




DCUSA Consultation		At what stage is this document in the process?
<h2>DCP 466</h2> <h3>Tariff Band to follow capacity</h3> <p>Date Raised: 23 October 2025</p> <p>Proposer Name: Peter Waymont</p> <p>Company Name: Eastern Power Networks</p> <p>Party Category: DNO</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
Purpose of Change Proposal To ensure tariff bands for HH settled sites are aligned to a customer's capacity at all times (e.g. tariff bands are assessed/changed whenever a capacity change is agreed.)		
	This document is a Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 466. The Working Group recommends that this Change Proposal should proceed to Consultation. Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 2 to dcusa@electralink.co.uk by 12 February 2026 .	
	Impacted Parties Suppliers/DNOs/IDNOs/CVA Registrants	
	Impacted Clauses Schedule 32	

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Any questions?

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Timetable

Activity	Date
Initial Assessment Report	19 November 2025
Consultation Issued to Parties	22 January 2026
Change Report Approved by Panel	15 April 2026
Change Report issued for Voting	16 April 2026
Party Voting Closes	8 May 2026
Change Declaration Issued	12 May 2026

1 Summary

What?

- 1..1 Ofgem's Targeted Charging Review (TCR) decision for Half-Hourly (HH) settled sites fundamentally changed how residual network charges are calculated and recovered. HH settled sites are assigned to specific charging bands. At present, once assigned, the customer's allocated band is fixed until the next price control period, unless a customer meets the "exceptional circumstances" rules set out in Schedule 32 of DCUSA. To meet the exceptional circumstances criteria the site's Maximum Import Capacity (MIC) must increase or decrease by more than 50%. Re-banding is not automatic; the customer must apply for an exception.
- 1..2 This CP has been raised to change the rules such that, for those customers whose tariff band is based on their capacity, the band is aligned to their capacity at all times. When a change of capacity is agreed between the Distributor and the customer, the tariff band is amended as required as per the published capacity bands.

Why?

- 1..3 The Proposer is of the view that the greater than 50% change threshold and the need for a customer application both result in discriminatory application of the tariff bands. The proposer notes that they have had many conversations with customers who are not happy with the way the re-banding currently works.

How?

- 1..4 Change schedule 32 to state that tariff bands will be aligned to capacity, and each time capacity is agreed to be changed the band will be re-assessed according to the capacity banding thresholds.
- 1..5 This change would not impact MPANs which do not have an agreed capacity.
- 1..6 This change would apply to increases as well as decreases of capacity. Currently the process requires a customer to request a banding change following a change of capacity and it is unlikely that a customer who increases their capacity requests their band to be reviewed, resulting in differential treatment between customers (those who increase their capacity benefit from remaining in a lower band whilst those who decrease their capacity are penalised due to remaining in a higher band). This change would align the process for all customers.
- 1..7 Reviewing all sites at the time of the capacity change would avoid issues where a customer contacts the Distributor months after the capacity change took place asking for a backdated amendment to their banding, as it had not been requested at the time. It would also reduce the small number of dispute notices being issued that relate to the backdating of the band, which is outside the remit of the dispute committee. This will be especially important with the change to the settlements window reducing from 14 to 4 months following the implementation of MHHS,

as the period over which changes to the DUoS Tariff ID can be backdated is limited by the settlements window.

2 Governance

- 2.1 This CP should be considered a Part 1 Matter as it is likely to have a significant impact on the interests of electricity customers.
- 2.2 This consultation is issued for a period of 15 working days.

3 Why Change?

- 3.1 The Proposer is of the view that the arbitrary greater than 50% change threshold and the need for customer application results in discriminatory application of the tariff bands.
- 3.2 The proposer has had many conversations with customers who are not happy with the way the re-banding currently works.
- 3.3 Exception reporting can be developed and would be simple as it could detect where a customer's capacity and tariff band do not align.

Question 1 – Do you understand the intent of the CP?

Question 2 – Are you supportive of the principle of the CP?

Question 3: To Distributors: What is your experience of the customer interactions regarding band changes?

4 Working Group Assessment

Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess this CP. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.

Current Situation

- 4.2 Schedule 32 of DCUSA governs the allocation of residual charging bands. For HH settled sites, these bands are typically fixed for a price control period unless "exceptional circumstances" apply. For "exceptional circumstances" to apply, there must be a significant shift in MIC. Currently, "significant" is defined as an increase or decrease of more than 50% compared to the values used for the initial allocation. Re-banding is not automatic; it requires a customer application.
- 4.3 Customers who decrease capacity may not realise that the DCUSA requires them to apply for a lower band, while those increasing capacity are unlikely to volunteer for a higher band. As

previously noted, the proposer has had many conversations with customers who are not happy with the way the re-banding currently works.

- 4.4 One of the reasons for introducing the exceptional circumstances rule was to prevent users from manipulating their capacity or usage simply to drop into a lower-cost charging band without a genuine change in site use. The Working Group considered this and believe that this is risk is mitigated by by the fact that customers are only permitted to apply for a reduction in their MIC once per year, preventing them from frequently toggling capacity levels to avoid charges. There is also no guarantee that a customer can easily increase their capacity back to previous levels once reduced, as the network capacity may have been reallocated to other users in the interim.
- 4.5 Furthermore, the working group noted that the financial landscape has shifted significantly since the TCR decision was reached in 2019. At that time, the financial impact of the exceptional circumstances rule was lower because Transmission Network Use of System (TNUoS) charges, which are a major component of these fixed residual charges, were not as high as they are in 2026. This increased financial burden on customers makes the flexibility to re-evaluate capacity and banding even more critical than it was when the rule was first introduced.

Question 4: To Distributors: What process do you follow when dealing with exceptional circumstances? Does the customer have to apply, or do you have any other ways of identifying these customers?

Proposed Solution

- 4.6 DCP 466 was raised to address defects in the current banding mechanism. It seeks to ensure that tariff bands for HH settled sites are dynamic and strictly aligned with agreed capacity. It seeks to remove the 50% threshold required for re-banding and instead under the proposed new rules, the tariff band applied would be the one that the capacity falls into at any given time. Whenever a capacity change is agreed upon between the Distributor and the customer, the tariff band would be automatically amended to reflect the new capacity.
- 4.7 The intent is to treat all consumers consistently, ensuring residual charges are always based on their current agreed capacity, even if it leads to a charge increase for some.
- 4.8 Allocation to charging bands would follow changes to capacity, and the frequency of such changes is already limited to once per year within the connection terms.

Impacts

- 4.9 If DCP 466 is approved, Distributors would initially need to assess tariff bands for all HH settled sites and reallocate as necessary. These customers would be reallocated from the date DCP

466 is implemented. It would also mean more customers will shift between bands during their current price control period moving forward

4.10 The Working Group noted that The TCR bands are changing in April 2026. An exercise will be undertaken to re-assess the bands that customers fall into and amend those where required. This DCP is primarily focussed on the business as usual processes between TCR reviews.

4.11 The Working Group is keen to understand the impacts of this change:

Question 5 – To Distributors: As of today, how many sites are in a band that is not reflective of their MIC? Please provide the total split (i.e number of sites moving up and down) and confirm the residual charge cost implication (-/+£). Please also provide the total number of HH settled sites.

Question 6 – Does the change to the TCR bands in April interact with this change and how?

Question 7 – To Distributors and Suppliers: If implemented, what impacts would this change have on resources at the point of implementation and thereafter?

Question 8 – To Suppliers: What would the impacts be on your existing and future customer contracts and would these impacts be acceptable?

Question 9 – Do you agree with the proposed solution of removing the “exceptional circumstances” rule? Please provide your rationale either way.

5 Relevant Objectives

Assessment Against the DCUSA Objectives

- 5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. This CP is being assessed against the DCUSA General Objectives.
- 5.2 The Proposer considers that the following DCUSA General Objectives are better facilitated by this CP:

	DCUSA General Objectives	Identified impact
<input type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Neutral
<input checked="" type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	Positive
<input checked="" type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Positive
<input checked="" type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	Positive

<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	Neutral
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- 5.3 Aligning the residual charging band to customers agreed capacities will reduce discrimination and hence facilitate License compliance, facilitate competition by providing clarity for suppliers and customers (and hence promote competition), and improve the efficiency in the implementation and administration of the DCUSA. The band that is applied will be the band that the capacity falls into the threshold of, at any given time.

Question 10 – Do you consider that the proposal better facilitates the DCUSA General Objectives? Please give supporting reasons.

6 Impacts & Other Considerations

Impacts on any Significant Code Review (SCR) or other significant industry change projects

- 6.1 This CP may impact upon the DUoS SCR, however this is considered to be a defect and resolving this should be acceptable.

Impacts on other Codes

- 6.2 There are no impacts on other codes.

Consumer Impacts

- 6.3 The change will result in the residual charging bands being aligned to agreed capacities at all times. Whilst some consumers may see their residual charges increase, treatment will be consistent, and all consumers will be treated fairly.

Environmental Impacts

- 6.4 In accordance with DCUSA Clause 10.4.5A, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. No impacts on greenhouse gas emissions were identified.

Are there any wider industry impacts?

- 6.5 No wider industry impacts were identified.

Question 11 – Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

7 Implementation

- 7.1 The next DCUSA release following approval by the Authority. As this does not impact the methodology itself, it does not need to be 1 April.

Question 12 – Are you supportive of the proposal to implement this CP in the next standard DCUSA release following Authority approval?

8 Legal Text

8.1 The legal text for this CP is provided as Attachment 1.

Question 13 – Do you have any comments on the draft legal text?

9 Consultation Questions

9.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	Do you understand the intent of the CP?
2	Are you supportive of the principle of the CP?
3	To Distributors: What is your experience of the customer interactions regarding band changes?
4	To Distributors: What process do you follow when dealing with exceptional circumstances? Does the customer have to apply, or do you have any other ways of identifying these customers?
5	To Distributors: As of today, how many sites are in a band that is not reflective of their MIC? Please provide the total split (i.e number of sites moving up and down) and confirm the residual charge cost implication (-/+£). Please also provide the total number of HH settled sites.
6	Does the change to the TCR bands in April interact with this change and how?
7	To Distributors and Suppliers: If implemented, what impacts would this change have on resources at the point of implementation and thereafter?
8	To Suppliers: What would the impacts be on your existing and future customer contracts and would these impacts be acceptable?
9	Do you agree with the proposed solution of removing the “exceptional circumstances” rule? Please provide your rationale either way.
10	Do you consider that the proposal better facilitates the DCUSA General Objectives? Please give supporting reasons.
11	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

12	Are you supportive of the proposal to implement this CP in the next standard DCUSA release following Authority approval?
13	Do you have any comments on the draft legal text?

9.1.1 Responses should be submitted using Attachment 2 to dcusa@electralink.co.uk by no later than **12 February 2026**.

9.1.2 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

10 Attachments

- Attachment 1 – DCP 466 Legal Text
- Attachment 2 – DCP 466 Consultation Response Form
- Attachment 3 – DCP 466 Change Proposal Form