

DCP 469 Working Group - Meeting 01

11 February 2026 at 10:00 - Web-Conference

| Attendee | Company |
|---|--------------------------------------|
| Working Group Members | |
| Ben Mulcahy [BM] | Joint Office of GTs (Gas Governance) |
| Chris Barker [CB] | SP ENW |
| Chris Ong [CO] | UKPN |
| Christos Papaevangelou [CP] | National Grid |
| Dave Wornell [DW] | National Grid |
| Ed Grimsey [EG] | BU-UK |
| Edda Dirks [ED] | SSE Gen |
| Emma Clark [EC] | SSE |
| Ian Burman [IB] | Green Gen Cymru |
| John Harmer [JH] | Waters Wye |
| Natasha Perry [NP] | BU-UK |
| Niall Coyle [NC] | NESO |
| Peter Waymont [PW] | UKPN |
| Ryan Farell [RF] | NPg |
| Tony Collings [TC] | Ecotricity |
| Code Administrator | |
| Mel Kendal [MK] (Technical Secretariat) | ElectraLink |
| Richard Colwill [RC] (Chair) | ElectraLink |
| Apologies | |
| Lorna Murray [LM] | SPEN |

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.

Actions

- 1.4 The Chair confirmed that all actions captured within this meeting will be recorded within the action log; this can be found in the Appendix.

2. Purpose of the Meeting

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

3. Overview of DCP 469 Change Proposal

- 3.1 The Chair noted that Ofgem's decision on [DCP437 'To shorten the DUoS Pricing Notice Periods'](#) stated that any future review of charging notice periods should be conducted on a cross-code basis, rather than within DCUSA alone. The Chair emphasised that cross-code does *not* automatically imply standardisation or alignment of notice periods across DUoS, TNUoS, and gas arrangements but instead for a holistic review, understanding the rationale behind each code's existing notice period, determining whether difference are justified or whether there are opportunities to align.
- 3.2 The Chair invited the proposer [CO] to provide an overview of the DCP 469 Change Proposal to the Working Group.
- 3.3 Due to recent experiences over the past few years, the Proposer believes that providing 15 months' notice can risk delivering undesirable customer outcomes as it creates significant volatility rather than providing stability and moving to a shorter period of notice for all arrangements would in fact provide greater certainty. This would not only be for the company setting the charges, but also Suppliers as they would know that from a defined point in time all charges for the Transportation and Distribution of Electricity and Gas will be finalised, rather than all charges being confirmed over a number of months.
- 3.4 The Proposer has looked at a number of options based upon the publication of DUoS charges and are aware that we would require input from those closer to the other arrangements to understand how they would be impacted.
- 3.5 The most appropriate from a DUoS perspective would be publishing the charges two months before they take effect, this would ensure that the Price Control Financial Model (PCFM) is available and

finalised and also where the Allowed Revenue changes following the start of a new Price Control, this would be finalised and as a result charges are set based upon actual data rather than values which are largely unknown. However, the Proposer is aware that LDNOs need to publish their charges based upon what the DNO has issued, which would likely result in them not being able to publish charges until just one month before they take effect.

- 3.6 Another consideration was to look at publishing indicative charges which are then followed by final charges, which would provide Suppliers with an indication of future charges but would still allow the DNO to update based upon the latest available data, this is an approach currently taken with Gas.
- 3.7 Having considered all the options the Proposer believes that providing indicative charges nine months (end of June) prior to them taking effect the following April would allow these charges to be set based upon the latest available data, but by not being finalised providing sufficient ability to update information if and when it changes. This would also provide a generally greater notice period for Suppliers compared to most existing charging arrangements. This would then be followed by final charges, which would be able to utilise the latest available data from the PCFM, and updates to inflation, whilst also reflecting the finalised Allowed Revenue following a price control to no later than 60 calendar days before (end of January) taking effect. LDNOs would then be required to publish their indicative charges at eight months (end of July) and final charges at no later than 40 days before they take effect (around the 19 February).

4. Review and Discussion of the Change Proposal

- 4.1 The Chair invited the Working Group to both review and discuss the DCP 469 Change Proposal.
- 4.2 The key updates can be found below:
- 4.3 ED mentioned that the proposal refers to 'align the notice periods' strongly and sought further clarity around this – the Chair explained that although this is stated within the proposal, following the Ofgem letter, it may not necessarily be the case that they have to align (may happen, but not essential). Due to this, it may need to be considered amending the proposal to reflect this.
- 4.4 CO stated that the aim is to gain a better understanding of where the codes currently sit across the board and determine after review whether any other code changes are required.
- 4.5 CO also stated that if the Notice Period was moved to 60 days, like TNUoS for example, then this aligns those two broadly in the same window.
- 4.6 TC informed the group that from a Supplier perspective, rather than lowering DUoS to the other codes, would it be better to move other codes towards DUoS so there are more Notice Periods from the other codes (rather than the 30/60 days). CO stated that this could be a proposal under this change, however, Ofgem have rejected two TNUoS changes in the past to dramatically increase Notice Periods for Transmission. The drivers for these rejections would need to be considered before progressing.
- 4.7 ED asked the Chair if there was a cross-code engagement update around this – the Chair informed the group that this change was mentioned at the Cross-Code-Steering Group. NC confirmed they have not yet discussed their position on whether a modification would be needed at this stage or

whether they would raise it now or in the future. NC stated that they would like to gain a better understanding of the potential cross-code impacts via these discussions.

- 4.8 JH raised a concern around the minimal Supplier attendance on the call and noted that the discussions will be mainly from a DNO/IDNO perspective. JH also stated that they do not see the benefit of aligning gas and queried what the rationale for including gas within the scope of this change is – CO explained that Ofgem have commented saying they want the different arrangements across energy to be reviewed. Although unsure of whether gas can be considered under cross-code arrangements, CO did not want to exclude it. Whether gas should be included can be up for discussion.
- 4.9 DW mentioned that [CMP 286 'Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process'](#) was rejected by Ofgem in 2024 which aimed for the 15 months' Notice Period as it did not better facilitate the ACOs (Applicable CUSC Charging Objectives). It was noted that CMP 287 was sent back with CMP 286 following the [Ofgem decision letter](#) in 2023 and CMP 287 was not progressed after this.
- 4.10 Following the above, the Secretariat agreed to take an action to gather further information around CMP 286 and CMP 287 as these will likely be considered in future Working Groups.

ACTION 01/01: The Secretariat to gather further information around CMP 286/287 for future Working Group discussions.

- 4.11 CO mentioned the below points:
- **Pre-ED1** – DNOs issued indicative DUoS charges 3 months ahead and final charges 40 days pre-implementation; this shifted in 2015 to a 15-month notice period to give Suppliers more certainty.
 - **ED1/ED2** – Were impacted by COVID, inflation and SoLR events, making early allowed revenue forecasting difficult and driving significant year-on-year volatility. Licence provisions also allow late allowed revenue changes, leaving an impractical 10-day update window (including Christmas).
 - **ED3** – Allowed revenues will not be confirmed until December pre-go-live. Use of ED2 business plan assumptions led to inaccuracies and early-period volatility, which industry is keen to avoid repeating.
- 4.12 CO reiterated that this proposal has been created to reintroduce indicative charges in June (9 months ahead) with final charges 60 days pre-implementation to accommodate late allowed revenue/inflation/SoLR adjustments. For IDNOs, indicative charges in July, final charges at 40 days.
- 4.13 CO stated that the objective of this change is to reduce volatility, improve stakeholder visibility, and avoid late amendments to final charges whilst retaining DNO flexibility to reflect allowed revenue changes.
- 4.14 ED queried how changing the Notice Period will reduce the volatility – CO agreed that allowed revenue can jump between years but informed the group that he has drafted some notes around the

DNO impact and what he believes some of the drivers are behind this. CO agreed to circulate these notes to the Working Group offline.

ACTION 01/02: CO to circulate notes in relation to DNO impact and potential drivers behind the volatility to the Working Group offline.

- 4.15 RF mentioned that it may be beneficial to see quantifiable data regarding the argument that Suppliers risk premiums will increase. RF also suggested it may be worth looking back to pre-2015 where the Notice Period was 3 months and see any benefits and if their tariffs had changed.
- 4.16 TC queried whether any modelling was carried out within DCP 437 – DW confirmed that modelling was done, however, it showed that there was a marginal increase in risk premium and would not have reduced the volatility in charges.
- 4.17 TC continued by stating that their charge is now fixed from April 2026 to March 2028, and with agreeing a 3-year contract, this will give one year of risk for the final year. If this is reduced to 60 days, this will give 2 years of risk rather than 1, and this is how their risk premium is going as they will not know what 2027 and 2028 will be until January 2027 (currently know this in January 2026. CO stated that its effectively reducing the window from 27 months to 21 months, and although they are losing 6 months, it makes sure that the charges are final when they are published 2 months in advance.
- 4.18 JH made a point to the group that charges going up and down is a risk that the DNO can manage as they have the ability to recover under recovery in previous year, but a Supplier could go under. Fixing the charges enables the Supplier to take that risk out of their calculations entirely.
- 4.19 JH also queried what the impact of inflation would have been if there was a shorter notice period – CO explained that having already dealt with high inflation for the year, they needed to incorporate these into the next years' charges. The second year had the high inflation for the year it was setting charges for, and the year they had already gone through that did not include the high inflation assumption.
- 4.20 DW stated that as the inflation went high, the predictions were that this was going to remain high for a longer period of time than it was actually predicted.
- 4.21 NC stated that trying to gain Suppliers risk premium in CMP 246, an RFI was issued for this information which was then fully anonymised and aggregated and suggested whether this was an avenue worth exploring for this change. CO agreed that this would be beneficial and may help shape this change. The Chair informed the group that the Secretariat has received data that has then been gathered and aggregated appropriately for Working Groups in the past, so this is something that could be done if the Working Group choose to do so.
- 4.22 PW stated that he is unsure of what make up the 'network charges' on an electricity bill, i.e., how much of these charges are DUoS and how much is something else. The percentage of this dependant on the length of notice period will make a difference (i.e., if it significantly increases on a shorter notice period).

- 4.23 PW questioned whether more information on this could be sought via the Consultation. TC informed the group that Ofgem publish this within the price cap, which is broken down between DUoS, TNUoS and BSUoS.
- 4.24 In terms of gathering this data, the Chair suggested that a Terms of Reference (ToR) could be developed to provide clarity to respondents that only a small number of people within ElectraLink will have sight of this data before it is anonymised and aggregated and then shared with the Working Group.
- 4.25 A potential RFI question was suggested around what their analysis would look like if DUoS were aligned with TNUoS and the notice period was reduced to 60 days. Following this, another potential question was suggested to ask whether 60 days' notice period would show significant risks (request evidence that would demonstrate this).
- 4.26 The group discussed whether it would be more beneficial to go out to Consultation first or issue an RFI for further information. After further discussion, it was agreed to issue an RFI first as the information gathered could be helpful when developing the Consultation.
- 4.27 JH queried whether the term of the contracts could be asked within the RFI, as the assumption is that the volume of Supplier contracts that go out beyond two years may be very small.
- 4.28 RF also suggested asking what happened to risk premiums price to the switch in notice period in 2015

5. Development of Request for Information

- 5.1 The Working Group discussed the development of the RFI, and they key points can be found below:
- 5.2 JH queried whether the term of the contracts could be asked within the RFI, as the assumption is that the volume of Supplier contracts that go out beyond two years may be very small.
- 5.3 RF also suggested asking what happened to risk premiums price to the switch in notice period in 2015.
- 5.4 CO suggested asking a question around how other costs are addressed with a much shorter notice period (i.e., are charges marginal whether 2 or 15 months, or are they increasing if its 2 months instead of 15). CO stated that it would be beneficial to understand how the other elements of the costs (as well as DUoS) are dealt with.
- 5.5 CO suggested it may better to use his paper around why the DNOs believe that a reduction would be beneficial as a starter to get other DNOs input and then use this as DNOs perspective as an introduction for the RFI.
- 5.6 The Chair then suggested adding wording that states the RFI seeks to understand how a redaction in DUoS notice would affect Supplier pricing strategies and also ask what they believe their risk premium would be if the notice period was reduced.
- 5.7 The Chair also suggested included historical background around [DCP 178 'Notification period for change to use of system charges'](#).

- 5.8 Members noted that it many prove difficult to gather information or views regarding DCP 178 as it was over 10 years ago.
- 5.9 DW reiterated what CO had mentioned previously, around publishing indicative CDCM figures in June, as this would allow Suppliers to have the ability to change the numbers (i.e., how allowed revenue might change) based on the final PCFM. CO agreed that this is what he was hoping for, with the exception that allowed revenue may change when you go across price reviews.
- 5.10 JH mentioned that in regard to TNUoS, it used to be a 9 -month notice with a 6-month fix, however, as of April 2025, Ofgem approved to change this to 3-months' notice. JH queried whether any other members had thoughts about this and whether the group ought to look at the reasons why the notice period was reduced, and how this has been accommodated.
- 5.11 TC explained that although the notice period was reduced, they increased the fix period from 6 to 12 months. TC continued explaining that he could quantify how the risk premium is reduced in regard to TNUoS.
- 5.12 TC stated that this change needs to be about balance, for example, how much can a Supplier increase their risk premiums but still remain competitive.
- 5.13 DW stated that there is a price cap for domestic Customers and queried how risk is managed when there are a lot of Customers where its fixed – TC explained that the prices can be changed for domestic Customers every 3 months. Due to this, the risks are much lower than compared to longer fixed tariffs (i.e., 12/24 months). TC clarified that the risk premium sits within the non-domestic sector as the domestic sector can be changed.
- 5.14 Following the above discussions, CO suggested it may be beneficial to ask questions around how LV and HV half-hourly Customers are treated, and whether they are in pass through or not. It was noted that all domestic Customers are affected by the volatility that is visible due to the 15 months' notice period but gaining a better understanding of how many HV Customers are passed through will show the proportion of the market that will likely be affected by this change.
- 5.15 DW queried whether there will be an Ofgem rep on this group – the Chair confirmed that an Ofgem rep is currently being sought moving forward with this Working Group. It was noted that an Ofgem rep was present at the Cross-Code Steering Group and they are aware of this change.
- 5.16 Members also requested an update from Ofgem regarding their thoughts on this CP and whether they can provide this at the next meeting. The Secretariat agreed to seek their attendance and update.

ACTION 01/03: The Secretariat to seek an Ofgem representative for the DCP 469 Working Group meetings.

ACTION 01/04: The Secretariat to seek attendance from Ofgem at the next meeting with an update.

- 5.17 Following discussions, the Secretariat agreed to develop an RFI and circulate to the Working Group for an offline review. If substantial feedback is received, an additional meeting will be scheduled for a review of the RFI if needed.

ACTION 01/05: The Secretariat to produce a draft RFI for the Working Group to review offline.

6. Agreed Next Steps

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

- The Secretariat to seek an Ofgem representative for the Working Group.
- CO to circulate the paper on DNO observations for inclusion in the RFI.
- The Secretariat to produce a draft RFI and circulate to the Working Group for an offline review.
- Once finalised, the Secretariat to issue the RFI to wider industry for feedback.
- The Secretariat to schedule the next meeting to review the RFI responses.

7. Any Other Business

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

7.2 There were no other items raised.

8. Date of Next Meeting – TBC

8.1 The next Working Group meeting is TBC – the Secretariat will issue a meeting poll to the Working Group to schedule the next meeting in March 2026.

9. Attachments

- Attachment 1_DCP 469 Work Plan

APPENDIX A

New and Open Actions

| Action Ref. | Action | Owner | Update |
|-------------|---|-------------|-------------|
| 01/01 | The Secretariat to gather further information around CMP 286/287 for future Working Group discussions. | Secretariat | New Action. |
| 01/02 | CO to circulate notes in relation to DNO impact and potential drivers behind the volatility to the Working Group offline. | CO | New Action. |
| 01/03 | The Secretariat to seek an Ofgem representative for the DCP 469 Working Group meetings. | Secretariat | New Action. |
| 01/04 | The Secretariat to seek attendance from Ofgem at the next meeting with an update. | Secretariat | New Action. |
| 01/05 | The Secretariat to produce a draft RFI for the Working Group to review offline. | Secretariat | New Action. |

Closed Actions

| Action Ref. | | | Update |
|-------------|--|--|--------|
| | | | |