

# DCP 443 Working Group - Meeting 16

03 November 2025 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Alex Lam [AL]	NGED
Chris Barker [CB]	ENWL
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Erik Baguzis [EB]	Indigo Networks
Kara Burke [KB]	NPg
Karl Maryon [KM]	Drax
Michael Hewitson [MH]	Trident Utilities
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Rachel Wallace [RW]	BU-UK
<b>Code Administrator</b>	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink

## 1. Administration

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### **Recording**

- 1.1 The Chair noted that the meeting is being recorded. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting.

### **Apologies**

- 1.2 The Chair noted received apologies. These can be found in the attendees list above.

### **Competition Law Guidance and Terms of Reference**

- 1.3 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

### **Previous Minutes and Open Actions**

- 1.4 The Chair shared the previous minutes and there were no further comments/feedback. These minutes were approved.
- 1.5 The Chair provided the updates on the current open actions; these can be found within the Appendix.

## 2. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to review/discuss the updated test modelling, discuss the Option 1 approach and develop Consultation questions within the Working Group and agree next steps.

## 3. Discuss Option A and Option B Approach's

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- 3.1 The Chair invited the Working Group to further discuss the Option 1 approach.
- 3.2 The key updates can be found below:
- 3.3 The Chair confirmed that there are currently two options to explore (Option A – Multiplier approach, Option B – differential approach). There is also a potential Option C to explore with CB test model.
- 3.4 ED noted that finding a cost-reflective solution is unlikely, and suggested revisiting Option A to consider whether it is reflective as far as reasonably practicable. If not, there needs to be enough evidence to support the implementation of this change.
- 3.5 PW stated the original proposal was to charge DUoS for 12 months based on the maximum demand, but this cannot be reduced for 12 months. PW also stated it is about treating Customers equitably even though it is not a pure network cost aspect of the charging.
- 3.6 ED suggested a sub-option under Option A, whereby the group acknowledge this is not a cost-reflective method, however, could the revenue collected if the exceeded capacity charge was accounted for separately to be recycled into residual charge eventually. PW suggested that this could potentially be a Consultation question and seek further feedback on this suggestion.
- 3.7 KB informed the group that the Distribution Licence (under special conditions) states 'The Licensee must, when setting Use of System Charges, use its best endeavours to ensure that Recovered Revenue, equals Allowed Revenue'. The concern here is around knowingly under or over-recovering this.

## 4. Review & Discuss Updated Test Modelling

- 4.1 The Chair invited CB to provide further information around the updated test model to the Working Group to further discuss. It was noted that members did not have an opportunity to test this prior to the meeting.
- 4.2 The key points can be found below:
- 4.3 ED queried what DNO area data this test model was applied to – CB stated that all 14 areas have been applied to, and all outcomes looked similar. It was noted that it may be worth all DNO representatives to review their areas within the test model to see if there are any concerns.
- 4.4 As members were not able to test the model prior to the meeting, an action was taken for Working Group members to test the model post-meeting and provide feedback.

**ACTION 16/01: Working Group members to test the model (specifically their DNO area) for any concerns, and feedback to the group.**

## 5. Develop Consultation 2 Questions

- 5.1 The Chair invited the Working Group to discuss and develop the Consultation 2 questions – these can be found below:

### Option A Questions

- *Can excess capacity charges be considered excluded or additional revenue?*
- *How could this revenue be ‘treated’ in the Distributors revenue calculations?*
- *Would you have concerns about capacity charges being considered as excluded or additional revenue? If so, what are these concerns?*
- *What are the potential benefits of treating excess capacity as excluded or additional revenue?*
- *What are the regulatory considerations that need to be made for this solution to be successfully implemented, i.e. licence condition amendments.*
- *What would the process and timelines look like if the solution to treat excess capacity as excluded or additional revenue was taken forwards?*
- *In order to send an effective price signal to drive optimal customer behaviour to reduce excess capacity, what do you believe the excess capacity charge should be, i.e. 50% greater than capacity charge, 100% greater than the capacity charge etc?*
- *For option A, what do you believe the implementation date should be?*

### Option B Questions

- *For the alternative solution, calculating the excess capacity charge within the model, do you have any concerns about taking this approach?*
- *What are the potential benefits of calculating the excess capacity charge within the model.*
- *Do you have any comments on how the model has been designed for this solution? Please share any comments.*

- *Would this solution send a strong enough price signal to customers to drive more optimal behaviour and reduce exceedance?*
- *For option B, do you agree with the implementation date?*

## Both Option A / B Questions

- *Is there another approach that could be taken that applies a differential to the excess capacity charge other than what's been suggested in this consultation?*
- *Are there any points you would like the working group to consider for either option? Please expand on these points.*
- *For each solution, where do you feel legal text changes are needed and please provide a summary of what any potential legal text changes would be for each solution.*

- 5.2 Members discussed the legal text and agreed that it would not be attached to the Consultation as it needs to be developed around the chosen solution (which will follow once the Consultation responses have been reviewed).
- 5.3 In regard to the legal text, ED suggested a high-level overview of what sections of the DCUSA legal text would be needed for each proposed solution along with the varied timescales to provide the respondent with more clarity with the changes may be needed.
- 5.4 Following this, PW stated that due to the uncertainty of which solution will be taken forward, it may be more beneficial to wait until the solution has been decided and the suggested legal text changes can then be drafted.
- 5.5 After further discussion, the Secretariat agreed to circulate the draft Consultation to the Working Group for a final review offline. Once agreed, the Secretariat will issue the Consultation to wider industry.

**ACTION 16/02: The Secretariat to circulate the draft Consultation to the Working Group for review offline.**

**ACTION 16/03: The Secretariat to issue the Consultation to wider industry.**

- 5.6 The Secretariat also agreed to issue a doodle poll for the next meeting in due course to review the collated Consultation responses.

**ACTION 16/04: The Secretariat to issue a doodle poll for next Working Group meeting.**

## 6. Next Steps and Work Plan

- 6.1 The Working Group discussed the next steps, and the following items were captured:
- Working Group members to test the updated model.
  - The Secretariat to circulate the draft Consultation for members to review offline.
  - The Secretariat to issue the Consultation to wider industry.
  - The Secretariat to issue a doodle poll for the next Working Group meeting.

## 7. Any Other Business

- 7.1 The Chair asked the group whether there were any other items of business to discuss, to which nothing was raised.

## 8. Next Meeting Date – TBC

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- 8.1 The Chair confirmed the next Working Group meeting is currently TBC.

## APPENDIX A

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### New and Open Actions

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Action Ref.	Action	Owner	Update
11/01	The Secretariat to draft a new Consultation and send to the Working Group for review.	Secretariat	<b>Action ongoing.</b> <i>This will be completed at a later stage.</i>
15/01	The Secretariat and Working Group members to review the regulations to see if option 1 solution would be possible and review at the next meeting.	Secretariat / Working Group	<b>Ongoing.</b>
15/03	The Secretariat to circulate the draft Consultation 2 with the Working Group for review.	Secretariat	<b>Ongoing.</b>
16/01	Working Group members to test the model (specifically their DNO area) for any concerns, and feedback to the group.	Working Group	<b>New Action.</b>
16/02	The Secretariat to circulate the draft Consultation to the Working Group for review offline.	Secretariat	<b>New Action.</b>
16/03	The Secretariat to issue the Consultation to wider industry.	Secretariat	<b>New Action.</b>
16/04	The Secretariat to issue a doodle poll for next Working Group meeting.	Secretariat	<b>New Action.</b>

## Closed Actions

Action Ref.			Update
<b>14/01</b>	Chris Barker to produce a toy model for the Working Group to review and test.	Chris Barker	<b>Closed.</b> <i>This was received during the meeting, however not tested by the Working Group yet.</i>
<b>15/02</b>	The Secretariat to circulate both the collated RFI/Consultation documents for the Working Group to review offline.	Secretariat	<b>Closed.</b>