




DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 461B</h1> <h2>Reducing the impact of Transmission Distribution Charges - The risk of a variable and unsustainable financial burden on Individual Customers</h2> <p><b>Date Raised:</b> 19/01/2026</p> <p><b>Proposer Name:</b> Ben Godfrey</p> <p><b>Company Name:</b> National Grid Electricity Distribution</p> <p><b>Party Category:</b> DNO</p>	01 – Change Proposal	
	02 – Consultation	
	03 – Change Report	
	04 – Change Declaration	
<h3>Purpose of Change Proposal</h3> <p>That distribution connecting customers have a consistent charging outcome irrespective of the number of connecting customers subject to transmission reinforcement costs.</p>		
	<h3>Governance</h3> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> <li>treated as a Part 1 Matter;</li> <li>treated as a Standard Change; and</li> <li>progressed to the Working Group phase (to continue development within the existing DCP 461 Working Group).</li> </ul> <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<h3>Impacted Parties</h3> <p>[Suppliers/DNOs/IDNOs/CVA Registrants/Gas Suppliers/OTSO Party]</p>	
	<h3>Impacted Clauses</h3> <p>Schedule 22</p>	

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Indicative Timeline		
<b>The Secretariat recommends the following timetable:</b>		
Initial Assessment Report	18 February 2026	
Consultation Issued to Industry Participants	February 2026	
Change Report Approved by Panel	15 April 2026	
Change Report issued for Voting	16 April 2026	
Party Voting Closes	11 May 2026	
Change Declaration Issued	13 May 2026	



Any questions?

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## 1 Summary

### What?

- 1.1 Section 14 (Charging Methodologies) of the CUSC sets out how transmission system costs are recovered. In simple terms cost-recovery varies depending on whether the assets are 'connection assets' or 'infrastructure assets':
  - 1.1.1 Connection assets are recovered via connection charges to a single user in accordance with the CUSC. A DNO is seen as a single user even if there are multiple embedded customers connected to that DNO's connection to the transmission network) and relate to assets solely required to connect that user to the transmission system; and
  - 1.1.2 Infrastructure assets are recovered via TNUoS charges and relate to assets shared by multiple transmission connected users.
- 1.2 The treatment of how DNOs deal with these costs needs to be changed.
- 1.3 Where DNOs pass these costs through to the customer the charging methodology is inconsistent and can leave individual or a small number of customers covering funding the reinforcement.

### Why?

- 1.4 The pass through of the reinforcement costs and charging methodology is not currently defined in DCUSA.
- 1.5 This change is to remove this anomaly and provide more consistent charging outcomes.

### How?

- 1.6 The legal text relating to the pass through of NESO charges would be changed so that NESO charges for connection assets would be passed through to the connecting distribution customer consistently. This might include drafting to set out exceptions.

## 2 Governance

### Justification for Part 1 or Part 2 Matter

- 2.1 This CP is likely to impact competition in distribution and transmission of electricity and will impact on:
  - 2.1.1 the charges end users face when requesting a new connection, for example those seeking to connect low-carbon generation or large-scale demand; and
  - 2.1.2 the DUoS charges that the generality of consumers pay.

### Requested Next Steps

- 2.2 This Change Proposal should:
  - be treated as a Part 1 Matter;

- be treated as a Standard Change; and
- proceed to the Working Group phase (to continue development within the existing DCP 461 Working Group).

2.3 This change proposal identifies one of the issues identified in DCP 461 and provides solutions for it. It is associated with two other related Changed Proposals, which are mutually exclusive but are being consulted concurrently to aid stakeholders.

### 3 Why Change?

- 3.1 The existing arrangements can result in customers experiencing uncertainty associated with the pass through of transmission reinforcement costs. Often DNOs will share transmission reinforcement costs between multiple customers connecting at the same Grid Supply Point (GSP).
- 3.2 Where a customer no longer progresses with their connection project, the proportion of the reinforcement costs they were liable for are then split between the remaining customers.
- 3.3 This results in a small number of or individual customers funding the entire reinforcement costs. This is disproportionate and can render previously viable projects unviable.
- 3.4 A clear methodology that prevents customers being faced with additional and unexpected reinforcement costs would ensure that charging is fair.

### 4 Solution and Legal Text

#### Legal Text

- 4.1 This proposal will set out the options to be taken forward that resolve the defect associated with individual distribution customers needing to fully fund transmission reinforcement.
- 4.2 The DCP 461 Working Group, following the review of the consultation responses, has developed draft legal text for each of the options it agreed to progress for the issue relevant to this CP. The draft legal text is attached to this Change Proposal form as attachment 1.

### 5 Code Specific Matters

#### Reference Documents

- 5.1 Not applicable.

## 6 Relevant Objectives

	DCUSA Charging Objectives	Identified impact
<input checked="" type="checkbox"/>	1. That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence	Positive
<input checked="" type="checkbox"/>	2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)	Positive
<input checked="" type="checkbox"/>	3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	Positive
<input checked="" type="checkbox"/>	4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	Positive
<input type="checkbox"/>	5. That compliance by each DNO Party with the Charging Methodologies facilitates 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; and	None
<input checked="" type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	Positive

- 6.1 The proposer believes that DCUSA Charging Objectives 1, 2, 3, 4 and 6 will be better facilitated by improving consistency in charging between different regions and reducing the risk of a variable and unsustainable financial burden on Individual Customers. This would ensure consumers experiences are consistent regardless of the location of the connection and ensuring no specific region is more attractive than another for a connection of the same type. Charging experienced by customer will be more proportionate.

## 7 Impacts & Other Considerations

### Consumer impacts

- 7.1 It is anticipated that the connection costs for in scope consumers will be reduced, however depending on the solution taken forwards this may result in costs being socialised across other consumers.

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

- 7.2 Consideration may be needed for potential DUoS SCR impacts.

## Impacts on other Codes

7.3 Insert text here.

Grid Code..... ☐ SEC..... ☐ CUSC..... ☐  
 Distribution Code... ☐ REC..... ☐ BSC..... ☐  
 None..... ☒

## Environmental Impacts

7.4 In accordance with DCUSA Clause 10.4.5A, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented and that assessment is set out below.

## Are there any wider industry impacts?

7.5 It is not believed that this CP impacts upon wider industry.

## 8 Implementation

### Proposed Implementation Date

8.1 It is proposed to implement this in the DCUSA to take effect from 1 April 2028.

## 9 Recommendations

*The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.*