period.)
- 3.4 The Chair asked, in that case, whether there would be the potential to perform the Annual Allocation Review on customers allocated for a future ET price control period.
- 3.5 The group discussed that it would still not resolve the issue of the 4-month window, and so it would benefit some customers but not others.
- 3.6 The group discussed whether the Annual Allocation Review could be done more frequently, however it was viewed that it would be a significant administrative burden on DNOs as the review is resource intensive and time consuming, and this was not supported by the group.
- 3.7 The group discussed bring the Annual Allocation Review forward from September, to perform this earlier in the year. It was noted that whatever the date that is used, there would be some customers that benefit from the movement of the date and some that would not, however this is no different to today.
- 3.8 The group discussed whether there is a need to backdate the band allocation, and rebate or recharge, or whether this should be done only from the next billing period.

- 3.9 The group also considered whether the Annual Allocation Review could be completed in April or May and backdated to no earlier than April each year, which would ensure all customers are treated consistently and it would not matter whether it was a migrated MHHS MPAN or a non-migrated MPAN.
- 3.10 A member asked whether [DCP 439 'Backdating Tariff Changes'](#), if approved, would support moving the date of the review. It was noted that it related to other types of backdating of the LLFC.
- 3.11 A group member raised whether the template for the Annual Allocation Review should include the effective from date. A group member noted that the DCUSA does not require this and that their Party had not been asked for this.

4. Review of Schedule 32

Sections 2 & 3

- 4.1 It was discussed that Section 2 of Schedule 32 is redundant and could be removed, as this was for the initial determination of the charging bands as a result of the TCR implementation, and would not be used again. It was discussed that this could also be merged with section 3, instead of being removed.

Action 01/01	Secretariat to perform the initial review of sections 2 and 3, for the removal of section 2 or the merging of sections 2 and 3.
--------------	---

- 4.2 It was discussed that the charging band information provided under paragraph 3.1 is completed three years ahead of the commencement of the transmission price control period and that customers are then allocated shortly thereafter. It was noted that there is a significant amount of time between when customers are allocated to bands and the commencement of the next transmission price control period, during which sites can move bands (e.g., within the *current* transmission price control period).
- 4.3 The group discussed whether there is a benefit for the data under section 3 to be sent so early, as the bulk of the queries are received once the bands are applied and the charges levied. It was discussed that the sending of the initial data may not provide a sufficient benefit to justify the effort required in issuing it.

Section 4

- 4.4 The group noted that Paragraph 4.6 refers to a time in the past during which a site could declare itself as non-final demand. It was discussed this could be removed or amended to remove the time constraint.

Section 5A

- 4.5 A group member raised that the legal text could be clarified to specify the date that a site would be classified as non-final demand from, as there is the date on the certificate and the date that the certificate is received by the DNO, which can be different by a significant amount of time.
- 4.6 The group discussed what the criteria for challenging the classification of a non-final demand site could be. The group discussed that it might be challenging to define criteria as it is complex, and this is the reason why the process relies on self-certification.
- 4.7 A group member noted that sections 5 and 5A could both be tidied up, and potentially merged, and focus this on how a site becomes non-final demand. It was discussed that paragraph 5A.2 could be bolstered to include additional rules and dates raised by group members on this call.

Section 6

- 4.8 The group discussed whether clarification was needed on the date that a band reallocation would change from, and whether this is the date of an application to change a capacity or whether it is the date they requested the reallocation, as the text is not clear.
- 4.9 The group also discussed whether, if a customer has increased their capacity, the DNO should be allowed to review the band allocation. It was discussed that the DCUSA may allow for this, but it is not explicitly stated in the DCUSA that the DNOs can do this.
- 4.10 A group member also noted that some customers had “gamed” the system by reducing their capacity by more than 50% to gain access to a lower band and then increasing once again, but by less than 50%, thus avoiding the increased band charges. It was discussed whether the DNO should have discretion to review band allocations for increases in capacity, but noted that any such discretion for decreases could result in customers effectively “pleading” with DNOs to reduce their band allocation.
- 4.11 A group member noted that customers cannot be reallocated under exceptional circumstances until they have been through the Annual Allocation Review, which is restrictive and prevents customers being allocated to an appropriate band until after the Annual Allocation Review has been completed. The group discussed the reasons why this is the case and whether this is the best approach.
- 4.12 A group member explained that this was to prevent a customer going through a reallocation under exceptional circumstances and then being picked up by the Annual Allocation Review.
- 4.13 A group member explained that the customer experience can be very poor, as they can be lowered a band in one price control period but then be re-banded again in the next price control period, resulting in another customer application being needed for a re-banding.
- 4.14 The Secretariat noted that [DCP 410 ‘Fairer re-assessment of the allocation of Final Demand Sites prior to subsequent price control periods’](#) implemented some protection from being re-banded following a reallocation under exceptional circumstances (paragraph 4.2A).
- 4.15 The group discussed that an exceptional circumstances request could be reassessed at the start of the ET price control period.
- 4.16 It was agreed that this should be an area of focus, to help clarify the processes for sites reallocated under exceptional circumstances and to review this through the lens of the customer experience.

5. Next Steps

- 5.1 The Chair suggested taking an action to review the points raised that would remain in this subgroup or be picked up by the other subgroup (re exceptional circumstances) and to identify the quick wins versus those changes needing more effort.

Action 01/02	Chair & Secretariat to review the points raised that would remain in this subgroup or be picked up by the other subgroup (re exceptional circumstances) and to identify the quick wins versus those changes needing more effort, for further discussion in this subgroup.
--------------	---

6. Agenda Items for the Next Meeting

6.1 The agenda items for the next meeting will be determined once these minutes of the first meeting are published.

7. Date of Next Meeting

7.1 The next meeting will be arranged via a poll following the issuing of these minutes.

8. Attachments

8.1 There are no attachments to these minutes.

9. Open Actions

Action Ref.	Action	Owner	Update
01/01	Perform an initial review of sections 2 and 3, for the removal of section 2 or the merging of sections 2 and 3.	Secretariat	New Action
01/02	Review the points raised that would remain in this subgroup or be picked up by the other subgroup (re exceptional circumstances) and to identify the quick wins versus those changes needing more effort, for further discussion in this subgroup.	Secretariat & Chair	New Action

10. Closed Actions

Action Ref.	Action	Owner	Update