

## DCP 463 Working Group - Meeting 03

19 December 2025 at 13:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Blessing Ekpe [BE]	SSE
Edda Dirks [ED]	SSE Gen
Ian Chadwick [IC]	AEN
Gus Wood [GW]	Gowlings
John Harmer [JH]	Waters Wye
Ryan Farrell [RF]	NPg
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Alex Pentecos	Eclipse Power
<b>Code Administrator</b>	
Andy Green [AG] (Chair)	ElectraLink
<b>Apologies</b>	

### 1. Administration

- 1.1 The Chair advised that the meeting would be recorded to aid the technical secretariat in producing the minutes.

The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting and agreed to the Terms of Reference.

1.2 Updates on the actions are provided in **Appendix A**.

1.3 No comments were raised regarding the minutes of the previous meeting. These were agreed as final.

## 2. Purpose of the Meeting

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2.1 The Chair explained that the purpose of this meeting was to ask questions to the legal professional in regard to the electricity act and the interpretation of what ‘maintaining a contract’ entailed as well as asking other questions on the change that had a legal position and then agree on next steps.

2.2 The Chair also advised that data had been received from all DNOs now in response to the consultation that was issued as part of this change so those numbers could be reviewed if necessary.

## 3. Discussion with legal advisor

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3.1 The Chair advised GW that the Working Group had raised questions around the interpretation of what maintaining a connection meant within the electricity act, as well as other questions in relation to deemed customers.

3.2 GW explained that whilst the areas the Working Group wanted advice on were mainly in relation to the electricity act, specifically section 16, these topics were also relevant to the national terms of connection (NTCs).

3.3 GW advised that section 16 of the electricity act imposes obligations on distribution licensees to make and maintain a connection when required by the owner or occupier of a premises.

3.4 He went to explain that there was extra text within the act detailing what's meant by making and maintaining a connection, specifically around having to provide the electrical lines and electrical plant that are required by the owner occupier.

3.5 The act also gave some detail on the ability of the distribution licensee to impose terms and conditions around connections, and GW noted that this is where the NTCs come into play.

3.6 It was noted that there wasn't anything specific around capacity within the act, however GW stated in his opinion, making and maintaining a connection as required would mean that it would also include the capacity required, so basically of the technical characteristics required by the person requiring the connection to be made, which also covered the capacity of that connection.

3.7 This meant that when a customer first makes a connection, e.g. if someone asks for a five MW connection, the distributor absolutely has to deliver a 5 MW connection and for some amount of time thereafter, it seemed clear that distributors would have to keep maintaining that connection at 5 megawatts.

3.8 GW noted that in previous discussions on this topic, the grey area was what happens where capacity isn't being used and it doesn't appear that anyone is particularly interested in retaining the capacity or if the site is going to be used in the future, a second grey area was around the process of when no

one seems to want the capacity but when there are asked to relinquish it, they refuse the request so the capacity remains in place but unused, with the distributor being limited on actions they can undertake.

- 3.9 PW stated that the connection does start with the customer stating what the maximum required power will be and that the difficult position is removing it unilaterally without the customer agreeing to this, even though the wires are still there and a connection is still in situ and being physically maintained so a supply is still in place and getting maintained.
- 3.10 It was noted that there is a general policy approach in industry that it's not efficient or helpful for people to be sitting on capacity they're not using and that it may be possible to look at strengthening the NTCs to look at taking away capacity where it's not being used.
- 3.11 It was noted that any approach and changes to the NTCs would require a decision from Ofgem with clear consultation and justification on the decisions made and rationale behind these decisions.
- 3.12 GW stated that ultimately, whilst maintaining a connection is a statutory obligation on distribution licensees, these do come with terms and conditions which have rules behind them so it is possible that something could be put in place to look at dealing with unused capacity, especially when its not being paid for due to a de-energisation.
- 3.13 GW went on to say that defining unused capacity and then having a clear process around the approach the Working Group wished to undertake to deal with the unused capacity would be essential to the Ofgem decision making process.
- 3.14 It was noted that one of the key areas the consultation and other Working Group members had raised in relation to this change was when the site is vacant and the responsible customer is unknown.
- 3.15 GW noted that whilst not knowing who is responsible at a site may lead to a different process to a site where the customer is known, the outcomes for each would need to be consistent to prevent a deviation in outcomes to both sites.
- 3.16 It was noted that the unknown customer scenario moves into the deemed contract supply terms within the electricity act where someone is taking a supply without a contract however, the issue with this change is that there is no energy flowing, as the site would be de-energised.
- 3.17 In relation to the unknown occupier scenario, it was asked if the land registry could be used to identify these customers.
- 3.18 It was noted that there are still some gaps in the land registry's details so this would not be a full proof way of establishing who is responsible for a site
- 3.19 PW highlighted that the original change proposal was raised to look at charging fixed and capacity charges to de-energised sites and upon consultation some respondents had stated that it's not an issue because these customers lose their capacity, but this contradicted the views of other respondents to the consultation as well as that of some Working Group members.

- 3.20 It was highlighted in this scenario; the heart of the matter is what does taking a supply of energy mean as if the meter isn't energised is there a supply of energy to the site? There were conflicting views on this.
- 3.21 GW did go on to state that he wouldn't be able to make a definitive call on this topic, and the Working Group would have to find a position on this and document points around any approaches justification.
- 3.22 ED stated that going back to the intent of the provisions in the electricity act, it didn't seem to want to allow a site, with no identifiable customer, to maintain the capacity for an unlimited period.
- 3.23 GW advised this was a sensible view to take as there must be some point at which if the capacity isn't being used, some action can be taken to look to remove the capacity.
- 3.24 It was noted that whilst the approach of the Working Group currently is to charge capacity, another option could be to remove the capacity after a period of time had elapsed and some sort of reasonable steps process had been followed to identify the customer and give them notice the capacity would be removed if not contact is made or acceptable reasons to maintain the capacity aren't given.
- 3.25 GW went on to reiterate that section 16 of the electricity act says that there's a statutory duty on licensed distributors to provide and maintain a connection where required by the owner or occupier.
- 3.26 JH queried if the part to focus on within the wording of the of act is 'where required' and what that entails.
- 3.27 GW said yes and, in some cases, you ask the customer if they require the capacity and they say they don't need it the outcome would be to take the capacity away. In the unknown customer scenario, there must be some point in time where it had to be acceptable for a distributor to look to remove the unused capacity, but that process would need to be developed with clear timescales and actions taken by distributors.
- 3.28 It was queried if it would be possible to have a process where the capacity is not charged for a period to allow the site to be put through some reasonable steps process to try and engage the customer and if no engagement happens, could capacity charges then be applied at the end of said reasonable steps process?
- 3.29 GW stated this may be possible but again reiterated that the process would need to be clearly defined and consulted on for Ofgem to make an informed decision.
- 3.30 ED went to highlight that the previous reasons for Ofgem rejecting a similar DCP to this change (DCP 419) were that there are provisions that allow the distributor to disconnect these sites where reasonable if a site was de-energised, and that distributors should use this process.
- 3.31 PW stated that his organisation had tried this approach and all it requires is for a customer to state they still want/need the capacity and that renders the disconnection process unusable. PW went on to note that the change proposal for this DCP does highlight this.

- 3.32 RF noted that HE didn't believe that in the de-energised site scenario, if a neighbouring site wanted to increase their capacity, or if someone wanted to build a new connection on the same part of the network, the capacity on the de energised site would not be factored into requests to increase capacity or for a new connection.
- 3.33 It was highlighted that the majority of distributors in the consultation responded by saying that any de-energised capacity **IS** factored into planning decisions so there appeared to be an inconsistent approach between distributors.
- 3.34 It was noted that there were consultation responses that supported that reserved/unused capacity had an adverse impact on neighbouring sites who wanted to increase their connection or new connectees.
- 3.35 RF noted that within the NTCs, it does say that after a period of 6 months after de-energisation has taken place, the distributor does have a right to physically disconnect the site, which would mean the customer loses the capacity.
- 3.36 It was noted that whilst this may be helpful, physical disconnections can be expensive, and these costs would likely get covered by the distributor. It was also noted that that there is nothing in place to stop a customer from re-energising the week before the 6 period has elapsed and then have the site de-energised the week after to reset the 6-month period.
- 3.37 It was also noted that this area of the NTCs don't explicitly state that a disconnection can take place so these NTCs would need to be strengthened if that approach is to be taken.
- 3.38 In conclusion to the legal advice on how to tackle unused capacity, GW stated that the electricity act does bring attention to the fact that these rights come with certain caveats and rules which allows some scope for a different approach to be taken. These approaches could include removing capacity or charging for the capacity.
- 3.39 Any approach however would need to be clearly defined, with clear timelines and process and the final decision would ultimately sit with Ofgem.
- 3.40 RF asked the Working Group what the impacts to transmission charges would be, particularly in relation to the P402 report, as it wasn't clear if this report excluded de-energised sites or just looked at what was billed.
- 3.41 RF went on to note that if this CP was approved, it could have an immediate impact on transmission charges if de-energised sites are not excluded from the P402 report.
- 3.42 It was established post meeting that de-energised sites are excluded from the P402 report due to the below criteria within this report.
- the count of Final Demand Sites on each Settlement Day reported by Charging Band, GSP Group and Registrant of each Lead Metering System (excluding de-energised Lead Metering Systems);*
- 3.43 The Working Group agreed that there was quite a lot of information to digest after this discussion and as such, before an approach was agreed upon, they would take this conversation away, consider it and then come back to the next meeting where all the approaches can be discussed.

3.44 The Working Group agreed to meet again on 16 January 2026 between 10am-1pm

## 4. Next Steps and Work Plan

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4.1 The Working Group discussed the next steps, and the following items were captured:

- Consider the legal advice given before the next meeting and consider what approaches could be undertaken.
- Review the consultation responses and factor these into the considerations for which approach to take.

## 5. Any Other Business

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

## 6. Date of Next Meeting – TBC

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6.1 The next Working Group meeting will be 16 January 2026 between 10am-1pm.

## 7. Attachments

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- N/A

## New and Open Actions

Action Ref.	Action	Owner	Update
01/04	The Secretariat to seek legal advice (and Ofgem views thereafter) once the Consultation responses have been collated and reviewed.	Secretariat	<b>Action ongoing.</b> <i>WG agreed to invite a Gowling representative to the next meeting to discuss legal questions.</i>
02/01	Working Group to consider the suggestion of implementing a process where Suppliers of long term de-energised sites are able to relinquish the “reserved” capacity to the network and for this to be incorporated in any network planning models.	Members	<b>New action.</b>
02/02	The Chair to invite a representative of Gowlings to the next Working Group meeting to discuss the following question – ‘Does the Electricity Act (Section 16-23) obligate a distributor to hold capacity as well as maintain the connection assets for De-energised sites? What are these obligations?’.	The Chair	<b>New action.</b>
02/03	The Chair to also extend the questions asked within the Gowlings invite to cover questions on deemed contracts.	The Chair	<b>New action.</b>

<b>02/04</b>	EG to seek clarity on their organisation's response to Question 13, regarding the reasoning that Charging Objective 6 is negatively impacted.	EG	<b>New action.</b>
<b>02/05</b>	The Chair to refer the questions asked in The Electricity Network Company Ltd.'s response to Question 15, to Gowlings.	The Chair	<b>New action.</b>
<b>02/06</b>	The Chair to contact the two Parties that have provided confidential responses to check whether their responses do actually need to be confidential.	The Chair	<b>New action.</b>

## Closed Actions

Action Ref.		Update	
<b>01/01</b>	The Secretariat to seek an Ofgem representative to join the DCP 463 Working Group.	Secretariat	<b>Action closed.</b> <i>Complete. But rep not in attendance so Chair will follow up after the meeting.</i>
<b>01/02</b>	The Secretariat to seek legal advice around the DNO obligation for maintaining the connection (i.e., does this include maintaining the capacity).	Secretariat	<b>Action closed.</b> <i>Duplicate of action 01/04</i>
<b>01/03</b>	The Secretariat to create a new data request table similarly to the one used within DCP 411 and include within the draft Consultation.	Secretariat	<b>Action closed.</b> <i>Complete.</i>
<b>01/05</b>	The Secretariat to circulate the draft Consultation to the Working Group for review offline by 29 October 2025.	Secretariat	<b>Action closed.</b> <i>Complete.</i>
<b>01/06</b>	The Secretariat to issue the Consultation to wider industry on 03 November 2025.	Secretariat	<b>Action closed.</b> <i>Complete.</i>