

DCP 463 Working Group - Meeting 04

16 January 2026 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Chris Ong [CO]	UKPN
Donna Jamieson [DJ]	IDCSL
Edda Dirks [ED]	SSE Gen
Ian Chadwick [IC]	AEN
John Harmer [JH]	Waters Wye
Ryan Farrell [RF]	NPg
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Alex Pentecos (AP)	Eclipse Power
Erik Baguzis	Indigo Power
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Apologies	
Ed Grimsy (EG)	BU-UK

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

- 2.1 The Chair explained that the purpose of this meeting was to reflect on the legal advice that was given during the last Working Group and to agree on an approach and next steps.

3. Discussion on Previous Legal Advice and Next Steps

- 3.1 The Chair recapped the legal advice at the last Working Group meeting was the obligation placed upon Distributors in the Energy act that they must maintain a sites connection also included maintaining a contract and that this does include maintaining the capacity as agreed within the contract.
- 3.2 The legal advice however went on to state that this shouldn't mean that the capacity is in place for a connection in perpetuity and that within the Energy Act, it did go on to state that in order to maintain a connection, the end user had terms and conditions imposed on to them and that it was not reasonable for end users to reverse capacity indefinitely, if this capacity wasn't being utilised and there was a clear indication that it wasn't needed.
- 3.3 The Chair went on to state that the outcome from the legal advice led the Working Group to 4 potential solutions to tackle the issue of unused capacity. These suggestions were
 - To directly charge the capacity charges and fixed charges to De-Energised CT sites for the reserved capacity.
 - To give customers a grace period, where no charges are incurred and after this grace period expires, allow the Distributors to charge for the capacity.
 - To give customers a grace period and after the grace period expires, and steps have been taken to contact customers, allow Distributors to reduce or remove the unused, reserved capacity.
 - Strengthen the NTCs to allow Distributors to physically disconnect (service removal) De-Energised sites after a set period of time.
- 3.4 The challenge around sites where a customer of a site was unknown was again raised and the Working Group agreed that the process for these sites, would need to follow a different process to sites where a customer was known.
- 3.5 It was also highlighted that many sites get De-Energised for unpaid debt, and that there would also need to be a carve out for these sites as without these sites having an exception, they would continue to accrue charges and debt when they had already been De-Energised for non payment.
- 3.6 It was acknowledged if a site was De-Energised for debt and they continued to add to this debt, Suppliers options to recover the charges would be very limited, as they'd already taken steps to De-Energise the site in order to stop the customer from getting into further debt.

- 3.7 Sites that were insolvent or bankrupt were also highlighted as processes where it made little sense to continue to allow these sites to increase debt.
- 3.8 It was suggested by a Working Group member that in the scenario of a bankrupt customer, most of these might want to relinquish the capacity to reduce their ongoing charges.
- 3.9 However, a counter argument to this was made that if the site was up for sale to raise funds for any creditors, the capacity associated with the site made up an important part of the sites valuation so this would mean these customers, or the administrators for these customers, would not want to relinquish any capacity as it could make it harder to sell the site.
- 3.10 IC highlighted that there used to be a fee that customers could pay to reserve capacity for a site that they were planning on developing and asked if some sort of fee to reserve the capacity could be included in any customer contact process.
- 3.11 It was again raised that the issue of the unknown customer would still exist so it wouldn't be a solution for these types of sites.
- 3.12 Another concern for this process was also how charging Duos direct to customers could set some sort of precedent that sets in relation to how DUoS could then be charged via different methods.
- 3.13 It was also noted that these sorts of charges/fees would cause issues for IDNOs too and as such, this solution was discounted by the Working Group for now.
- 3.14 It was asked if removing the meter could be a solution to removing the capacity. It was noted that the service up to the cable would still be on site, a bypass could still occur and the customers contract would still be in place, which would include the capacity.
- 3.15 This meant that removing a meter would also not be a viable solution.
- 3.16 It was queried if the route the Working Group takes is to charges customers, would this mean these sites would appear on the P402 report?
- 3.17 The reason this was raised was if these sites would start to appear on the P402 report, these sites would then be eligible for transmission charges too.
- 3.18 It was noted that the obligation for the P402 report sat with the BSC and the obligation for this is as stated below.

*12.1.1 Within 5 Working Days of receipt of the DUoS Report for the Initial Volume Allocation Run for the last Settlement Day of each calendar month, each Licensed Distribution System Operator shall provide **Billing Data** to NETSO*

"Billing Data":	<p>means:</p> <ul style="list-style-type: none"> 1. 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); and
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	the total Import on each Settlement Day to SVA Metering Systems associated with Measurement Classes “B” and “D”.
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- 3.19 The Working Group concluded that as this CP wasn’t seeking to change the statuses of these sites from De-Energised, making these sites eligible for capacity charges would not lead to them appearing on the P402 report, as their status would still be De-Energised.
- 3.20 JH raised a risk that if the approach was to remove capacity from De-Energised sites after a set period of time, would customers going through the process re-energise their sites just before the grace period elapsed and then De-Energise the site again to reset the clock?
- 3.21 This was something the Working Group believed wider views from industry would be needed and so it was agreed to draft some questions for a second consultation for this change.
- 3.22 The consultation would focus on the 4 potential solutions, removing capacity after a set period of time had elapsed, charging capacity and fixed charges directly to customers, charging for capacity after a set period of time had elapsed and removing the service if the site had been De-Energised for a set period of time.
- 3.23 The Working Group agreed to ask the below consultation questions.
- What are your thoughts on the benefits and challenges to a process whereby the Distributors charged customers the fixed and capacity charges directly for the reserved capacity?
 - What are your thoughts on the benefits and challenges to a process that provides a grace period to these customers why there are no charges, and then after an amount of time the fixed and capacity charges are applied. What should this grace be i.e. 28 days, 6 months, 12 months etc.
 - What are your thoughts on the benefits and challenges to a process that amends the national terms of connection to allow a Distributors to remove the capacity after a site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.
 - What are your thoughts on the benefits and challenges to a process that amends the national terms of connection to allow a Distributors to disconnect a site after that site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.
 - Do any of the above process allow customer an opportunity for gaming? Please provide rationale.
 - What challenges do you foresee on the above process where the occupier of a site is unknown?
 - What could the process for unknown occupiers look like?

- Should sites with unknown occupiers have a separate process to those where a customer is known. Please provide rationale.
- Do you have any other comments.

3.24 The Working Group reviewed the data that had been requested as part of the initial consultation, and it was noted that ED had provided graphs for the data. The data and charts can be found within **Attachment 1 DCP 463 Data and Charts**

3.25 The Working Group concluded that the Charts helped to present a visual representation of the issue, they also concluded that the Charts would be useful in guiding the Working Group on any grace period. It was highlighted that the graphs also show between 20%-30% of the sterilised capacity was in year 1 and year 2.

3.26 It was also noted that sites which had been De-energised in the last 2 years would likely have a better chance of suppliers and other parties knowing who the customers were than some of the sites that had been De-Energised for a number of years.

4. Next Steps and Work Plan

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

- Create a consultation to gather industry views on the different approaches discussed within the Working Group
- Agree the next meeting via poll once the consultation has been finalised and sent to industry parties.

5. Any Other Business

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

6.1 The next Working Group meeting will be agreed by poll.

7. Attachments

- 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	Action ongoing. <i>WG agreed to invite a Gowling representative to the next meeting to discuss legal questions.</i>
02/04	EG to seek clarity on their organisation's response to Question 13, regarding the reasoning that Charging Objective 6 is negatively impacted.	EG	New action.
02/05	The Chair to refer the questions asked in The Electricity Network Company Ltd.'s response to Question 15, to Gowlings.	The Chair	New action.

Closed Actions

Action Ref.			Update
01/01	The Secretariat to seek an Ofgem representative to join the DCP 463 Working Group.	Secretariat	Action closed.

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