

# DCP 464 Working Group - Meeting 02

11 November 2025 at 13:00 - Web-Conference

| Attendee                                | Company           |
|---|-------------------|
| <b>Working Group Members</b>            |                   |
| Alexander Pentecost [AP]                | Eclipse Power     |
| Amanda McFarlane [AM]                   | Aurora Utilities  |
| Donna Jamieson [DJa]                    | IDCSL             |
| Drew Johnstone [DJo]                    | NPg               |
| Ed Grimsey [EG]                         | BU-UK             |
| Edda Dirks [ED]                         | SSE Generation    |
| Erik Baguzis [EB]                       | Indigo Networks   |
| Ian Burman [IB]                         | Green GEN Cymru   |
| Josh Kan [JK]                           | ESP Utilities     |
| Martin Brace [MB]                       | UKPN              |
| Nik Wills [NW]                          | Stark             |
| Owen Black [OB]                         | SPEN              |
| Rob Gladstone [RG]                      | SSEN Distribution |
| Tracey Taylor [TT]                      | SPENW             |
| <b>Code Administrator</b>               |                   |
| Andy Green [AG] (Chair)                 | ElectraLink       |
| Mel Kendal [MK] (Technical Secretariat) | ElectraLink       |
| <b>Apologies</b>                        |                   |
| Craig Booth [CB]                        | ElectraLink       |
| Tom Cadge [TC]                          | BU-UK             |

## 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**

- 1.4 The Chair invited the Working Group to review the previous meeting minutes – the below feedback was received:
- 1.5 Feedback suggested to amend attendees' initials which are identical to distinguish who is speaking. Updated Company names were also provided to identify colleagues within different parts of the organisation. All suggested amendments were agreed and amended.
- 1.6 Additional paragraphs (4.8, 4.9, 4.10) were added to the previous meeting minutes to include further detail of a conversation that was held. Members reviewed these and accepted the additional paragraphs.
- 1.7 MB noted that in regard to paragraph 4.10, they believe that the point being made is consistent with the National Grid Transmission System Network treatment of a DNO.

### **Open Actions**

- 1.8 The Chair confirmed that all actions captured within this meeting will be recorded within the action log; this can be found in the Appendix.
- 1.9 The Working Group discussed a number of open actions, and the key updates can be found below:

#### Action 01/01

- 1.10 The Chair informed the group that CB had discussions internally regarding the process of making a distribution licence change following a DCUSA Working Group, and the feedback was that it is believed the necessary change to the distribution licence would need to be articulated within a report.
- 1.11 A DCUSA Change Proposal (CP) cannot compel the Authority to take any specific action, however, it would make a decision on the proposed change, including the required distribution licence changes, and follow its own internal process for initiating a change to the distribution licence in the event it decides to approve the change.

#### Action 01/02

- 1.12 The Chair informed the group that CB stated that he had reviewed the Access SCR decisions and cannot identify any specific elements that relate to the treatment of the IDNO in relation to the scenario

identified by this CP. CB also noted in his update that he extended the search to the DCUSA CPs that implemented these parts of the legal text (DCP 406/406A) and again, found no items relating specifically to the treatment of a connecting IDNO network.

- 1.13 EB stated that if the proposed solution to regarding an IDNO as a single user was applied; a domestic or commercial Customer connected directly to a DNO upstream reinforcement, the DNO would fund and has a recourse to socialise. If the same Customer connected via an IDNO, the IDNO would request the capacity uplift.
- 1.14 EB continued to state that the DNO would treat the IDNO as the sole user of the upstream asset and the upstream reinforcement would be billed to the IDNO. The connecting Customer in both scenarios would have the same impact but different treatment due to connecting via an IDNO.
- 1.15 EB raised a concern around reconciling this with the SCRs intent to remove demand reinforcement as a barrier to new connections.
- 1.16 CBs update did suggest considering whether the examples within Schedule 22 may be relevant, i.e., example 2 scenario, whereby a property developer requests connections for 22 people. This example was shown live on screen for the Working Group to discuss.
- 1.17 ED suggested adding the discussion around the examples within Schedule 22 to the next meeting's agenda – RG suggested that the examples are about building out new assets whereas this solution is about reinforcing assets.

#### Action 01/04

- 1.18 The Chair noted that the revised diagrams by RG were circulated to the Working Group prior to this meeting for review and will be further discussed as a group as part of the agenda for this session.

#### Action 01/05

- 1.19 RG confirmed that previously used materials are currently being sought and this will be presented to the Working Group once received.

#### Action 01/06

- 1.20 The Chair noted that IDNO representatives' data sets will be further discussed as part of the agenda.

## 2. Purpose of the Meeting

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- 2.1 The Chair explained that the purpose of this meeting is to discuss and agree the draft Consultation content within the Working Group and agree next steps.

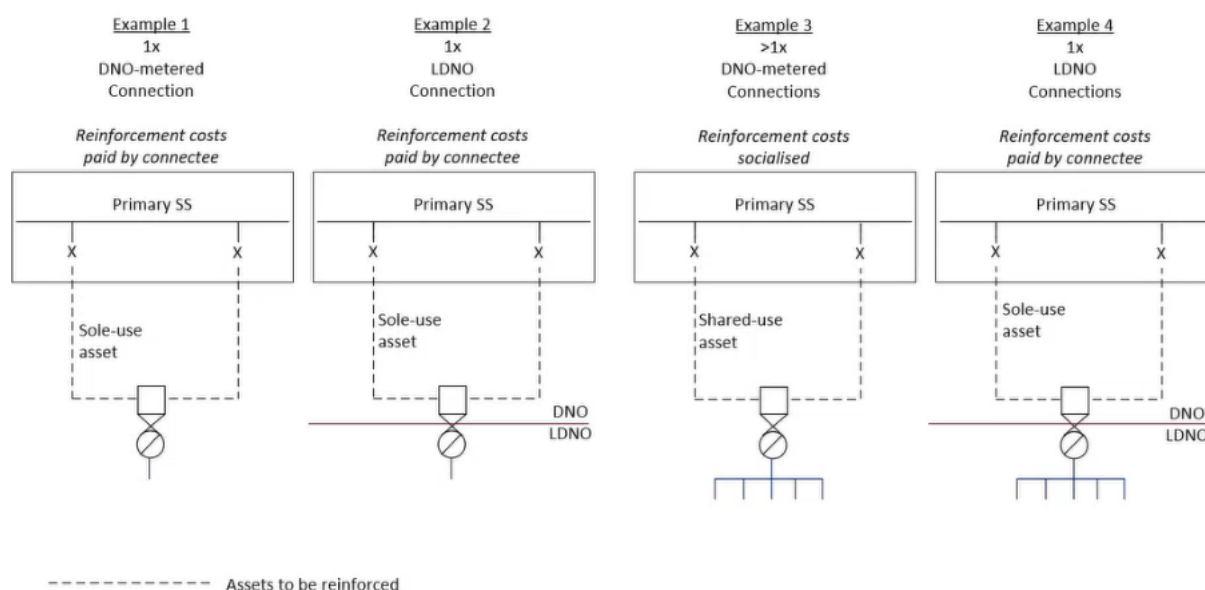
## 3. Discuss and Agree Draft Consultation Content

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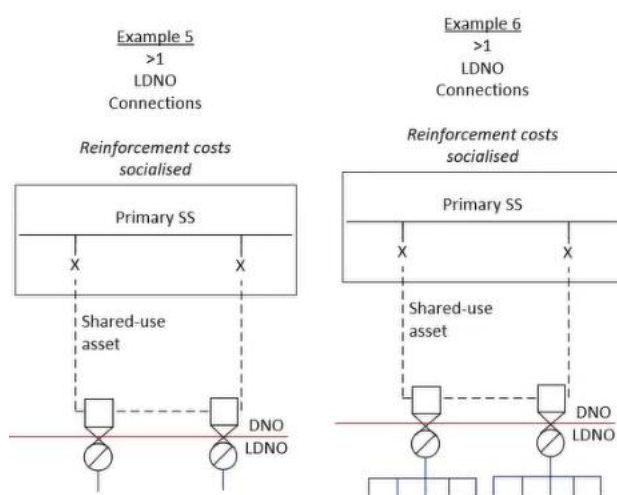
- 3.1 The Chair invited the Working Group to discuss and agree the draft Consultation content.
- 3.2 The key updates can be found below:
- 3.3 ED informed the group that after reflecting on the previous Working Group discussions, further clarity on the intent of the proposal, along with the solutions, could be clarified as it is not quite clear

how end Customers are not incentivised to choose to connect via either an IDNO or DNO (based on connection cost differentials).

- 3.4 ED also proposed (offline) that simple diagrams for the two options are included within the proposal to illustrate who does/would pay what when.
- 3.5 TC responded to ED (offline) by stating that the difference is whether the work that is being undertaken is considered to be reinforcement under the definition in the CDCM (part of the definition refers to 'the existing shared use of the distribution system').
- 3.6 TC provided a diagram (offline) outlining a scenario where a concern was raised that house builders may be incentivised to use the DNO to construct their connections, as once at least two connections are constructed, the infrastructure becomes shared use.
- 3.7 ED reiterated that the diagram needs to be clearer on where the reinforcement is happening and who is connected to what.
- 3.8 The Working Group agreed it may be beneficial to review the revised diagrams by RG (Action 01/04). RG presented the revised diagrams (4 x examples) live on screen for the Working Group to further discuss.
- 3.9 DNO representatives agreed with the explanation that RG provided for each of the four diagrams, however, it was noted that it is key to indicate the ownership of the cables. RG agreed to include an ownership boundary to the diagrams, and this was completed live on screen.
- 3.10 After further discussion, members agreed it would be beneficial to include references to which examples are 'sole-use' assets and 'shared-use assets'. It was also suggested that a brief narrative explaining each example should be added to each of the relevant diagrams to ensure they are as clear as possible to the reader.



- 3.11 DJo queried whether the option for IDNOs so not pass on the costs and socialise them could be a potential solution for this CP – AP and EB responded by stating that it will become extremely complicated to have separate socialised costs; each IDNO would then have its own sets of socialised adjusted CDCM costs.
- 3.12 DJo explained that the diagrams set out that the treatment between DNOs/IDNOs is consistent, but in others, the treatment can potentially be different.
- 3.13 RG added an example 5 live during the meeting for the Working Group to review. Following this, ED suggested adding an example 6 to show that no matter how many Customers sit behind an IDNO boundary, all the reinforcement would be socialised. RG created this live on screen.



- 3.14 In regard to IDNO representatives providing data sets where these scenarios occur, EG confirmed that their data will be ready to analyse soon. DJa, AM, EB, NW and AP both confirmed that they have not come across this yet. AP did note that although this many not have been identified across a number of DNOs, this does not mean that this may not become more apparent over the coming years.
- 3.15 Following the review of the diagrams, the Chair presented the original CP on screen for the Working Group to review, and the Working Group agreed that the intent is correct; however, it was noted that the word 'align' within the intent may need to be reconsidered.
- 3.16 DJo suggested that Suppliers should be included within the 'impacted parties' section as if the costs are socialised that are currently passed to the IDNO, DUoS Customers would be impacted – the Working Group agreed to for Suppliers to be included and have a chance to respond to the Consultation.
- 3.17 ED suggested that all references to 'IDNO' should be amended to 'LDNO' to ensure they all align. OB also suggested this should be amended, and members agreed.

**ACTION 02/01: The Secretariat to update all references to 'IDNO' to 'LDNO'.**

- 3.18 RG queried whether this scenario could only arise as an IDNO – ED stated this could be considered as a Consultation question if not resolved before then.
- 3.19 Under Section 1, TT queried whether the term ‘reinforced’ should be used in paragraph 1.2, and suggested amending to ‘upgraded’ so as to not confuse the term reinforced. TT also suggested that in paragraph 1.4, the wording should be amended to the below:

- *Where an IDNO requests to increase its capacity and no other DNO Customer are connected to the existing connection arrangement, the IDNO could then be considered as the sole user and therefore the assets would be treated as extension assets and charged in full.*

- 3.20 DJo also suggested that the word ‘requested’ in paragraph 1.1 should be deleted.
- 3.21 MB explained that it might be useful to include a glossary/annex within the draft Consultation to aid the readers understanding of what is meant and the key principles as to what this CP is trying to achieve.

**ACTION 02/02: The Secretariat/Working Group to draft a glossary/annex to be included within the draft Consultation to clarify terms being used.**

- 3.22 DJo stated that this scenario can only apply to Customers who are energised and seeking to increase their MIC/MEC on the BCA under a modification request, and this is what the current paragraph 1.1 outlines.
- 3.23 In relation the diagrams RG has created, ED stated they currently only illustrate the issue at hand and the option 1 proposed solution and suggested it may be beneficial to include diagrams that illustrate the option 2 proposed solution within a separate section within the draft Consultation.
- 3.24 DJo suggested that the potential option 3 (the IDNO having the ability to socialise costs) should be included within the draft Consultation with related questions included to seek further feedback. ED queried whether this option is a separate issue and potentially out of scope of this CP – MB agreed with DJo in that option 3 is relevant and should be included as it is the source of the discrepancy that is driving the differences in interpretation.
- 3.25 AP raised a concern in regard to option 3, suggesting it may be unfair between IDNOs and their different size portfolios to socialise costs, and should be explored.
- 3.26 EB queried whether an appropriate solution to have reinforcement socialised consistently in the regions for the DNOs as opposed to passing the costs to IDNOs as sole user. DJo queried whether it is appropriate that the IDNO Customers are increasing the DNO DUoS costs (outside of the DNOs control) as a counter point.
- 3.27 AP stated that currently, if they are liable for reinforcement costs, there is no mechanism to recover this. AP noted this is a separate matter but should be kept in mind.
- 3.28 After further discussion, the Secretariat agreed to develop a draft Consultation for the Working Group to review offline and provide feedback/comments. This will be further discussed and developed during the next meeting.

**ACTION 02/03: The Secretariat develop a draft Consultation for the Working Group to review.**

**ACTION 02/04: The Secretariat agreed to circulate a word version of the draft Consultation to members to provide feedback/additional comments.**

## 4. Any Other Business

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- 4.1 The Chair asked the group whether there were any other items of business to discuss.
- 4.2 There were no other items raised.

## 5. Date of Next Meeting – 25 November 2025

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- 5.1 The next Working Group meeting will be held on 25 November 2025 at 1pm.

## 6. Attachments

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- Attachment 1\_DCP 464 Work Plan

## APPENDIX A

### New and Open Actions

| Action Ref.  | Action   | Owner                           | Update  |
|--------------|--|---------------------------------|---|
| <b>01/03</b> | The Secretariat to seek legal advice around how the additional wording should be added to paragraph 1.17 within Schedule 22.   | Secretariat                     | <b>Ongoing.</b><br><i>This will be completed in due course.</i>   |
| <b>01/05</b> | RG/TC to provide previously presented materials (i.e., with Ofgem and COG) relating to discussions around this CP, to the next Working Group meeting for review, to aid the development of the Consultation. | RG / TC                         | <b>Ongoing.</b><br><i>Materials are still being sought after.</i> |
| <b>01/06</b> | IDNO representatives to bring available data sets around how many requests they have made for this situation and how they have been charged, to the next Working Group for further discussion.               | IDNO<br>Representatives         | <b>Ongoing.</b><br><i>To be discussed on the agenda.</i>          |
| <b>02/01</b> | The Secretariat to update all references to 'IDNO' to 'LDNO'.  | Secretariat                     | <b>New Action.</b>  |
| <b>02/02</b> | The Secretariat/Working Group to draft a glossary/annex to be included within the draft Consultation to clarify terms being used.  | Secretariat /.<br>Working Group | <b>New Action.</b>  |
| <b>02/03</b> | The Secretariat develop a draft Consultation for the Working Group to review.  | Secretariat                     | <b>New Action.</b>  |
| <b>02/04</b> | The Secretariat agreed to circulate a word version of the draft Consultation to members to provide feedback/additional comments.   | Secretariat                     | <b>New Action.</b>  |



## Closed Actions

| Action Ref. |   |                  | Update         |
|-------------|---|------------------|----------------|
| 01/01       | The Secretariat to seek further information around the process of making a distribution licence change following a DCUSA Working Group. | Secretariat      | <b>Closed.</b> |
| 01/02       | The Secretariat/EB to review the Access SCR decisions and bring this to the next meeting for further discussion.                        | Secretariat / EB | <b>Closed.</b> |
| 01/04       | RG to create diagrams which are in line with those within the CDCM to be included within the Consultation.                              | RG               | <b>Closed.</b> |