

DCP 466 Working Group - Meeting 04

20 February 2026 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Lam [AL]	National Grid
Alex Riley [AR]	Tarmac
Chris Ong [CO]	UKPN
Dan Briggs [DB]	Amber
David Fewings [DF]	SE First
Donna Jamieson [DJ]	Idcsl
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Erik Baguzis [EB]	Indigo
Hakan Feridun [HF]	Energunite
James Jones [JJ]	SSE
John Harmer [JH]	Waters Wye
Joshua Robinson [JR]	NFU Energy
Kavya Kavya [KK]	Brook Green Supply
Lee Stone [LS]	EON
Louise Robinson [LR]	ESP
Natasha Perry [NP]	BU-UK
Neil Shah [NS]	Switch Business
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Ryan Farrell [RF]	NPg

Steve Harris [SH]	MAID
Tony Collings [TC]	Ecotricity
Victoria Burkett [VB]	EON Next
Code Administrator	
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink
Apologies	
Seun Adedapo [SA]	National Grid

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 and Open Actions

- 1.4 The Chair shared the minutes of the previous meeting and there were no further comments/feedback. These minutes were approved.
- 1.5 The Chair provided the updates on the current open actions; these can be found within the Appendix.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting was to review the collated Consultation responses and agree next steps.

3. Review of Collated Consultation Responses

- 3.1 The Chair presented the draft Consultation 2 document live on screen for the Working Group to review and discuss.
- 3.2 The key updated can be found below:

3.3 **Q1**

3.4 The Chair informed the group that all respondents (16) understand the intent of this CP.

3.5 **Q2**

3.6 The Chair informed the group that the majority of respondents are supportive of the principles of this CP.

3.7 One respondent raised concerns around the timing of the change – PW stated that this change will not come in prior to the April banding, so it will need to be done by then.

3.8 One respondent stated that they support the action to address feedback from Customers, however, they do not support the proposed solution due to the defects of TCR bands. They suggested moving the residual recovery into capacity charge as this would allow Customers to have greater control over their residual costs whilst minimising unintended consequences.

3.9 Members discussed this and agreed that this should be further discussed, however, it was mentioned that if this was to go ahead, it would most likely not be accepted as there would need to be further changes to other policies. It was also mentioned that this would have a huge impact on CUSC and transmission charges. PW stated that this is not within the scope of this change.

3.10 The Working Group noted that one respondent stated this CP adds commercial risk for independent network operators and will have negative impact on inevitability of new assets – it was agreed for the Secretariat to reach out to this respondent to seek further clarity around their response.

ACTION 04/01: The Secretariat to reach out to Last Mile to seek further clarity around their response to Q2 of the Consultation.

3.11 One respondent raised a concern around lowering usage to drop into a lower-costing charging band without a genuine change in site use. They also mentioned that the implementation may too long. The Working Group discussed this and considered whether the 50% threshold can be reduced as opposed to removing completely, and whether 5 years is too long to wait for another review to be held. Working Group members agreed to further discuss/review the threshold level when progressing this CP.

3.12 ED suggested it may be worth developing an alternate solution for Ofgem to consider. The Working Group noted that if members agree with the proposers view of the solution of this change, only the original proposed solution will be progressed; if not, an alternate solution could be drafted.

3.13 A respondent stated that there should be further justification as to why the changes are needed for HH (half-hourly) and NHH (non-half-hourly) Customers. To clarify, the respondent is not asking for the changes to be made for NHH, however, there needs to be justification for the removal of threshold for HH Customers.

3.14 The Working Group discussed the above and agreed to ensure this justification is included within the Change Report.

ACTION 04/02: The Secretariat / Working Group to include justification for NHH vs HH Customers for the removal of the threshold within the Change Report.

3.15 **Q3**

3.16 The Chair informed the group that the DNO respondents stated there is currently confusion and lack of clarity in regard to band charging, which the Working Group noted as aiding the justification for a change.

3.17 Respondents also noted that Customers do not fully understand the rules of capacity.

3.18 **Q4**

3.19 The Chair informed the group that all DNO respondents stated that when dealing with exceptional circumstances, they follow the process in line with Schedule 32 and the Customer would apply for this.

3.20 ED queried whether this question should have been asked within the Consultation as DCUSA Parties are expected to follow the rules. Members noted this question was asked initially to seek whether DNOs go above and beyond to contact the Customer.

3.21 HF queried the value of the letter, with LS confirming this is not a requirement of Schedule 32. Members discussed whether there may be no rationale to produce a letter and agreed to further consider this.

3.22 AR queried what the quantum risk if the rules change as there may be those that could not move if the 50% threshold is still in place.

3.23 It was noted that the size of residual is a concern within this CP.

3.24 **Q5**

3.25 The Working Group agreed to revisit this question and relative responses.

3.26 **Q6**

3.27 In terms of how this change to the TCR bands in April interact with this change, the Chair informed the group that there were mixed views.

3.28 One respondent suggested deferring the implementation to April 2027. Other respondents also noted that there may be AAR (Annual Allocation review) interactions; movements tend to be on NHH as their consumption is unknown. The removal of AAR was suggested but noted that this will still be needed for NHH.

3.29 The Working Group agreed that collecting TNUoS residual from distribution Customers should be assessed, and a CUSC change should be raised to align the practices for the two network levels.

3.30 The Working Group noted the concerns around the implantation date and agreed that there needs to be a rationale for when this CP needs to be implemented, within the Change Report. HF noted that it may be better to not rush this change in order for it to get accepted.

3.31 **Q7**

- 3.32 In regard to what impacts the change would have on resources at the point of implementation and thereafter, respondents suggested that clear and timely communications will be important for ensuring alignment across all parties.
- 3.33 It was also suggested that Capacity and information should be provided before the billing period commences and suppliers should be notified prior to billing. The Working Group discussed this and agreed that it would be beneficial to tie in communications with band changes with timing of implementation.
- 3.34 LS agreed to take an action to draft some wording to reflect how the current communication process works (in relation to LLFC) to be included within the Change Report.

ACTION 04/03: LS to draft some wording to reflect how the current communication process works (in relation to LLFC) to be included within the Change Report.

- 3.35 JJ stated that they would need to look at all MPANs to check the correct bandings with the April changes and this CP and stated that they would not look to introduce another level of communications that are currently being issued.
- 3.36 The Chair informed the group that most respondents expect low impact on resources.
- 3.37 **Q8**
- 3.38 In regard to what the impacts would be on Suppliers existing and future Customer contracts, and whether this is acceptable, the Chair informed the group that respondents stated the need to understand the frequency of the capacity changes (currently limited to once per year).
- 3.39 One respondent stated that this CP may introduce unnecessary complexity and risk and should defer implementation to April 2027. Another respondent stated that Customers may be under or over charged for a period of time. The Working Group discussed this and agreed they may need to review charges to accommodate the potential risks of this change.
- 3.40 HF stated that clarification is needed that is based on the implementation date and the frequency of changes needs to be outlined and noted that this is currently within the Connection of Terms agreement. The Working Group agreed that this clarification needs to be added to the Change Report.

ACTION 04/04: The Secretariat / Working Group to add clarification around the implementation date and frequency of changes within the Change Report.

3.41 **Q9**

- 3.42 The Chair informed the group that the majority of respondents agree with the proposed solution of removing the exceptional circumstances rule.
- 3.43 RF stated that there many me a lot of Customers moving when the change comes in who are sat on the band threshold – due to this, it may need to be considered whether the threshold for the banding may need reviewing in the future.

- 3.44 The Chair stated that volatility risks were mentioned, and one respondent mentioned that the removal of exceptional circumstances will not remove the risk of gaming and/or changing bands to avoid charges. RF noted that this risk is partially mitigated in other processes. It was noted that there will be more transparency when looking at the data from an Impact Assessment.
- 3.45 HF reiterated that every Supplier responded with answers that stated this CP will benefit them as well.
- 3.46 One respondent asked whether this CP should include a provision for network operators to request a derogation enabling in-year tariff changes. They also stated that if the exceptional circumstances are not removed for NHH Customers, it would create an imbalance between Customers. Members agreed that this could be included within the Change Report, however, it will still need to be applied for.
- 3.47 **Q10**
- 3.48 The Chair informed the group that the respondents who are supportive of this CP have stated that they believe this proposal better facilitates the DCUSA Charging Objectives, and those who have not shown support do not.
- 3.49 The Chair suggested that it may be more appropriate to revisit these responses once the solution has been further refined. The Working Group acknowledged the responses and agreed with this approach.

ACTION 04/05: The Working Group to revisit the Consultation responses to Q10 once the solution has been further refined.

- 3.50 **Q11**
- 3.51 The Chair informed the group that although the majority of respondents were not aware of any wider industry impacts, the below potential interactions were mentioned:
- DUoS SCR, MHSS, TNUoS Charging Reform (following REMA decision)
 - Ofgem/DESNZ/DfT have made reference to a Q3 2026 review of EVCP charging structures (details currently unknown)
 - Ofgem's system cost recovery review
- 3.52 One respondent noted that Ofgem's system cost recovery review seems relevant in the context of this CP. The Chair took an action to seek further information around this.

ACTION 04/06: The Secretariat to seek further information around Ofgem's system cost recovery review.

- 3.53 **Q12**
- 3.54 The Working Group agreed to revisit this question and relative responses.

3.55 The Working Group agreed that the implementation date needs to be revisited and further discussed.

3.56 **Q13**

3.57 In regard to comments on the draft legal text, the Working Group agreed that it should be considered whether then legal text should include cost allocation review as this could distort Customer behaviour and competition.

3.58 It was also agreed that full narrative should be drafted and included within the Change Report that sets out the full proposed legal text changes. It was noted that this should specify when the DUoS tariff update must be issued.

ACTION 04/07: The Secretariat / Working Group to include draft a narrative that sets out the full proposed legal text changes.

3.59 The responses were acknowledged by the Working Group.

4. Agreed Next Steps

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

- The Secretariat to schedule in the next Working Group meeting for 06 March 2026.

4.2 The Secretariat captured the below points that need to be further discussed in relation to refining the proposed solution:

How the change is implemented
Communications and timings of billing
Defects with the TCR banding
Suggestion of moving residual recovery into the capacity charge
Concern around lowering usage to drop into a lower-costing charging band without a genuine change in site use
Implementation may too long. Threshold review – Potential alternate solution
Justification for half-hourly vs. non-half-hourly
Considerations around potential gaming
Interactions with the April 2026 TCR band updates – misaligned billing and customer confusion
Collecting TNUoS residual from distribution Customers should be assessed
Rationale for when it will be implemented
Tie in communications with band changes with timing of implementation
Request for Impact Assessment of this CP
Suggestion to delay implementation to April 2027
Clarification is need around the frequency of capacity changed in relation to the implementation date
Periodic threshold reviews need to be considered
Clarity around derogations within the CR
Revisit Q10 (objectives) once the solution has been further refined
Explore link with Ofgem's system cost recovery review
Revisit Q12 for separate conversations

Consider whether legal text should include initial cost allocation review

Full narrative that sets out the full proposed legal text changes

Specify when the DUoS tariff update must be issued.

- 4.3 The Secretariat also agreed to circulate Ofgem’s consideration points around this change to the Working Group post-meeting.

ACTION 04/08: The Secretariat to circulate Ofgem’s consideration points around this change to the Working Group post-meeting.

5. Any Other Business

- 5.1 The Chair asked the group whether there were any other items of business to discuss.

5.2 Confidentiality/Anonymity

- 5.3 The Working Group requested further clarification around confidentiality and anonymity, as there are a number of respondents to this Consultation that have been marked as confidential.

- 5.4 The Chair confirmed that if a response is marked as confidential, their company and response will be available for the Working Group to view and discuss, however, this will be redacted from the version published on the DCUSA website. If a response is marked as anonymous, their response will be available for the Working Group to view and discuss, but their company name will be redacted.

- 5.5 PW queried whether confidential responses can be referenced within the Change Report – VB noted that if the confidential responses cannot be referenced within the Change Report, this may result in losing valid discussions that have been had on the change.

- 5.6 Following these discussions, the Chair agreed to take an action to seek further clarity around this, as it may be a case that the Working Group can reference information within the Change Report that is not identifiable. The Chair also agreed to follow-up with the respondents who requested confidentiality to seek whether their responses can be used to aid discussions within the Change Report (that is not identifiable).

ACTION 04/09: The Secretariat to seek further clarity around including unidentifiable references to confidential Consultation responses within the Change Report to reflect discussions held.

ACTION 04/10: The Secretariat to follow-up with the respondents who requested confidentiality to seek whether their unidentifiable responses can be used to aid discussions within the Change Report.

- 5.7 There were no other items raised.

6. Date of Next Meeting – 06 March 2026

- 6.1 The next Working Group meeting will be held on 06 March 2026 at 10am.

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
02/03	The Secretariat to complete analysis on TNUoS under recovery post-Consultation.	Secretariat	Ongoing.
04/01	The Secretariat to reach out to Last Mile to seek further clarity around their response to Q2 of the Consultation.	Secretariat	New Action.
04/02	The Secretariat / Working Group to include justification for NHH vs HH Customers for the removal of the threshold within the Change Report.	Secretariat / Working Group	New Action.
04/03	LS to draft some wording to reflect how the current communication process works (in relation to LLFC) to be included within the Change Report.	Lee Stone	New Action.
04/04	The Secretariat / Working Group to add clarification around the implementation date and frequency of changes within the Change Report.	Secretariat / Working Group	New Action.
04/05	The Working Group to revisit the Consultation responses to Q10 once the solution has been further refined.	Secretariat / Working Group	New Action.
04/06	The Secretariat to seek further information around Ofgem's system cost recovery review.	Secretariat	New Action.
04/07	The Secretariat / Working Group to include draft a narrative that sets out the full proposed legal text changes.	Secretariat / Working Group	New Action.
04/08	The Secretariat to circulate Ofgem's consideration points around this change to the Working Group post-meeting.	Secretariat	New Action.

04/09	The Secretariat to seek further clarity around including unidentifiable references to confidential Consultation responses within the Change Report to reflect discussions held.	Secretariat	New Action.
04/10	The Secretariat to follow-up with the respondents who requested confidentiality to seek whether their unidentifiable responses can be used to aid discussions within the Change Report.	Secretariat	New Action.

Closed Actions

Action Ref.			Update