

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2025_1015_07_DCMDG 91 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 91

1. Synopsis

- 1.1 This report sets out the headlines from the 91st DCMDG meeting held on 18 September 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.

3. Ofgem Update

- 3.1 Ofgem confirmed that the decisions for both [DCP 437 'To Shorten the DUoS Pricing Notice Periods'](#) and [DCP 439 'Backdating Tariff Changes'](#) are currently being made. Ofgem are awaiting additional legal advice in regard to [DCP 446 'Emergency Disconnections'](#) which has led to a slight delay in the decision of this change, but more information will be provided at a later date.
- 3.2 Ofgem are currently looking at the links between a number of TCR related changes (i.e., [DCP 412 'Allocation of banding for TCR Charges for 'Peaky' Final Demand Customers'](#), [DCP 420 'Provide targeted relief from residual charges for electric vehicle charging sites'](#) and [DCP 454 'Provide enduring targeted relief from residual charges for electric vehicle charging sites'](#)) and how they link to their cost allocation review that is currently underway.
- 3.3 Ofgem informed the group that Ofgem delivered a presentation at the DCUSA Stakeholder Engagement Day, explaining what their priorities currently are over the coming months (particularly around the SCR). Ofgem stated that an expanded version of this presentation will also be delivered at the DCUSA Strategy Day being held on 14 October 2025. Ofgem suggested potentially providing DCMDG members with an update to provide an overview of what was discussed.

Actions Agreed:

- Ofgem to update the group on when the expected decision date for DCP 450 will be.
- Ofgem to provide an updated timeline around RIIO-ED3 to the next DCMDG meeting.

4. The Application of the 2026 TCR Banding Thresholds when Applying the Exceptional Circumstances Process

- 4.1 Following an action taken at the previous DCMDG meeting to review the guidance note drafted by the Secretariat, one member presented a response paper for members to further discuss.
- 4.2 Members were asked ‘if a Customer was to ask to be re-allocated today, are DNOs looking at the ED3, or just the current allocation?’ – one member confirmed that they were looking at both ED3 as well as the current allocation. Another member explained that although they do not currently look at ED3, they are mindful that customers could be reallocate to another band, and that their aim was to complete a ‘wash-up’ task early next year to see which sites have been re-banded. It was agreed that this was a similar process, just using a different time frame.
- 4.3 After further discussion, it was agreed for the Secretariat to issue out the response document to DCMDG members for a final review. If no further feedback is provided, it was agreed that the Secretariat can then issue out the guidance document to wider industry.

Actions Agreed:

- Secretariat to circulate the response document (ED3 Price Control) to DCMDG members for final review/additional feedback.
- Secretariat to issue the ED3 Price Control Guidance document to wider industry.

5. Schedule 32 Exceptional Circumstances

- 5.1 A representative from Energunite explained that due to rising residual charges (mainly TNUoS), applicable customers will want to reduce their agreed MIC with their DNO/IDNO based on their historical HH data usage; however, existing Commercial Codes (essentially the DCUSA) are preventing these customers being able to move to lower residual charging bands after lower MIC levels are agreed.
- 5.2 The representative suggested the below amendments (Section 6.2, suggestion to remove the yellow highlight):
- 6.2 Where a Customer or its Registrant applies to the DNO/IDNO Party to have a Final Demand Site reallocated as described in Paragraph 6.1(b), such application must be accompanied by:
- a) for Paragraph 6.1(b)(i), a signed Connection Agreement for the Final Demand Site, and a signed letter from the Customer’s company director (or equivalent) confirming exceptional and significant changes to the use of the site; or ...”
- 5.3 The representative noted the key benefits of this change would be:
- Customers are charged more fairly for DUoS & TNUoS.
 - Available capacity (not in use by Customers) reallocated to those who need.
 - Clearer residual charges which are easier to administer.

- 5.4 As there was a lot of discussions around this proposal, it was suggested that it may be best to raise this issue as a formal DCUSA Change Proposal as this would be better suited for the current discussions/debates being held.
- 5.5 It was also suggested that it may be best to seek Ofgem's views on this potential change prior to formally raising a new CP, which the Secretariat agreed to do, and it was then suggested that, following getting feedback from Ofgem, a subgroup would be best to be formed, to further discuss the potential changes proposed and to identify a willing Party to raise the new Change Proposal.

Actions Agreed:

- Secretariat to reach out to Ofgem to discuss the suggested TCR changes and update the group on potential next steps.

6. AOB

Digitalisation Subgroup

- 6.1 The Chair reminded the group that there has been a subgroup created in relation to the digitalisation update (provided at the previous meeting) which will include the collation of charging statements, if members would like to join.
- 6.2 Members asked if the meeting poll for the subgroup could be recirculated – the Secretariat agreed to take an action to recirculate this to enable more members to join.

Actions Agreed:

- Secretariat to recirculate the digitalisation subgroup meeting poll.

Negative Residual Query

- 6.3 One member had a query in regard to negative residual and continuing negative residual for final charge settings; if derogations are required to set the final prices, how are DNOs calculating their prices shown within their illustrative charges table within their quarterly updates?
- 6.4 Another member explained that there have been ongoing issues with negative residuals and LPN every year. For the quarterly updates, they take the previously published CDCM model and change the financial inputs (a continuation of what was used to calculate the previous final charges). The updates are a forecast of what is believed to happen as a baseline.

7. Next Meeting

- 7.1 The next DCMDG meeting will be held on 16 October 2025 via Microsoft Teams.

8. Actions

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

Richard Colwill
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