

DCP 464 Working Group - Meeting 05

04 February 2026 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Alexander Pentecost [AP]	Eclipse
Donna Jamieson [DJa]	IDCSL
Drew Johnstone [DJo]	NPg
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Generation
Ephie Chalakateva [EC]	National Grid
Erik Baguzis [EB]	Indigo Networks
Ian Burman [IB]	Green GEN Cymru
Louise Robinson [LR]	ESP
Mallory Hogan [MH]	Eclipse
Martin Brace [MB]	UKPN
Nik Wills [NW]	Stark
Ollie Easterbrook [OE]	National Grid
Owen Black [OB]	SPEN
Rob Gladstone [RG]	SSEN Distribution
Tracey Taylor [TT]	SPENW
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Apologies	
Amanda McFarlane [AMF]	Aurora

Tom Cadge [TC]

BU-UK

1. Administration

Recording

- 1.1 The Chair noted that the meeting is being recorded. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting.

Apologies

- 1.2 The Chair noted received apologies. These can be found in the attendees list above.

Competition Law Guidance and Terms of Reference

- 1.3 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

Previous Minutes

- 1.4 The Chair invited the Working Group to review the previous meeting minutes – no further feedback was received, and the minutes were approved.

Open Actions

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

2. Purpose of the Meeting

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

3. Review and Discuss Collated Consultation Responses

- 3.1 The Chair presented the collated Consultation responses live on screen for the Working Group to review and discuss – this can be found as **Attachment 1**.
- 3.2 The key updates can be found below:
- 3.3 **Q1**
- 3.4 The Chair confirmed that there were 16 respondents to the Consultation. Out of the 16 respondents, all but one respondent stated that they understood the intent of this change.
- 3.5 One respondent requested further clarity around the intent, particularly as to whether this change relates to new LDNO connections, or existing connections-only. ED suggested adding this clarity that it relates to existing connections-only into the legal text section of the document as this is clearly stated at the beginning of the proposal.

- 3.6 After further discussion, the Chair suggested the Working Group land on an approach initially, and then any amendments that may be needed to the draft legal text can be made when appropriate.
- 3.7 **Q2**
- 3.8 The Chair informed the group that the majority (15) of respondents were supportive of the principles of this CP.
- 3.9 Respondents noted their support for improving clarity and consistency, along with keenness to have shared asset as a defined term.
- 3.10 One respondent stated that their support was dependent on their queries relating to question 1 in regard to the intent of the CP. The respondent stated that until the scope has been clarified, the support will not be provided at this current time.
- 3.11 **Q3**
- 3.12 The Chair informed the group that in terms of any other potential solutions that are on offer that have not yet been referenced, one respondent suggested that where there is more than one connection connecting to the same section of the existing Distribution System and each such connection is connected to the same LDNO licence should be added.
- 3.13 ED queried whether the diagram related to the above scenario has been updated – OE confirmed this has not yet been completed, but it will be the same as example 5, it is just whether the approach to how those costs is funded would need to be changed (the diagram would stay the same). TT suggested that the definition of shared asset may be beneficial for this scenario.
- 3.14 Another respondent stated that although not an alternate solution, they noted that there is a fundamental principle that had been overlooked. The respondent stated that the IDNO will benefit where its costs are lower and not when the opposite is true if a cost recovery via this proxy approach is no longer fit for purpose.
- 3.15 The IGNO is therefore able to recover its costs on the basis it is recovering costs that it is not incurred. The IGNO will benefit where its costs are lower and not when the opposite is true if a cost recovery via this proxy approach is no longer fit for purpose. They suggested that Ofgem should carry out a fundamental review of how IDNOs are regulated to endure that arrangements are fit for purpose.
- 3.16 EG stated that discounts are set to ensure that the costs which are attributable to the network operator are recovered by that same upstream network operator. Although DNO price increases lead to IDNO price increase on 'all the way' tariffs, it does not necessarily mean that IDNOs recover the costs that it does not incur.
- 3.17 EG also stated that DNOs have an obligation under competition law that the prices which it sets for essential services, such as DUoS charges, must be fair, appropriate and non-discriminatory. The obligation is on the DNO, not on Ofgem. EG agreed to take an action to communicate these points directly to Working Group members to consider offline.

ACTION 05/01: EG to communicate the points to consider in relation to NPg's Consultation response to Q3, to Working Group members to consider offline.

- 3.18 Another respondent suggested option 1 could be extended by adding ECCR-style second-comer provision in cases where what was initially an extension asset, later become a shared-use asset. They also suggested that a second potential solution would be to consider whether the upgrade is potentially sharable in the future, for example, under the new tRESP (Transitional Regional Energy Strategic Plan) and RESP (Regional Energy Strategic Plan) frameworks.
- 3.19 TT suggested that if it was treated as extension assets, then it would potentially fall under the ECCR anyway. EB agreed and stated that they would apply if it was classed as extension assets. The Working Group agreed to revisit this.

ACTION 05/02: The Working Group to revisit adding an ECCR-style second-comer provision as an alternate proposed solution.

- 3.20 Q4
- 3.21 In terms of preferred option, the Chair informed the group that the majority of respondents preferred option 2 (treating upstream assets as shared use when an IDNO has multiple end users). Some respondents supported option 1 for consistency with definitions and Transmission Distribution boundary principles.
- 3.22 The Working Group noted that there appears to be an error within the example 3 diagram, whereby it is currently labelled as extension assets, but should be labelled as shared use.
- 3.23 One respondent noted that safeguards should be implemented in parallel with any outcome of this CP and this should be considered by the Working Group. This was noted.
- 3.24 Following the review of the respondents' feedback to each of the preferred/not preferred options, the Chair agreed to take an action to develop a matrix that shows how many respondents preferred each option and then gather a pros and cons list for each of the options.

ACTION 05/03: The Secretariat to develop a matrix showing how many respondents preferred each option and a list of pros and cons for each of the options.

- 3.25 Q5
- 3.26 In regard to wider impacts, the Chair informed the group that the majority of respondents were not aware of any wider industry impacts of this CP.
- 3.27 One respondent stated that they believe the impact on DUoS would be minimal and offset from efficiency gains in the process.
- 3.28 Another respondent stated that DNO/ATW/LDNO tariffs are not designed to absorb project-specific reinforcement at an individual embedded network, particularly given smaller Customer base. Pushing such costs onto IDNO Customers would breach cost-reflectivity and risk cross-subsidy.

- 3.29 A third respondent said that option 2 would increase DUoS across the distribution connection portfolio. By treating the assets as extension and therefore paid for in full by the LDNO, costs will not be socialised through DUoS.
- 3.30 Another respondent stated that the DUoS increase for the wider charging base has not been assessed or quantified and this should be considered.
- 3.31 ED suggested that if option 2 was approved and went forward, this could trigger behavioural change in some IDNOs and more reinforcement requests will come forward compared to what would have been without this change. ED suggested that change in behaviour should be included within the Impact Assessment.
- 3.32 **Q6**
- 3.33 The Chair informed the group that the majority of respondents believe that 'shared asset' should be a defined term within the DCUSA.
- 3.34 MB queried whether the term 'general load growth' should also be a defined term within the DCUSA. The Chair suggested this could potentially be added to the Glossary of Terms.
- 3.35 AP mentioned that the DCUSA states 'provide justification', however, there does not seem to be any guidance about what that justification would need to entail. AP continued to suggest that if this is being considered as a definition, it may be beneficial to include some wording around what would count as 'justification'.
- 3.36 Members supported both of the above suggestions.
- 3.37 One respondent stated that they do not believe that the term 'shared asset' should be a defined term as the definition for 'Reinforcement' within Schedule 22 of DCUSA describes what a 'shared asset' is.
- 3.38 Another respondent stated that they do not believe that the term 'shared asset' requires a formal definition within the DCUSA. They stated that the term 'shared' is already explicit in its ordinary meaning, referring simply to 'assets used by two or more Customers. Introducing an additional formal definition risk adding unnecessary complexity without delivering any additional clarity or practical benefit.
- 3.39 MB queried whether the original question around whether the term 'shared asset' should be defined, should have in fact been 'shared use' – the Chair suggested this can always be consulted on again if needed.
- 3.40 OE queried whether 'sole use' needs to be explained if 'shared use' is defined.
- 3.41 **Q7**
- 3.42 The Chair informed the group that IDNOs were asked many times they have been charged for upgrades when they have been determined to be extension assets.

3.43 The Working Group noted that few historic cases reported, and future frequency may rise irrespective of historic patterns.

3.44 **Q8**

3.45 In relation to only impacting DNOS/IDNOs, the majority of the respondents stated that they do not believe this change would have any wider impacts on other parties.

3.46 One respondent stated that although this change primarily impacts DNOs and IDNOS, it potentially disputes between DNOs and LDNOs.

3.47 After further discussion, members noted that a number of respondents believe this change may impact end Customers, developers, and potentially private networks (as well as DNOs and IDNOs).

3.48 **Q9**

3.49 In relation to any other comments around the draft legal text, the Chair informed the group that a number of respondents had provided feedback around 'options 2a and 2b' (as opposed the draft legal text itself. The group confirmed that there is no 2a or 2b option, only option 1 and option 2, and queried where this has come from, as more than one respondent has referred to these options incorrectly.

3.50 Members suggested this may have come from the two variations of legal text, and this may have been picked up from this (as there was originally option 1a/b and option 2a/b). Both respondents that referred to option 2b confirmed that they mean option 2 during the call. There was a third respondent who also referred to option 2b who was not present on the call, and the Working Group went on the assumption that this was also meant to refer to option 2 for now, but the Secretariat will follow-up with them to confirm this.

ACTION 05/04: The Secretariat to follow-up with Last Mile to confirm that the meant to refer to option 2 when referencing option 2a.

3.51 After reviewing the responses regarding the draft legal text, the Working Group noted that the common themes mentioned were the inconsistencies between IDNO/LDNO terminology, ambiguity within the option 2 wording, the need for explicit 'existing' scope and there was a suggestion to use MPAN/metering points.

3.52 **Q10**

3.53 In regard to the DCUSA Charging Objectives, the Chair informed the group that the majority of respondents agreed that both DCUSA Charging Objectives 2 and 6 will be improved if option 2 is progressed. There were mixed reviews in regard to Objective 3.

3.54 Following the review of the responses, the Working Group suggested it would be beneficial to include a separate evaluation table for each option (option 1/2) due to the different outcomes.

3.55 The Working Group agreed to continue to review the collated Consultation responses during the next meeting and agree next steps.

4. Any Other Business

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

5. Date of Next Meeting – 17 February 2026

- 5.1 The next Working Group meeting is scheduled for 17 February 2026 at 1pm via Microsoft Teams.

6. Attachments

- Attachment 1_DCP 464 Collated Consultation Responses - WG Comments
- Attachment 2_DCP 464 Work Plan

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
01/03	The Secretariat to seek legal advice around how the additional wording should be added to paragraph 1.17 within Schedule 22.	Secretariat	Ongoing. <i>This will be completed in due course.</i>
01/05	RG/TC to provide previously presented materials (i.e., with Ofgem and COG) relating to discussions around this CP, to the next Working Group meeting for review, to aid the development of the Consultation.	RG / TC	Ongoing. <i>Materials are still being sought after.</i>
04/03	RG to complete the Glossary of Terms for the Working Group to review.	RG	Ongoing.
05/01	EG to communicate the points to consider in relation to NPg's Consultation response to Q3, to Working Group members to consider offline.	EG	New Action.
05/02	The Working Group to revisit adding an ECCR-style second-comer provision as an alternate proposed solution.	Working Group	New Action.
05/03	The Secretariat to develop a matrix showing how many respondents preferred each option and a list of pros and cons for each of the options.	Secretariat	New Action.
05/04	The Secretariat to follow-up with Last Mile to confirm that the meant to refer to option 2 when referencing option 2a.	Secretariat	New Action.

Closed Actions

Action Ref.			Update
04/01	The Secretariat to ensure all references to 'Distribution' within the Consultation document are capitalised.	Secretariat	Closed.
04/02	TC to update paragraph 7.8 into two paragraphs which explains the impacts of each option and outline who would be paying for the upgrade work.	TC	Closed.
04/04	The Secretariat to circulate the draft Consultation to the Working Group for a final review offline.	Secretariat	Closed.
04/05	The Secretariat to issue the final version of the Consultation to wider industry for feedback.	Secretariat	Closed.
04/06	The Secretariat to issue a doodle poll for the next Working Group meeting.	Secretariat	Closed.