

Distribution Charging Methodologies Development Group (“DCMDG”) - Meeting 92

16 October 2025 at 10:00 via Microsoft Teams

Attendees	Company
Ahna Taylor [AT]	SSE
Alasdair Wilson [AW]	Zenobe
Alex Pentecost [AP]	Eclipse Power
Amanda McFarlane [AMF]	Aurora
Andrew Malley [AM]	Ofgem
Charles Mott [CM]	SSE
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Dave Wornell [DW]	National Grid Electricity Distribution
David Fewings [DF]	Sustainable Energy First
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 Robinson [ER]	E.ON
Ephie Chalakateva [EC]	National Grid
Erik Baguzis [EB]	Indigo Networks
Georgina Morris-Rowbottom [GMR]	Zenobe
Hector Perez [HP]	Scottish Power
John Harmer [JH]	Waters Wye
Kara Burke [KB]	Northern Powergrid
Laura Waldron [LW]	Engie
Lee Stone [LS]	E.ON
Luke Green [LG]	Zenobe
Mark Fletcher [MF]	Shell
Marwa Addouz [MA]	DESNZ
Matthew Smith [MS]	UKPN
Meg Wong [MW]	Stark
Nadir Hafeez [NH]	Ofgem
Nik Wills [NW]	Stark Energy
Paul Youngman [PY]	Drax
Rachel Lilley [RL]	ESP
Ryan Farrell [RF]	NPg
Seun Adedapo [SA]	NGED
Tom Jenkins [TJ]	Indigo
Zviko Baxter [ZB]	St Clements
Secretariat	
Mel Kendal [MK] (Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink
Apologies	
Craig Booth [CB]	ElectraLink
Emma Clark [EC]	SSE

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:
- 2.2 Action 91/01 – The Chair confirmed that the SIG Terms of Reference (ToR) have now been updated, and this will be presented at the next SIG meeting. It was agreed that the action will remain open until this is confirmed at the next SIG meeting.
- 2.3 Action 91/02 – The Chair confirmed that a new tab has been created on the DCMDG Issues Log and Forward Work Plan that will provide members with current subgroup updates. This action was closed.
- 2.4 Action 91/03 - AM confirmed that the decision date for DCP 450 '[Managing the effects of surplus residual charge in the CDCM](#)' is scheduled for 20 October 2025. This action was closed.
- 2.5 Action 91/04 - It was confirmed that the Ofgem [ED3 Consultation](#) has now been issued. This action was closed.
- 2.6 Action 91/05 – The Chair confirmed that the Secretariat issued the response document (ED3 Price Control) to DCMDG members, and no further feedback has been received. Members agreed for the Secretariat to issue the document. This action was closed.
- 2.7 Action 91/06 - It was agreed for the Secretariat to issue the response document (ED3 Price Control) to wider industry, and the action will be closed once issued.
- 2.8 Action 91/07 – In regard to the TCR changes, the Secretariat had a call with Andrew Malley of Ofgem and asked for feedback on the issues raised by Hakan. Andrew stated that if the proposer of a Change Proposal (CP) feels there is a defect, versus a design element, whether this relates to the letter or materiality threshold (and regardless of whether the proposal is to reduce/remove the threshold) then a CP can be raised. Andrew suggested that potential proposers look through a lens of whether the proposal "changes the way it works" or "addresses a defect that is causing issues for customers/parties".
- 2.9 **Post meeting note:** A Doodle Poll has been issued for the DCMDG 'Exceptional Circumstances' Subgroup. Following this, the first meeting has been scheduled for 13 November 2025. This action was closed.
- 2.10 Action 91/08 – The Chair confirmed that the invitation for the digitalisation subgroup was reissued. This action is now closed.

DCMDG Live Subgroups

2.11 Subgroup 02 ['Annual Allocation Review and Exceptional Circumstances for Future Electricity Transmission Price Control'](#)

- The subgroup met for the first time and discussed a number of points for consideration. It was agreed that the Secretariat would review the points raised and identify those in scope of this subgroup versus those in scope of the subgroup to be formed to review the exceptional circumstances thresholds. The Secretariat would also review sections 2 and 3 of the DCUSA, for the potential removal/merging of these sections, and identify consequential changes required. The next meeting is to be arranged via doodle poll once the minutes are published and the actions progressed.

2.12 Subgroup 03 ['Site Specific Shared Network Asset Categories'](#)

- The first subgroup meeting is scheduled for 21 October 2025 at 10am.

2.13 Subgroup 04 ['Schedule 32 – Exceptional Circumstances'](#)

- The first subgroup meeting is scheduled for 13 November 2025 at 10am.

DCMDG Issues

2.14 The Chair explained there were two new DCMDG issues currently open.

Provide Targeted Relief from Residual Charges for Electric Bus Depots

2.15 The proposer of this issue believes that bus depots are being disproportionately impacted by the 2023 Targeted Charging Review (TCR) which restructured residual network charges so that they are based on grid connection capacity rather than consumption. They stated that this reform has led to steep and inflexible cost increases for depots despite the comparatively low stress they place on the grid relative to other large-connection users.

2.16 Similar issues have been raised via both DCP412 and DCP420 for EV charging sites, but the proposer's assessment indicates that neither proposal adequately captures the operational realities of electric bus depots, nor the commercial impact thereon.

Application of Part 4 of Schedule 16 (DCP414) where Supplier is Non-Compliant with Clause 19.15

2.17 UKPN raised DCP458 partly because they had reached 12 months after the introduction of DCP414, which allowed P432 customers to not be charged capacity charges for 12 months, but they had not been given any customer details by Suppliers, in compliance with Clause 19.15, and Change of Measurement Class (CoMCs) had been happening in the meantime.

2.18 The working group for DCP458 was of the view that if 19.15 had not been complied with, then Sch16 Part 4 did not apply i.e. it only applies in respect of customers that Suppliers have provided the relevant information about before the CoMC.

2.19 UKPN are now receiving contact from Suppliers advising that they have already migrated customers under P432 and expecting retrospective application of Sch16 Part 4.

- 2.20 Distributors have a License obligation to comply with CDCM, which Part 4 is in, but it is not clear whether that Part 4 is conditional on Clauses 19.12 – 19.16.
- 2.21 Can a Supplier apply for retrospective application of DCP414 and if so for how long after the CoMC (particularly as the Distributor has to take action within 18 months of the CoMC)?
- 2.22 These two issues were discussed under items 4 and 6 below.

3. Ofgem Update

- 3.1 AM confirmed that the DCP 437 ['To Shorten the DUoS Pricing Notice Periods'](#) decision has now been published (this was rejected). AM informed members that if a similar mod is raised in the future, Ofgem would need Supplier input around what the right notice period to allow Suppliers to keep costs down and provide the tariffs they would like to provide, down.
- 3.2 AM stated that a lot of work is being carried out in regard to DCP 412 ['Allocation of banding for TCR Charges for 'Peak' Final Demand Customers'](#), trying to work out the links to the Cost Review, to prepare for the decision.
- 3.3 Ofgem is carrying out work with DNOs and Government around EV connections.
- 3.4 The group were informed that Ofgem is close to making a decision on DCP 446 ['Emergency Disconnections'](#) and expect that this will be published within the next couple of weeks.
- 3.5 AM confirmed that the decision for DCP 450 ['Managing the effects of surplus residual charge in the CDCM'](#) will be published on 20 October 2025.
- 3.6 AM acknowledged the new CP DCP 465 ['NFD Generator and Battery Capacity Charges'](#) and queried whether this would have similar links to DCP 452 ['Correct application of Forward Cost Pricing EDCM charges to users connected directly to a Grid Supply Point'](#) and welcome feedback on this.
- 3.7 As mentioned at the September DCMDG meeting, AM confirmed that Ofgem delivered a presentation at the DCUSA Strategy Day and agreed to provide the Secretariat with this to circulate to DCMDG members.

Action 92/01	AM to provide the Secretariat with the Ofgem Presentation that was delivered at the DCUSA Strategy Day.
Action 92/02	The Secretariat to circulate the Ofgem Presentation to DCMDG members.

- 3.8 In regard to DCP 437, RF stated that it was initially sent back due to the lack of information about the risk premium; RF mentioned that the Working Group looked into this further and had established that the risk was extremely low. AM stated that the final report showed an impact of up to £6 for users in a particular month, but there were not enough details of how many users this would affect. Ofgem did not believe the reasons for the change were strong enough along with an unclear impact assessment. AM confirmed that if timelines cannot be met to generate tariffs, this can be investigated, and a derogation could be sought.
- 3.9 AM suggested it may be beneficial to seek wider industry feedback as to whether consistency would be better and whether this could lower customer bills instead of going into the distribution process itself right now.

- 3.10 CO queried what the best way to take this forward is (i.e., Cross Code Steering Group) as this could potentially be a complex change. The Chair agreed that the Cross Code Steering Group would be the best place to raise this discussion and agreed to take an action to do this.

Action 92/03	The Secretariat to raise the discussion around the DUoS Notice Period next steps at the Cross Code Steering Group for further feedback.
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4. DCMDG Issue – Bus Depot Charges (re TCR & Residual Charges)

- 4.1 The Chair invited GMR and LG from Zenobe to deliver a presentation in regard to the DCMDG raised issue around increased residual charges for electric bus depots.
- 4.2 The key updates can be found below:
- 4.3 Prior to 2023, peak transmission network chargers for high energy consumers were applied based on consumption during TRIADs. Some large sites with flexible usage realised they could monitor national usage trends to predict and avoid TRIADs, thereby reducing the amount they paid.
- 4.4 To combat this, Ofgem enacted the Targeted Charging Review to ensure users paid their ‘fair share’, basing transmission residual charges on connection capacity rather than peak usage rates. This change has had a significant impact on electric bus depots. Transmission residual costs at some depots are set to rise 75-fold by 2029/30.
- 4.5 Zenobe believe these increases disproportionately impact bus depots for unavoidable operational and logistical realities.
- 4.6 LG informed the group that operational realities mean bus depots require large grid connections but avoid peak time usage. It was noted that their usage is outside of these periods due to legitimate economic and logistical reasons. Due to this, LG suggested that the TCR disproportionately and unfairly impacts electric bus depots.
- 4.7 LG shared the Reforecast NESO TNUoS charges (published in September 2025) with the group – it shows that the final TNUoS total revenue forecasts have drastically increased for 2026-2031 compared to previous estimates.
- 4.8 Zenobe have provided two solutions (interim/enduring) for the relief for bus depots from spiralling network charges:
- 4.9 **Interim Solution** - Raise an urgent code modification replicating DCP 420 but applied to bus depots.
- 4.10 **Enduring Solution** – Extend the scope of the existing enduring solution proposal (DCP 454) to include bus depots.
- 4.11 LG explained that these solutions would provide a timely resolution to a live and growing issue and deliver a fairer long-term charging structure that better reflects how capacity is utilised at depots and reduce the growing impediment to bus electrification played by spiralling transmission charges.
- 4.12 DW informed Zenobe that the outcome of DCP 454 will not change the transmission charges, only distribution charges as it does not affect the changing of the bands.
- 4.13 LS suggested that this issue may need to be a new CP as opposed to being added/included in current CPs.

- 4.14 ED suggested that the inclusion of this issue within DCP 420 may be complex as they both have different rationale's (albeit a similar solution) and therefore may need to be its own change.
- 4.15 ED also suggested that eventually transport will be primarily electric and what is currently classed at 'off peak' (i.e., overnight charging) may very well become the new 'peak'. ED suggested that the rational may need to be reconsidered/reframed.
- 4.16 DJ echoed that this issue should be raised as a new CP as opposed to current CPs being extended.
- 4.17 JH queried whether this issue should be raised as a CUSC mod – LS explained that any costs allocated at a distribution level goes into transmission charging and is therefore DCUSA led. If there is a transmission issue, this would then be dealt with by CUSC.
- 4.18 Members noted that the rationale should be clear as to what network level is being aimed at (i.e., distribution level only).

5. Feedback on Guidance re 'The Application of the 2026 TCR Banding Thresholds when Applying the Exceptional Circumstances Process'

- 5.1 The Chair presented 'The Application of the 2026 TCR Banding Thresholds when Applying Exceptional Circumstances Process' guidance to the group for final feedback.
- 5.2 The Chair confirmed that there are two subgroups currently looking at Schedule 32 and agreed to take an action to draft a note that distinguishes each subgroup with a written commentary for each one, as this may be beneficial to readers.

Action 92/04	The Secretariat to draft a note that distinguishes each Schedule 32-related subgroups with a written commentary for each one.
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- 5.3 Following this, ED suggested including in the heading (for exceptional circumstances, including the exact reference, and as it currently stands) to make this clear within the guidance note.

Action 92/05	The Secretariat to include a heading within the guidance to include 'for exceptional circumstances, including the exact reference, and as it currently stands).
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- 5.4 No further feedback was received, and members agreed for the Secretariat to issue the guidance to wider industry.

Action 92/06	The Secretariat to circulate 'The Application of the 2026 TCR Banding Thresholds when Applying the Exceptional Circumstances Process'.
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6. Application of Part 4 of Schedule 16 (DCP 414) where the Supplier is Non-Compliant with Clause 19.15

- 6.1 The Chair invited CO to present the new DCMDG issue around the application of Part 4 of Schedule 16 (DCP 414) where the Supplier is non-compliant with Clause 19.15.

- 6.2 CO informed the group that UKPN raised DCP 458 partly because they had reached 12 months after the introduction of DCP 414, which allowed P432 Customers to not be charged capacity charges for 12 months, but they had not been given any Customer details by Suppliers, in compliance with Clause 19.15, and CoMCs had been happening in the meantime.
- 6.3 The Working Group for DCP 458 was of the view that if 19.15 had not been complied with, then Schedule 16 Part 4 did not apply (i.e., it only applies in respect of Customers that Suppliers have provided the relevant information about before the CoMC).
- 6.4 CO stated that UKPN are now receiving contact from Suppliers that they have already migrated Customers under P432 and expecting retrospective application of Schedule 16 Part 4.
- 6.5 One member stated it may be on the Supplier for not being compliant with what DCP 414 put in place. LS also noted that if it is advanced, they have to be HH by October 2026. If not advanced, they will have 18 months.
- 6.6 Another member explained that DCP 414 was designed to protect the Customer and if not fulfilled the Customer faces higher charges.
- 6.7 Following the above discussions, members agreed that the Customer is ultimately penalised with higher costs where the Supplier has been non-complaint, and the question is how to get Suppliers to be complaint.
- 6.8 RF queried whether the Supplier obligations are clear enough and suggested communications be circulated to inform them – it was confirmed that the Secretariat had recently completed this and was sent to all DCUSA Contract Managers.
- 6.9 To conclude the discussions, it was agreed to work on the basis that an advanced notification will be sent, and where there is no notification, this will be treated as BAU. It was also noted that anything that can be corrected, will be where possible.

7. Any Other Business

- 7.1 The Chair asked if there were any other items of business to discuss.
- 7.2 No items were raised.

8. Agenda Items for the Next Meeting

- 8.1 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.

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

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

10. Date of Next Meeting

- 10.1 The next DCMDG meeting will be held on 20 November 2025 via Microsoft Teams.

11. Attachments

11.1 Attachment 1 – DCMDG Action Log & Forward Work Plan