

Question 1

Company	Confidential/ Anonymous	1. Do you understand the intent of this CP?	Working Group Comments
UK Power Networks	Non-confidential	Yes.	Noted.
EDF Energy Customers Limited	Non-confidential	Yes, we understand the purpose and intent of the proposed change. The consultation paper is clear in setting out the reasoning behind the modification and how it is intended to function in practice.	Noted.
NGED	Non-confidential	Yes	Noted.
The Electricity Network Company	Non-confidential	Yes.	Noted.
SP Electricity North West	Non-confidential	Yes.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.	Noted.
Working Group Conclusions		All respondents understood the intent of this CP.	

Question 2

Company	Confidential/ Anonymous	2. Are you supportive of the principle of the CP?	Working Group Comments
UK Power Networks	Non-confidential	Yes	Noted.
EDF Energy Customers Limited	Non-confidential	We do not hold a particularly strong view in favour or against the proposal. However, we acknowledge that the updated consultation paper now provides additional justification for the change, particularly in section 4.11, which goes beyond the earlier and more limited rationale of “alignment for its own sake.” While alignment can create consistency, this is not always inherently beneficial - especially if it results in adopting a less appropriate calculation method. In this instance, we consider the additional reasoning set out in section 4.11 to have merit, particularly the recognition that RPI is being phased out as a statistical measure in favour of CPIH, which is the Government’s preferred approach to inflation. This forward-looking rationale gives the proposal more credibility and a stronger basis for support.	Noted.
NGED	Non-confidential	Yes	Noted.
The Electricity Network Company	Non-confidential	Yes	Noted.
SP Electricity North West	Non-confidential	Yes.	Noted.
Southern Electric Power	Non-confidential	Yes.	Noted.

Distribution plc and Scottish Hydro Electric Power Distribution plc			
Working Group Conclusions		All respondents stated they were supportive of the principle of the CP. One noted they did not hold a particularly strong view in favour or against the proposal, however they acknowledge that the consultation paper provided rationale for the change.	

Question 3

Company	Confidential/Anonymous	3. Do you agree with the Working Group position of taking forward solution B? Please provide your rationale either way.	Working Group Comments
UK Power Networks	Non-confidential	Yes, we agree with taking forward solution B, it is the more practical solution and the values can be calculated by those who are not be familiar with the PCFM as well as avoiding the risk of an error being included in the PCFM.	Noted.
EDF Energy Customers Limited	Non-confidential	Yes. Should the CP be approved, we believe solution B is the more appropriate of the two options. This is primarily because: (i) It ensures Schedule 1 remains the single, definitive reference document for credit cover matters, thereby avoiding unnecessary complexity; and (ii) The PCFM file, while technically available, is not user-friendly and could lead to calculation errors by parties who are less familiar with its structure. By keeping the formula within Schedule 1, the risk of misinterpretation is reduced and consistency across the industry is more likely to be maintained.	Noted.
NGED	Non-confidential	Yes, it seems the rational during discussions in the working group	Noted.

The Electricity Network Company	Non-confidential	<p>Yes, solution B allows users to calculate RAV using published CPIH directly from ONS. We believe solution B is more practical and transparent when compared with solution A.</p> <p>Solution A depends on the user selecting the correct version of the PCFM, even if the correct version is selected, CPIH is subject to forecasting assumptions. Whereas solution B does not have these issues as it is explicitly stated to the user where to get the CPIH from, and it is also not a forecast value, which is an advantage.</p>	
SP Electricity North West	Non-confidential	<p>Yes.</p> <p>Solution B allows RAV to be calculated for future prices using only the ONS website for the CPIH series (plus the constants that have been calculated from the current version of Price Control Financial Model, PCFM). This means that the process does not rely on access to or knowledge of the latest PCFM up-to-date with actuals, making it more transparent and accessible. It also lowers the risk of errors from incorrect versions or interpretation of the PCFM.</p>	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes – referencing a fixed data point location in the PCFM may require further change if a subsequent PCFM update moves that item	Noted.
Working Group Conclusions		All respondents agreed with the Working Group position of taking forward solution B.	

Question 4

Company	Confidential/	4. Do you have any other solutions you would like the Working	Working Group Comments
---------	---------------	---	------------------------

	Anonymous	Group to consider?	
UK Power Networks	Non-confidential	No other solution to propose, however it would be useful to understand if there is any way DCUSA can be drafted in such a way to make the solution enduring, as we are now only a couple of years away from ED3 which would likely otherwise require a further change being made to DCUSA.	This was explored during legal review and it was agreed, at this stage, to progress with the original legal text. Future proofing could perhaps be picked up in a wider review of DCUSA
EDF Energy Customers Limited	Non-confidential	No. We see this as a relatively binary choice between making the proposed amendment or retaining the status quo. In that context, we consider solution B to be the most practical and workable option if the decision is taken to implement the change.	Noted.
NGED	Non-confidential	No	Noted.
The Electricity Network Company	Non-confidential	Not at this time.	Noted.
SP Electricity North West	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.	Noted.
Working Group Conclusions		All respondents stated they did not have any other solutions for consideration. One respondent noted it would be useful to understand if the legal text could be drafted in a way to ensure	

	the solution is enduring, considering ED3 is coming. This was explored during legal review and it was agreed, at this stage, to progress with the original legal text. Future proofing could perhaps be picked up in a wider review of DCUSA.
--	---

Question 5

Company	Confidential/ Anonymous	5. Do you consider that the proposal better facilitates the DCUSA Charging Objectives? Please give supporting reasons	Working Group Comments
UK Power Networks	Non-confidential	We believe that DCUSA Charging Objective 3 is better facilitated as it aligns with Ofgem's switch from RPI indexation to CPIH indexation within the PCFM.	Noted.
EDF Energy Customers Limited	Non-confidential	We agree there is a reasonable basis for stating that Objective 3 is positively facilitated, in that the proposed change should improve the efficiency and clarity of the charging framework by removing reliance on an outdated inflation measure. For the other objectives, we would agree the impact is neutral. The proposal does not appear to materially undermine or enhance them, but equally it does not introduce any conflicts or inconsistencies.	Noted.
NGED	Non-confidential	Positive for DCUSA Charging objective 3.	Noted.
The Electricity Network Company	Non-confidential	We agree with the working group's assessment that Charging Objective 3 is better facilitated by this change. By aligning the calculation basis to CPIH which is used in RIIO-ED2, it prevents a divergence in RAV between DCUSA and the PCFM and ensures consistency and accuracy across users.	Noted.
SP Electricity North West	Non-confidential	Yes. Calculating RAV compliant with the current code would result in a RAV that is inconsistent with the PCFM basis for indexing and	Noted.

		<p>therefore the RAV and any requirement for Collateral arising would be different to what it would otherwise be. This introduces the risk that it could distort supply competition in future, if CPIH diverges from RPI.</p> <p>It better facilitates DCUSA Charging Objective 3, as it aligns with Ofgem's switch from RPI indexation to CPIH indexation within the PCFM.</p>	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Agree with Proposer that implementing this change would better meet DCUSA Charging Objective 3.	Noted.
Working Group Conclusions		All respondents agreed with the Working Group's view that Charging Objective 3 is better facilitated.	

Question 6

Company	Confidential/Anonymous	6. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
UK Power Networks	Non-confidential	None that we are aware of.	Noted.
EDF Energy Customers Limited	Non-confidential	We are not aware of any wider developments that would either impact, or be impacted by, this CP. The proposed change seems self-contained and limited in scope.	Noted.
NGED	Non-confidential	None.	Noted.

The Electricity Network Company	Non-confidential	Not at this time.	Noted.
SP Electricity North West	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.	Noted.
Working Group Conclusions		Nothing was raised by respondents.	

Question 7

Company	Confidential/Anonymous	7. Are you supportive of the proposal to implement this CP by 6 November 2025?	Working Group Comments
UK Power Networks	Non-confidential	Yes	Noted.
EDF Energy Customers Limited	Non-confidential	Yes. If the CP is ultimately approved, the proposed implementation date appears reasonable. Given the current limited divergence between the outputs of the two calculation methodologies, a November 2025 implementation provides sufficient time for preparation while minimising any immediate industry disruption. It also allows market participants to plan accordingly and absorb any minor impacts within their existing processes and credit arrangements.	Noted.

NGED	Non-confidential	Yes	Noted.
The Electricity Network Company	Non-confidential	Yes.	Noted.
SP Electricity North West	Non-confidential	Yes.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.	Noted.
Working Group Conclusions		All respondents were supportive of the proposed implementation date.	

Question 8

Company	Confidential/Anonymous	8. Do you have any comments on the draft legal text?	Working Group Comments
UK Power Networks	Non-confidential	No	Noted.
EDF Energy Customers Limited	Non-confidential	No substantive comments. While we have not undertaken a detailed legal review, our initial reading suggests that the draft amendments are appropriately targeted at Schedule 1 and do not stray beyond the areas that would reasonably be expected to change.	Noted.

NGED	Non-confidential	None.	Noted.
The Electricity Network Company	Non-confidential	We support to the proposed legal text.	Noted.
SP Electricity North West	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	None.	Noted.
Working Group Conclusions		All respondents were supportive of the proposed implementation date.	