









DCUSA Change Report		At what stage is this document in the process?
<h2>DCP 458:</h2> <h3>Amend DCP414 process</h3> <p>Date Raised: 17 July 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
<p>Purpose of Change Proposal:</p> <p>To apply a default capacity of 71kVA following the 12 months non-applicability of capacity charging arising from DCP 414</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 458'.</p> <p>Parties are invited to consider the proposed amendment (Attachment 2) and submit their votes using the Voting form (Attachment 1) to dcusa@electralink.co.uk by 07 January 2026.</p> <p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011.</p>	
	 Impacted Parties: Suppliers/DNOs/IDNOs	
	 Impacted Clauses: <ul style="list-style-type: none"> • Clause 19, Schedule 16 • Part 3 of Schedule 2 	

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Timetable		
The timetable for the progression of the CP is as follows:		
Change Proposal timetable		
Activity	Date	
Initial Assessment Report	19 August 2025	
Consultation Issued to Industry Participants	18 August 2025	
Change Report Approved by Panel	12 December 2025	
Change Report issued for Voting	15 December 2025	
Party Voting Closes	07 January 2026	
Change Declaration Issued to Parties	08 January 2026	
Change Declaration Issued to Authority	N/A	
Authority Decision	N/A	

1 Summary

What?

- 1.1. DCP414 introduced a process to manage P432 – the migration of CT metered customers to half hourly (HH) settlement. The process commenced in April 2024 and has these steps, as described in Clause 19.12-19.16 and Part 4 of Schedule 16 of the DCUSA;
 - 1.1.1 Distributor gives Supplier contact details
 - 1.1.2 Supplier advises customer of process
 - 1.1.3 Supplier gives Distributor their customer contact details, which identifies to the Distributor which MPANs are covered by this solution
 - 1.1.4 Supplier changes measurement class of customer
 - 1.1.5 Distributor applies new tariff with no capacity charge
 - 1.1.6 12-15 months later, Distributor contacts customer to agree a MIC
- 1.2. The proposer stated that in practice, they had set up a new mailbox and advised suppliers of this on 5 April 2024.
- 1.3. The proposer has seen virtually no customer contact details and indeed there has been some industry discussion around the method of communicating those (including use of SDEP).

Why?

- 1.4. The proposer has, since April 2024, in good faith, applied the no-capacity charge to customers whose measurement class has been changed but have no means of contacting them now that the 12-month period is elapsed. There is also the risk that customers don't respond when contacted.
- 1.5. The proposer's expectation is that they will end up applying the highest demand in most cases. However, this requires analysis of the data for each customer.

How?

- 1.6 Two potential solutions have been established for this CP. Solution A was proposed in the DCP and Solution B developed by the Working Group.

Solution A

- 1.7 A default capacity should be billed in all cases after the one year. CTs are usually installed on sites over 69kVA and it is proposed that a default of 71kVA is used for billing, being a relatively unused value such that defaults can be more easily identified, where Distributors are unable to classify them

as such, and being a reasonable representation of sites that have CT metering and are not already in Measurement Class E.

- 1.8 This ensures the one-year transitional protection remains, while making the end-to-end process simpler and easily understood, without removing the customer's ability to propose a change to the MIC at any time. Under this solution Distributors are not obliged to contact impacted customers.
- 1.9 After the one year protection this moves away from the process implemented under DCP414, which was to either agree a capacity with the Customer or else impose a maximum import capacity based on the metered data, to use a default billing capacity of 71kVA for all customers.
- 1.10 For this solution the steps as in 1.1 above become:
 - 1.10.1 Distributor gives Supplier contact details
 - 1.10.2 Supplier advises customer of process, including that a default capacity of 71kVA will be billed for their site
 - 1.10.3 Supplier changes measurement class of customer
 - 1.10.4 Distributor applies new tariff with no capacity charge
 - 1.10.5 12 months later Distributor applies default capacity of 71kVA and applies LV Site Specific tariffs.
 - 1.10.6 Customer can contact the Distributor to agree a different MIC as required.

Solution B

- 1.11 After the one-year protection has expired, the maximum import capacity is to set at the highest recorded peak over the 12-month protection period if a capacity isn't agreed with the customer before the 12-month protection period expires.
- 1.12 This ensures the majority of the existing implemented DCP414 solution remains in place, including the one-year transitional protection period, and ensures the capacity charge reflects the actual usage of the customer using data available to the Distributors, as in the existing process, while making the end-to-end process simpler and easily understood, without removing the customer's ability to propose a change to the MIC at any time. As for Solution A, under this solution Distributors are not obliged to contact impacted customers.
- 1.13 For this solution the steps as in 1.1 above become:
 - 1.13.1 Distributor gives Supplier contact details
 - 1.13.2 Supplier advises customer of process, including that the Distributor will calculate their capacity using their peak demand in the 12-month transition period
 - 1.13.3 Supplier gives Distributor their customer contact details, which identifies to the Distributor which MPANs are covered by this solution
 - 1.13.4 Supplier changes measurement class of customer
 - 1.13.5 Distributor applies new tariff with no capacity charge
 - 1.13.6 12 months later Distributor calculates a capacity for each MPAN based on their highest recorded peak over the 12-month transition period, which becomes their MIC, [and](#) allocates the MPAN to the corresponding tariff band.
 - 1.13.7 Customer can contact the Distributor to agree a different MIC as required.

2. Governance

Justification for Part 2 Matter

2.1. It is urgent because the time to contact customers is upon us and we are unable to follow the expected process.

Current Next Steps

2.2 This Change Proposal should.

- Be treated as a Part 2 Matter; and
- Be treated as an Urgent Change.

3. Why Change?

Background of DCP 458

3.1 The proposer believes the DCP414 process is unwieldy and unworkable. A simpler solution is required. This proposal does not restrict the customers' ability to contact the Distributor to agree a capacity.

3.2 Under DCP414, for thousands of customers, migrating at different times, the process is that the Supplier has to inform the Distributor which customers are relevant and when they are migrating. The Distributor must track these MPANs to determine their date of migration, at which point they must allocate them to the relevant "Aggregate or CT" tariff to exclude capacity charges. After a year, the Distributor must assess their Maximum Demand (MD) based on metered data, write to them regarding their MD and track all those conversations within a 6 month window following the 12 month end date, dealing with any disputed MDs and ongoing negotiations. If no agreement is reached, the Distributor should set the MIC based on their MD. Once the MIC is set the Distributor must allocate them to the relevant LV Site Specific tariff.

3.3 The DCP414 process contains a number of ambiguities that the legal text seeks to clarify:

- If the Supplier did not advise the Distributor that the customer was relevant and only communicates this later, does the protection apply and is it retrospective?
- What happens if the customer changes midway through the transitional year and the Distributor has attempted to communicate with the old customer and believes he has imposed a MIC?
- What If the data collector does not provide reactive data, Distributors often estimate it, per the charging statements. Should the calculation of MD include or exclude any missing reactive data which was estimated?

- Should the application of the tariff that includes capacity charges be effective from the end of the 12-month period or from agreement/imposition of a MIC?
- What if the customer has a connection agreement for a higher value than their MD (they may be still developing their site and have low demands, and the supplier has assigned them to non-half hourly (NHH) settlement) but does not respond to communications?

3.4 DCP458 was proposed in order to attempt to simplify this process by using a common capacity for customers moving from NHH to HH settlement, for billing purposes, removing the risk of MICs being incorrectly entered into systems and facilitating simple automation, while still allowing a contractual MIC to be agreed with the customer whether through contact initiated by the customer or by any action the Distributor may choose to take. The original proposed solution does not impose a contractual MIC whether based on MD or defaulted. This allows normal processes for assessing capacities to be applied and is not time bounded to the 6 months following the 12-month anniversary of migration.

4. Working Group Assessment

Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess DCP 458. This Working Group consists of Supplier, DNO, IDNO representatives and other interested industry participants. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk
- 4.2 The proposer explained to the Working Group that this CP had been raised as they'd received very little communication from Suppliers in regards to the MPANs they were looking to migrate as part of DCP 414.
- 4.3 The proposer went on to explain that DCP 414 was seeking to offer transition protection to CT customers who were migrating to HH settlement.
- 4.4 As outlined in section one of this consultation, part of this process obligates suppliers to provide the MPANs and contact details of the customers they are migrating to the Distributor, so that the Distributor knows which sites are being migrated and so that they have contact details for them.
- 4.5 As the Distributors haven't received many details of the customers who are being migrated, this has made it difficult to contact customers to agree a capacity for these MPANs and that the proposer believes there is no consistent process to follow in these cases, so the capacities often end up being set at a default.
- 4.6 Several other DNOs and IDNOs agreed that they'd had similar experience of what the proposer had described, whereby they have not yet received contact details from Suppliers to agree capacities with affected customers.
- 4.7 It was highlighted that the window for the DNOs to contact the customer to agree the capacity was 6 months following receipt of 12 months' consumption data i.e. up to 18 months after the change of measurement class.

- 4.8 It was suggested that the contact details for customer on a site may have changed during the 12–18-month window, or that customers could forget previous conversations about the need to agree and pay for their capacity. Several Working Group members agreed with this position.
- 4.9 The proposer noted that they proposed a default capacity of 71 kVA as it is unusual to be used as a “real” capacity value and would be more likely to be identified as a default capacity, though noted that UKPN’s billing systems allow default capacities to be flagged.
- 4.10 A Working Group member noted that 71 kVA had been used by them for P272 previously, so was using this was not unheard of. This supported the suggested solution as this meant there was a precedent for setting a default capacity of this value.
- 4.11 It was also agreed that it would be unusual for a customer to request a capacity of 71 kVA for a new connection.
- 4.12 Several Distributors in the Working Group said they had used default capacities in the past, particularly as part of the P272 migration, although one Distributor said they had never used default capacities and had calculated capacities for the P272 migration.
- 4.13 A Working Group member queried whether in setting a default capacity, this would have a knock-on effect on the process for sending connection agreements, noting that customer details were not known. The proposer agreed that it would not, it was a billing approach and did not prevent agreeing a different capacity value.
- 4.14 As part of the discovery work for this CP, it was suggested that it would be useful to understand what process suppliers intended to take on sharing the relevant details for customers they are migrating as part of the DCP 414 obligation.
- 4.15 It was highlighted by several Distributors that they had reached out to suppliers to remind them of the DCP 414 process and their contact details to be used for providing the customer details, but that they had still not received updates from many of them and in the cases where an update was received, they were much lower in terms of the expected volumes.
- 4.16 A Working Group member stated that rather than apply a default capacity, the distributor would have information on maximum demand usage to set a more appropriate capacity.
- 4.17 It was stated that if there was a desire to consult on a different approach, this could be presented as an alternative in the change report.
- 4.18 It was also explained that this proposal would keep the process simple and relatively automated, by applying a default capacity and limiting the amount of effort to check for data and calculate the capacity.

5 Consultation

- 5.1 The Working Group undertook one consultation during the development of the change proposal.
- 5.2 The consultation was issued to parties on 18 August 2025. There were twelve responses received to the consultation. Details of these and the Working Group’s conclusions can be found in Attachment 3 DCP 458 Consolidated Consultation Responses, with a summary of each shown below.

Q1: Do you understand the intent of DCP 458?

5.3 All respondents understood the intent of the change proposal.

Q2: Are you supportive of the principles of DCP 458?

5.4 Eight respondents were supportive of the change proposal.

5.5 Two respondents were supportive of the intent of this change proposal but not supportive of the proposed solution.

5.6 Two respondents were not supportive of the intent of this change proposal.

5.7 Reasons to not support the intent of the change proposal were

- If actual data has been collected, it should be used when calculating a capacity.
- Closer engagement with suppliers should be made in order to ensure that they are providing Distributors with the correct customer details.
- The purpose of DCP414 'Transitional Protection for NHH CT Customers affected by regulatory change' was to protect customers from inappropriate capacity charges. Applying a default capacity in all cases does not do this.
- If the Default capacity is set too high, the customer can only amend this moving forwards as there is no process to retrospectively back date and refund the incorrectly applied higher capacity charge.
- it is unclear how a DNO/IDNO would be able to establish if an MPAN moving to HH is a transitioning CT customer or a Business As Usual (BAU) change without the supplier notifying them.
- A default capacity would also mean that these MPANs are all allocated to charging band 1, so this impacts both the capacity charge and the fixed charge.

Q3: Is applying a default capacity, rather than trying to agree one with the customer appropriate?

5.9 Responses to this question were mixed. Eight respondents stated yes, with one stating it would only be appropriate if the capacity can easily be changed and another stating it would only be appropriate if the customer cannot be contacted.

5.10 Four responses stated they felt it was not appropriate, with two of these saying they believe the capacity should be based on actual metered data.

Q4: Is the initial suggested default capacity of 71 kVA appropriate?

5.11 Seven respondents stated they felt the suggested default was appropriate.

5.12 Three respondents felt it was not, as they did not support the use of a default and believe the capacity should be based on the metered data received during the 12 month transition period.

5.13 One of these pointed out that the use of a standard default across all Distributors was consulted on under DCP414 with the outcome that Distributors should be able to set their own default MIC value as a single value might not be appropriate for all regions. The respondent also pointed to Ofgem's DCP414 decision which ruled out the use of a default capacity for the transition period as it may mean that customers are charged inappropriate capacity charges and that "when [customers] do

attract capacity charges, they will be based on a maximum import capacity (MIC) more likely to reflect their actual capacity requirements”.

- 5.14 One respondent believed that a default of 71 kVA was too high as they believed many of these sites will have changed their usage patterns since the CTs were originally installed.

Q5: Have you used default capacities in other circumstances? If so, what were these circumstances and what defaults were applied?

- 5.15 Five respondents stated that they had used default capacities as part of the solution for P272.
- 5.16 Four respondents said they had not used default capacities before.
- 5.17 Three respondents offered no comment as they were suppliers.

Q6: Are you aware of any potential consequences of applying a default capacity? If so, what are/were these consequences?

- 5.18 Two respondents stated no comment and two others stated they are not aware of any potential consequences of applying a default capacity.
- 5.19 One response outlined that the capacity may not be appropriate for all customers and that changes to the capacity requested by the Customer after the default has been put in place will not be able to be made retrospectively and so the customer would be liable for higher capacity charges for the period between the default being put in place and the request to reduce the capacity being received.
- 5.20 One response noted that the agreed capacity level set will also influence DNO network infrastructure planning.
- 5.21 Another respondent stated that where the site is exceeding the default capacity during the 12-month period, there is the risk the customer will exceed the default capacity once applied. The response noted that new Connections Agreements would have to be sent out to all affected customers which could result in an increase in complaints. The response questioned whether there would be a risk that a DNO may be in breach of Schedule 2B DCUSA, section 3 of the National Terms of Connection if there is a default capacity but no agreement between the network operator and the legal entity.

Q7: What proportion of the customers that you are expecting to migrate as part of the DCP 414 obligation have you received contact details for?

- 5.22 Responses to this question were mixed. With one IDNO respondent stating all, one IDNO stating a limited amount, one DNO stating 0.035% and one DNO stating 0.15% and one DNO stating none.
- 5.23 One supplier outlined that they have a team that will be updating their data proactively.
- 5.24 One supplier noted that they have all contact information, and another supplier stated 45%.

Q8: For suppliers only- How do you intend to share with Distributors which customers you are migrating as part of the DCP 414 obligation.

- 5.25 One response stated that they would use SDEP and two stated they would use password protected spreadsheets to share the information.

5.26 One response stated that they would use either SDEP or password protected spreadsheets.

Q9: For suppliers only- Are there any barriers/challenges to suppliers in identifying which customers are to be migrated as part of the DCP 414 obligation i.e. no contact, access etc?

5.27 One response noted that no contact and access issues remain the major challenges.

5.28 Another response highlighted legacy meters requiring exchange, access, DNO works or customer details.

5.29 Another respondent highlighted that there are barriers however that these challenges exist more so post BSC mod P432 implementation after Milestone M14/October 2026, as P432 requires that a site moves to HH (either via CoMC or MHHS migration) to meet the Advanced meter licence definition.

5.30 Another response noted that there are always challenges with site works, particularly in relation to unmanned sites and rural locations, however many sites can be converted to HH remotely.

Q10: Is there an alternative process that has not been considered within this CP? If so what is this process?

5.31 Seven responses stated they were not aware of an alternative process.

5.32 One respondent preferred the existing process.

5.33 Four respondents suggested that customer's usage should be used to calculate their capacities rather than using the default. In cases where they have been unable to contact customers due to not having customer contact details provided or where the customer has not engaged with the process.

Q11: Do you consider that the proposal better facilitates the DCUSA General Objectives? If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons. If not, please provide supporting reasons.

5.34 Eight respondents stated that the proposal better facilitates General Objective 4.

5.35 Two respondents stated that they do not consider this proposal better facilitates any DCUSA general objectives.

5.36 One stated that none of the objectives are better facilitated as any benefits are outweighed by the impacts of recalculating capacities further down the line. They also stated that Charging Objective 3 is negatively impacted.

5.37 The final responses stated that they did not believe the solution as currently drafted better facilitates any of the DCUSA General Objectives. They went on to note by setting a default capacity, the solution could be said to be negative against objective 1 and 2 as the default may be unrealistic of the actual capacity being used by the customer.

Q12: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

5.38 Ten respondents advised they were not aware of any wider industry developments that may impact upon or be impacted by this CP.

- 5.39 One respondent highlighted that they feel that SDEP is not an optimal solution as they have already encountered issues where it is used as a mail service for purposes for which it was not designed.
- 5.40 The respondent stated they would like to see any customer contact information sent by email only, which can be password protected, with the password sent on a separate email to provide security.

Q13: How are you impacted by the outcome of this CP?

- 5.41 There were a number of different impacts raised as follows:
- This CP will simplify the MHHS migration process for NHH CT meters for suppliers
 - Increase in customer demand and potential increase in customer complaints.
 - this approach will result in 'winners' and 'losers' and inevitably lead to customer complaints.
 - i. Losers will have a default MIC that is too high, and they will be paying more than they should with no ability to have this refunded.
 - ii. Winners will benefit from being allocated to a low charging band with no (current) higher excess capacity tariff for over-utilising their capacity.
 - A small impact on some code obligations (e.g. credit cover).
 - Inappropriate capacities being set for customers.
 - The change helps to alleviate our concerns regarding how we would identify and keep a track of the MPANs without an agreed MIC, applying a default MIC will help to identify these.
- 5.42 One respondent outlined that they have around 15,000 customers that should migrate by April 2026, and by setting the capacity to 71kVA they would need to raise 15,000 Connection Agreements with whatever customer details they have at the time.

Q14: Do you agree with the Working Group's proposed implementation date? If not, please provide your rationale.

- 5.43 Nine respondents supported the proposed implementation date. One of the nine respondents that stated they supported the implementation date highlighted that the change needs to be progressed on an accelerated timeline as the window for meeting the P432 obligation is just over 12 months away.
- 5.44 Two respondents noted that they do not support the DCP and as such did not support any implementation date.
- 5.45 One responder stated that generally they are not in favour of extra out of cycle releases and that they would prefer this to align with the next standard release following Ofgem approval.

Q15: Do you have any comments on the draft legal text?

- 5.46 Eight respondents provided no comments on the legal text.
- 5.47 One respondent noted that for an alternative solution retaining the existing DCUSA process but allowing the Distributor to apply the capacity calculated based on the metered data when they are unable to contact the Customer, could be achieved in a simple way by amending paragraph 182 to add "the DNO/IDNO is unable to contact the customer".

- 5.48 One responder provided legal text for an alternative solution which was retaining the original 12-month period for collating data and then applying a capacity, based on the metered data without agreeing the capacity with the customer if the customer couldn't be contacted or if a capacity couldn't be agreed.
- 5.49 Another response stated that paragraph 182 should be re-written to state where no data is available, and no contact has been made then the capacity should be set at a default of 71kVA.
- 5.50 They went on to say they believed where data is available from the previous 12 months this should be used to set capacity as this is a fairer solution for the customer.
- 5.51 The final response stated that they had the following comments on the legal text.

19.14 -We query why this requirement for suppliers to provide contact details of customers impacted by P432 has been removed from the legal text.

182- It is unclear to us in the referenced legal text whether a customer is given the opportunity to agree a suitable MIC prior to or after the 71kVA default allocation. Currently the draft legal text states after the 12 months period the 71 kVA is applied but there is no mention of a customer being given the opportunity to agree a suitable MIC in advance or after this default MIC has been applied.

Q16: Do you have any other comments on DCP 458?

- 5.52 Ten respondents did not provide any additional comments.
- 5.53 Two respondents stated that they feel the change should not be classed as a Part 2 matter and should be reviewed by Ofgem. One of these respondents highlighted that if Suppliers are not meeting their DCUSA obligations to provide the contact details, this should be escalated to the appropriate authority to enforce compliance.
- 5.54 One respondent stated that the lack of Supplier to DNO communication is likely to relate to the 2 times MHHSP replanning exercises that shifted the M14 milestone to October 2026. As P432 is itself pinned to this very milestone. Consequently, not commencing the CoMC activity as it's less disruptive to the end consumer at customer level by retaining existing DUoS rates for longer. As DNOs are MHHS participants they will be also aware of these replanning exercises over the course of the MHHSP development phases but may be less aware of how P432 dates have changed in line with MHHSP replanning.
- 5.55 All other points raised to this question had already been raised at earlier stages of the consultation responses.

6 Working Group Conclusions & Final Solution

- 6.1 After reviewing the Consultation responses, the Working Group have identified the following areas for consideration.
- Is apply a Default Capacity of 71kVA upon expiry of the 12-month protection period appropriate?
 - Alternative legal text/solution.

- Process for Suppliers not following the obligated process.
- Method for Suppliers to share Customer contact details
- Ambiguities highlighted within paragraph 3.3 of this change report
- Is the CP a part 2 matter?
- Which solution should be taken forwards?

Is applying a Default Capacity of 71kVA upon expiry of the 12-month protection period appropriate?

6.2 There was a majority of respondents to the consultation thought this was appropriate and the proposer wished to proceed on this basis.

6.3 The proposed use of a default may appear to be contrary to Ofgem's decision under DCP414, which at face value was a decision not to use a default MIC. However, DCP458 is quite different from the alternative option proposed under DCP414. Under the DCP414 option, the use of a default MIC did not allow the 12/18 month grace period in which there are no capacity changes. Instead, the option proposed under DCP414 was to use a default MIC immediately from the date of CoMC/migration. Each Distributor chose their own default value. Ofgem overturned the outcome of the Party vote, which had supported the default option, as they felt the 12/18-month grace period gave more customer protection.

6.4 It was discussed in the Working Group that the impact on the charges billed to a customer of using a default capacity that is too high for a site would be as shown in Table 1 below, based on the 2026/27 published LV Site Specific tariffs for each DNO. These additional charges could be avoided if the Customer engages with the process and agrees a MIC with the DNO within the 12-month transition period or will cease if a MIC is agreed at any time thereafter.

DNO	2026/27 LV site specific Capacity Tariff p/kVA/day	Additional monthly charge per customer (£) - based on 30 day month		
		1kVA	2kVA	20kVA
Electricity Northwest Ltd	6.92	£2.08	£4.15	£41.52
Northern Powergrid (Northeast) plc	5.48	£1.64	£3.29	£32.88
Northern Powergrid (Yorkshire) plc	3.82	£1.15	£2.29	£22.92
Scottish Hydro Electric Power Distribution plc	13.83	£4.15	£8.30	£82.98
Southern Electric Power Distribution plc	10.63	£3.19	£6.38	£63.78
SP Distribution plc	5.34	£1.60	£3.20	£32.04
SP Manweb plc	6.87	£2.06	£4.12	£41.22
Eastern Power Networks plc	8.04	£2.41	£4.82	£48.24
London Power Networks plc	7.23	£2.17	£4.34	£43.38
South Eastern Power Networks plc	8.57	£2.57	£5.14	£51.42
National Grid Electricity Distribution (East Midlands) plc	7.68	£2.30	£4.61	£46.08
National Grid Electricity Distribution (South Wales) plc	10.49	£3.15	£6.29	£62.94
National Grid Electricity Distribution (South West) plc	12.18	£3.65	£7.31	£73.08
National Grid Electricity Distribution (West Midlands) plc	10.66	£3.20	£6.40	£63.96

Table 1 - Monthly Capacity Charge for each Distributor

6.5 For a site where the default capacity is too low, they will be charged excess capacity charges for any usage above that default capacity. At present, this will mean that there is little difference in the

charges for these sites compared to if the capacity was set based on the highest peak, however if a differential is reintroduced between the capacity and excess capacity tariffs this will not be the case. These can be avoided at any time by agreeing a MIC.

Alternative legal text/solution B

- 6.6 The Working Group reviewed the alternative legal text that had been provided by a respondent as part of the consultation and agreed the develop it further.
- 6.7 It was agreed that charging the capacity charges based on the highest recorded peak over the 12-month protection period is an appropriate alternative as it keeps almost all of the existing process in place, still gives the customer 12 months of protection and ensures that the capacity will be set based on metered data, which may be more appropriate than applying a flat default to all customers.

Suppliers not following the obligated process

- 6.8 In relation to the points raised about suppliers not engaging with the process the Working Group acknowledge that the deadlines set out by P432 has moved in line with the MHHS programmes replans and so suppliers may not have yet commenced their activity.
- 6.9 It was however highlighted in a number of the consultation responses and from Suppliers in the Working Group that Suppliers were well aware of the incoming obligation to share the relevant migration and customer contact details with Distributors.
- 6.10 It was also noted within the Working Group that there are licence conditions that obligate Suppliers to remain compliant with all relevant industry codes and as such, any non-compliances can be taken to Ofgem to take appropriate action.

Method for Suppliers to share Customer contact details

- 6.11 The Working Group agreed that issuing the customer contact information via password protected Spreadsheets was the ideal solution.
- 6.12 It was noted by Distributors that they would share the relevant email addresses for Suppliers to share the customer information with to ensure the data found its way to the correct recipients.
- 6.13 It was noted that SDEP has recipients hard coded and that a category for this sort of communication doesn't currently exist meaning it would be likely that the information would be sent to someone who wasn't involved in this process and that they would then be relied upon to forward the data to the correct recipient as well as their BAU activities.
- 6.14 Having assigned mailboxes/recipients to receive the information via password protected spreadsheets mitigates the above-mentioned risks.

Ambiguities highlighted within paragraph 3.3 of this change report

- 6.15 Five key areas where gaps within the DCP 414 process were identified as needing additional consideration. These are captured below.

- **If the Supplier did not advise the Distributor that the customer was relevant and only communicates this later, does the protection apply and is it retrospective?**

- 6.16 The working group considered a hypothetical example where the Distributor is not informed that a site is in scope and has been migrated until 19 months after the date of the initial migration. For this site the 12-month protection window would already have elapsed meaning that the site would not be eligible for protection but should have been protected for that period.

- 6.17 It was questioned whether the protection should be backdated so that the site receives a refund for the period when the protection should have applied, or whether the protection is forfeited because the Supplier did not inform the Distributor of the site until after the protection period had expired.
- 6.18 It was noted that in the above example, the supplier would not be compliant with their DCUSA obligations under paragraph 19.14 of Clause 19, to inform the Distributor when a site in scope of this protection is migrating to HH settlement and there were processes in place to deal with these non-compliances if necessary.
- 6.19 To offer a remedy to this issue it was agreed to add in a third condition to paragraph 181 of the legal text for solution B, stating the Supplier is to notify the distributor of the customer contact details and that they are a relevant customer for these purposes, within three months of the date of their initial migration.

What happens if the customer changes midway through the year and the Distributor has attempted to communicate with the original customer and believes they have imposed a MIC?

- 6.20 It was noted that this was a valid concern and that the customer details changing on an event such as a change of tenancy (COT) was raised during DCP 414.
- 6.21 It was agreed that the 12-month protection period was related to the site and not the customer, but it was acknowledged that there was still a risk if the communications/letters to the new customer were addressed to the old customer then this could cause a problem as they may not be opened/read.
- 6.22 It was also noted that there could be a scenario where a site had an existing MIC in place which was set higher than the peak captured within the data for the 12-month transition period, but the new customer wanted to retain the higher MIC, the new customer risks losing the higher MIC if they don't make contact, as the assessment of the required capacity based on the data for the 12 month transition period reduces the MIC.
- 6.23 It was agreed that the legal text would need to place an obligation on Suppliers to reissue the communications/letter to customers in the event of a COT or any other sort of event where an occupier or responsible person for a site changes, with an additional obligation for the Supplier to inform the Distributor of the change and provide the contact details for the new customer.

What If the data collector does not provide reactive data. Distributors often estimate it, per the charging statements. Should the calculation of MD include or exclude any missing reactive power data which was estimated?

- 6.24 The process was advised to be that the MD was calculated using the highest demand based on metered data and that if a Distributor hasn't received metered reactive power data, then this is estimated.
- 6.25 This meant the perception was that for billing purposes, and for various other purposes, the calculation is likely to be based on estimated reactive data where actual reactive power data has not been provided by the data collector.
- 6.26 It was noted this was not an issue for billing purposes, but the existing legal text was clear that metered data would need to be used as the basis to calculate the capacity within the DCP 414 process.

6.27 It was agreed that this was not the initial intent of DCP 414 and that the legal text would be altered to cater for the absence of actual metered data, by specifying the capacity is to be calculated using the maximum peak billed rather than the metered data.

Should the application of the tariff that includes capacity charges be effective from the end of the 12-month period or from agreement/imposition of a MIC?

6.28 It was agreed that for the existing solution the intention was for the tariff with capacity charges to be effective from the end of the 12-month transition period, with the tariff backdated to this date once the MIC has been agreed/imposed. For both of the proposed solutions the tariff with capacity charges would be applicable from the end of the 12-month transition period..

6.29 This reduces the impact of backdating significantly as this will be limited to just the practical application of the tariff change.

What if the customer has a connection agreement for a higher value than their MD (they may be still developing their site and have low demands, and the supplier have assigned them to NHH settlement) but does not respond to communications?

6.30 It was noted by some members of the workgroup that these types of sites were rare, (although the proposer pointed out that of their 14,440 NHH customers with CTs, 4,440 had agreed MICs that averaged 107kVA, with 2,229 of those over 100kVA and two with MICs of 1MVA).

6.31 It was acknowledged that these sites existed due to a feature with the BSC that allowed a site with a greater than 69kVA MIC to be on NHH settlement until their demand passed given thresholds. It was however, also highlighted that these sites would be getting the additional 12-months of protection from capacity charges specifically due to the DCP 414 process unlike any other site previously.

6.32 It was highlighted that this feature will be removed once MHHS is implemented but that there would still be a period where these customers would be eligible for the 12-month protection period.

6.33 The majority Working Group agreed that this was not ideal, but as it is an existing feature and developing a solution to the feature (which is now time limited as MHHS updating these site to HH settled) would create additional complexity, it would be more efficient to live with the feature for the short period of time.

6.34 It was also noted that Suppliers would not be able to exclude these sites from the list of premises in scope of the protection because they would not know that these sites have a MIC agreed with the Distributor.

Is the CP a part 2 matter

6.35 It was noted that the DCUSA panel assess each CP that is raised and then again at the point it is approved for voting as a change report.

6.36 It was agreed that the DCUSA panel will have all the relevant information needed to make a robust assessment on all parts of this CP, including whether it should be issued as a part 1 or part 2 matter at the stage it is approved to be issued for voting.

6.37 It was also noted that an Ofgem representative does sit on the DCUSA panel and that their input is sought on all change proposals.

6.38 It was also noted that for the alternative solution, how the capacity is calculated will not materially change what DCP 414 implemented.

Which solution to take forwards

6.39 The Working Group agreed to take both the proposer's solution and the alternative solution forwards to voting.

Solution A

6.40 A default capacity of 71kVA is applied in all cases after the 12-month transition period. The requirement for Suppliers to provide details of the affected sites to the Distributor is removed. The requirement for the Distributor to contact the Customer to agree a capacity is also removed.

6.41 This ensures the one-year transitional protection remains, while making the end-to-end process simpler and easily understood, without removing the customer's ability to propose a change to the MIC at any time.

6.42 For this solution the steps as in 1.1 above become:

6.42.1 Distributor gives Supplier contact details

6.42.2 Supplier advises customer of process, including that a default capacity of 71kVA will be applied for their site

6.42.3 Supplier changes measurement class of customer

6.42.4 Distributor applies new tariff with no capacity charge

6.42.5 12 months later Distributor applies default capacity of 71kVA and applies LV Site Specific tariffs.

6.42.6 Customer can contact the Distributor to agree a different MIC as required.

6.43 The impact of this solution is that the process is simpler for Distributors at the end of the 12 month transition period than the approved DCP414 process, as they do not have to calculate capacities for each MPAN or contact the Customers but instead can apply a flat default of 71kVA to all MPANs if a capacity isn't agreed with the customer before the 12-month protection period expires.

6.44 Instead of having their future capacity charges based on their historic metered data, per DCP414, the Customer will be charged based on a capacity of 71kVA. If their actual usage is higher than 71kVA they will be charged the difference as excess capacity charges (currently charged at the same rate as capacity charges), and if their actual usage is lower than 71kVA they will be charged for more capacity than they are actually using. However, the customer has the right to contact the Distributor to agree a capacity at any point, although this would only be valid going forwards from the point at which the request was received and, if after the 12-month period had ended, they would remain liable for capacity charges based on 71kVA for the period up to this.

6.45 The impact on the Supplier is they do not have to advise the Distributor which Customers are migrating but must include different information in their communication with the Customer.

Solution B

6.46 After the 12-month protection has expired, the capacity for each MPAN is to be calculated based on the highest recorded peak over the 12-month protection period, if a capacity isn't agreed with the customer before the 12-month protection period expires.

- 6.47 This ensures the majority of the existing implemented DCP414 solution remains in place, including the one-year transitional protection period and the requirement for the Supplier to inform the Distributor of the MPANs that are in scope, and ensures the capacity is based on the data available to the Distributors, without removing the customer's ability to propose a change to the MIC at any time. The end-to-end process becomes simpler for the Distributor because they do not have an obligation to contact the customers, but instead the Supplier informs the Customer how their capacity will be calculated.
- 6.48 For this solution the steps as in 1.1 above become:
- 6.48.1 Distributor gives Supplier contact details
 - 6.48.2 Supplier advises customer of process, including that the Distributor will calculate their capacity using their peak demand in the 12-month transition period
 - 6.48.3 Supplier gives Distributor their customer contact details, which identifies to the Distributor which MPANs are covered by this solution
 - 6.48.4 Supplier changes measurement class of customer
 - 6.48.5 Distributor applies new tariff with no capacity charge
 - 6.48.6 12 months later Distributor calculates a capacity for each MPAN based on their highest recorded peak over the 12-month transition period and allocates the site to the corresponding tariff band.
 - 6.48.7 Customer can contact the Distributor to agree a different MIC as required.
- 6.49 The impact of this solution is that the process is simpler for Distributors than the DCP414 process as they do not have to contact the Customers at the end of the 12-month transition period.
- 6.50 There is no impact on the Customer, compared to the existing DCP414 solution, as their capacity will still be based on their metered data, unless they have agreed a capacity with the Distributor in the intervening time, meaning that their capacity charges will be reflective of their actual usage.
- 6.51 There is no impact on the Supplier as their process is unchanged, apart from including extra information in their communication with the Customer.
- 6.52 It was agreed within the Working Group to set the voting up in a way that allowed for a party to vote for both solutions stating which one they preferred.

7. Relevant Objectives

Assessment Against the DCUSA Objectives

- 7.1 For a DCUSA Change Proposal (CP) to be approved it must be demonstrated that it better facilitates the DCUSA Objectives.
- 7.2 It has been agreed that DPC 458 will be assessed against the DCUSA General Objectives.
- 7.3 There are five General Objectives. DCP 458 will be measured against the DCUSA General Objectives, which are set out in the table below:

	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	None
<input 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	None
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<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.	None

Solution A-Default Capacity Solution

7.4 The proposer believes Solution A introduces a solution that can be applied equally, removes the need for discussion of methods for Suppliers providing customer data and makes the Distributor's process more manageable as it allows the Distributor to apply the same capacity to all sites, rather than having to calculate one for each site, which facilitates automation, and does not require the Distributor to contact the customer and track that communication.

7.5 Under DCP414, for thousands of customers, the Distributor has to first be told of the relevant customers, spot they have migrated and change their tariff to exclude capacity charges. After a year the Distributor must assess their Maximum Demand, write to them regarding their MD trying to reach an agreed MIC. If no agreement is reached the Distributor should set the MIC to their MD and change the tariff again to include capacity charges. They must then contact the customer to advise of this.

7.6 The Working Group agreed to a vote of six out of ten that DCUSA General Objective 4 was better facilitated.

Solution B- Maximum Demand Solution

7.7 It is believed that Solution B introduces a solution that is more manageable than the existing DCP414 solution, as it does not require the DNO to contact the customers and track that communication, whilst maintaining the approved post-transition solution of capacity charges that are reflective of the customers actual usage.

7.8 The Working Group agreed to a vote of seven out of ten that DCUSA General Objective 4 was better facilitated.

7.9 It was noted by Working Group members who chose solution B but not A, that they believed that using metered data to set the capacity was a better solution and that it would mean the process for calculating capacities based on actual data would need to be run once a month, at the end of the 12 month period for each group of MPANs, with multiple MPANs calculated in one go, rather than the Distributor having to run the same report on an ad-hoc basis for each MPAN as customers contact them to update any default applied. As the capacity would already be set based on actual data it is also believed there are likely to be less queries and requests received from customers to update their capacity as the majority will have set at an appropriate level for the MPANs and will not need to be

adjusted. Which makes the process more efficient for the alternative solution. Whereas the original solution is likely to result in an increased number of queries from individual customers, due to the default not being appropriate for the majority of the MPANs, which results in less efficiency overall.

6. Impacts & Other Considerations

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

7.10 None.

Does this Change Proposal Impact Other Codes?

BSC.....	<input type="checkbox"/>	SEC.....	<input type="checkbox"/>
CUSC.....	<input type="checkbox"/>	REC.....	<input type="checkbox"/>
Grid Code.....	<input type="checkbox"/>	None.....	<input checked="" type="checkbox"/>
Distribution Code..	<input type="checkbox"/>		

7.11 As written, this change does not directly impact any other codes

7. Implementation

7.1 Extra release 2 weeks after approval.

8. Legal Text

8.1 There are two solutions proposed for DCP 458.

8.2 Please refer to Attachment 4: DCP 458 Draft Legal Text Solution A to view the legal text for solution A.

8.3 Please refer to Attachment 5: DCP 458 Draft Legal Text Solution B to view the legal text for solution B.

8.4 A summary of both legal text solutions can be found below.

Text Commentary

Solution A

8.3 The legal text for solution A applies the outcome as per the original solution suggested in the change proposal.

8.4 This solution seeks to apply a Default Capacity of 71kVA for billing all impacted customers once the 12-month protection period expires.

8.5 Paragraph 19.14 of Clause 19 updated to remove the need for the User (Supplier) to inform the Company (Distributor) of the contact details of the Customers in scope of the protection.

- 8.6 Paragraph 19.15.4 of Clause 19 updated to clarify that a Default Capacity of 71kVA will be applied post the 12-month protection period.
- 8.7 Paragraph 19.15.5 of Clause 19 updated to clarify that the Customer can use the Company's contact details to propose a different Maximum Import Capacity.
- 8.8 Paragraph 19.16 of Clause 19 deleted, removing the requirement for the Company to inform the Customer of their rights under the National terms of Connection.
- 8.9 Paragraph 182 of Schedule 16 updated to clarify that a default of 71kVA will be applied and the Premises will be allocated to LV Site Specific Band 1 for billing purposes.
- 8.10 Clauses 12.13B and 12.13C of Part 3 of Schedule 2 removed.

Solution B

- 8.11 For solution B the legal text retains the 12-month window for collecting data and then applying a capacity based on that data.
- 8.12 Paragraph 19.14 of Clause 19 updated to make it clear that Suppliers should use the exact same contact details that Distributors provide when sharing the customer information and an additional requirement added that the Supplier shall provide updated Customer contact details to the Distributor if there is any change after the initial details are provided.
- 8.13 Paragraph 19.15.5 of Clause 19 updated to clarify that the Supplier will provide an explanation to the Customer that the Distributor will charge the capacity charges based on the site's highest recorded peak over the 12-month protection period.
- 8.14 Paragraph 181 of Schedule 16 updated to clarify that the protection will only apply if the Supplier notifies the Distributor that a premises is in scope of the protection within three months of the initial migration of that premises.
- 8.15 Paragraph 182 of Schedule 16 updated to remove the requirement for the Distributor to contact the customer to agree a MIC and instead will set the capacity based on the site's highest peak import capacity during the 12-month transition period, unless and until a different MIC is agreed by the Distributor. This removes the additional 6-month period that DCP 414 set out to allow time for a customer to be contacted, and a capacity agreed.

09. Code Specific Matters

9.1 N/A

10. Recommendations

- 10.1 The Panel approved this Change Report on 12 December 2025. The Panel considered that the Working Group has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 458.
- 10.21 The Panel have recommended that this report is issued for Voting for a period **of 3 weeks (15 Working Days)** and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

Attachments

- Attachment 1: DCP 458 Voting Response Form
- Attachment 2: DCP 458 Change Proposal Form
- Attachment 3: DCP 458 Consolidated Consultation Responses,
- Attachment 4: DCP 458 Draft Legal Text Solution A
- Attachment 5: DCP 458 Draft Legal Text Solution B