

Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2025_1119_07_DCMDG 92 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 92

1. Synopsis

- 1.1 This report sets out the headlines from the 92nd DCMDG meeting held on 16 October 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 38 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 two new issues raised.

Provide Targeted Relief from Residual Charges for Electric Bus Depots

- 2.2 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.
- 2.3 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

- 2.4 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.
- 2.5 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.
- 2.6 UKPN are now receiving contact from Suppliers advising that they have already migrated customers under P432 and expecting retrospective application of Sch16 Part 4.

2.7 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.

2.8 Both issues were discussed as agenda items during the meeting.

3. Ofgem Update

- 3.1 Ofgem 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 Ofgem 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 Ofgem 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 Ofgem 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 In regard to DCP 437, Ofgem did not believe the reasons for the change were strong enough along with an unclear impact assessment. The Secretariat agreed to discuss the next steps for this CP at the CCSG.

Actions Agreed:

- Ofgem to provide the Secretariat with the Ofgem Presentation that was delivered at the DCUSA Strategy Day.
- The Secretariat to circulate the Ofgem Presentation to DCMDG members.
- The Secretariat to raise the discussion around the DUoS Notice Period next steps at the Cross Code Steering Group for further feedback.

4. DCMDG Issue – Bus Depot Charges (re TCR & Residual Charges)

- 4.1 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.

- 4.2 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.
- 4.3 Zenobe have provided two solutions (interim/enduring) for the relief for bus depots from spiralling network charges:
- 4.4 **Interim Solution** - Raise an urgent code modification replicating DCP 420 but applied to bus depots.
- 4.5 **Enduring Solution** – Extend the scope of the existing enduring solution proposal (DCP 454) to include bus depots.
- 4.6 Members 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.
- 4.7 Members agreed that this should be raised as a new CP and the rationale should be made 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 confirmed that there are two subgroups currently looking at Schedule 32 and agreed to draft a note that distinguishes each subgroup with a written commentary for each one, as this may be beneficial to readers.
- 5.2 Feedback 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.
- 5.3 No further feedback was received, and members agreed for the Secretariat to issue the guidance to wider industry.

Actions Agreed:

- The Secretariat to draft a note that distinguishes each Schedule 32-related subgroups with a written commentary for each one.
- The Secretariat to include a heading within the guidance to include ‘for exceptional circumstances, including the exact reference, and as it currently stands’.
- The Secretariat to circulate ‘The Application of the 2026 TCR Banding Thresholds when Applying the Exceptional Circumstances Process’.

6. Application of Part 4 of Schedule 16 (DCP 414) where the Supplier is Non-Compliant with Clause 19.15

- 6.1 The group were 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.
- 6.2 UKPN are now receiving contact from Suppliers that they have already migrated Customers under P432 and expecting retrospective application of Schedule 16 Part 4.
- 6.3 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.
- 6.4 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. AOB

- 7.1 No items were raised.

8. Next Meeting

- 8.1 The next DCMDG meeting will be held on 19 November 2025 via Microsoft Teams.

9. Actions

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

Richard Colwill
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