

# DCP 469 Working Group - Meeting 02

13 March 2026 at 11:30 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Andrew Malley [AM]	Ofgem
Charles Mott [CM]	SSE
Chris Barker [CB]	SP ENW
Chris Ong [CO]	UKPN
Edda Dirks [ED]	SSE Gen
Harvey Takhar [HT]	National Grid
John Harmer [JH]	Waters Wye
Karl Maryon [KM]	Drax
Lee Stone [LS]	EON
Lorna Murray [LM]	SPEN
Louise Robinson [LR]	ESP
Niall Coyle [NC]	NESO
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Ryan Farell [RF]	NPg
Seun Adedapo [SA]	National Grid
Victoria Burkett [VB]	EON Next
<b>Code Administrator</b>	
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink

Apologies	
Christos Papaevangelou [CP]	National Grid
Dave Wornell [DW]	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

- 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 Working Group discussion
- 1.7 AM noted that they are interested to hear from Suppliers on whether consistent notice periods and/or the length of the notice periods, are a problem, and whether this is a barrier for them. AM also noted that they are keen to understand how Suppliers feel about the approach of having a shorter notice period (to better manage volatility) and what the adjacent issues might be.
- 1.8 AM stated that as well as notice periods, the stability of DUoS charges, availability of forecasts and links to the price control timings are also key points to consider.
- 1.9 LS confirmed that the RFI will mainly be Supplier-led and stated that from a Supplier perspective, he would prefer to see a longer notice period for TNUoS, as opposed to shorter for DCUSA; as there is already an issue around notice period itself, there is justification to seek views on this.
- 1.10 JH supported LS and informed the group that both ICoSS (I&C of Shippers and Suppliers) have also stated a preference for a longer notice period.
- 1.11 ED requested that the Secretariat ensure that ICoSS are included within the RFI distribution list.

**ACTION 02/01: The Secretariat to ensure ICoSS are included within the RFI distribution list.**

## 2. Purpose of the Meeting

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- 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. Final Review of Draft RFI

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- 3.1 The Chair presented the draft RFI live on screen for the Working Group to review and discuss.
- 3.2 The key updates can be found below:
- 3.3 In regard to the table under paragraph 2.1, ED stated that there is no reference to 9 months' notice period within the TNUoS Tariff forecast timetable for 2027/28. NC informed the group that these are typically published April, September, November and finals in January; however, these can change year-on-year depending on the timetable.
- 3.4 The Secretariat agreed to include a caveat within this table to state that this could vary each year. The Secretariat also agreed to include a footnote that clearly states where these notice periods are set out, and the basis for these are.
- 3.5 LR provided the group with a link to the [2027/28 DN Charges](#) for the Joint Office of Gas Transporters.
- 3.6 RF stated that the CIRP publication has not yet been referenced, which shows the indicative charges that are published throughout the year. RF noted that this is not an official indicative publication, however, believes it should be mentioned that there is a published indication of charges. The Chair confirmed that a footnote stating the above can be added.
- 3.7 Under the heading 'Allowed Revenue' within Section 2 of the RFI, ED suggested adding some introductory lines to the sections that follow, for example:
- *"The Change Proposal seeks to address issues caused under the current 15-month DUoS tariff notice period. Forecasts of key input parameters are having to be used rather than actuals, and this has led to greater year-on-year volatility in DUoS tariffs than if actual values had been used. Details are set out below."*
- 3.8 The Working Group were happy with the drafting.
- 3.9 In regard to paragraph 2.12, ED suggested that some justification to the statement 'this led to increased volatility in the charges' that shows the percentage changes being used. The Chair confirmed that DW shared a spreadsheet with members showing NGEDs 15-month notice tariffs vs 2-months, which shows the volatility. The Chair also drafted some wording in relation to this in paragraph 2.25. The Working Group reviewed this, and it was agreed to insert the side-by-side charts for visual benefit below paragraph 2.25 and include a reference to this figure within paragraph 2.12.
- 3.10 In regard to paragraph 2.14, ED raised a concern around the wording around a shorter notice period removing the volatility and suggested that evidence/analysis should be added comparing the AR estimates used for the 15-month notice tariffs with the actual AR values. RF reiterated that this is evidenced within the spreadsheet circulated to members by DW. Following these discussions, it was agreed to amend the wording to the below:

- *'...by improving the accuracy and removing the volatility...'*

- 3.11 JH stated they believed that the inflation impact on these tariffs is what has driven volatility and suggested that it would be helpful if this impact was split out. RF responded that inflation was a big driver of the volatility, however, believes this was much bigger due to the 15-months' notice. RF believed that this impact would be halved with a shorter notice period.
- 3.12 JH stated that by updating the final charges to include inflation is something that Suppliers can manage. Due to this, JH believed it would be helpful to show the volatility that has been created by the handling of inflation separately from the volatility that was created by all of the other changes.
- 3.13 CO suggested this could be included as an RFI or Consultation question to seek views, as this would not be an easy task and would not have normally been published anywhere. ED suggested extending the analysis within the spreadsheet provided by DW to show a visual with, and without inflation.
- 3.14 Within the spreadsheet by DW, RF explained that row 16 shows the high index number, not a revenue figure.
- 3.15 Following discussions, the Working Group agreed to add commentary under the inflation section that the group considered the inflation impact on the volatility, however, it has been found to a complex task that may not be accurately possible. It was agreed to discuss this within the Consultation as opposed to the RFI. ED also suggested that in terms of the Consultation, it may be worth looking at what previous work has been carried out looking at reducing volatility under a longer notice period.
- 3.16 AM asked the Working Group whether a question should be asked around whether under recovery should go from one year to the next year, or whether there are more nuanced views on how to spread this out (i.e., over multiple years). LS stated that inflation can have interest added on; if inflation is recovered over a number of years, the loss of revenue can be uplifted by interest. This may be a benefit of having a shorter notice period. This was also agreed to be discussed within the Consultation as opposed to the RFI.
- 3.17 JH stated it is important to ask respondents the question on whether they would prefer to have volatility, but it is seen coming in advance, or assume less volatility, but with only a 2-month notice period. Members agreed that question 6 of the RFI sufficiently covers this.
- 3.18 In regard to question 2 of the RFI, JH stated that although useful to have, is this question requesting information that is stepping over the line of competition law, asking for Suppliers for information that is sensitive to their commercial business (even if anonymised).
- 3.19 NC informed the group that there have been similar issues previously within CMP 286 ['Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process'](#) and informed the group that at no point was the risk premium shared with the Working Group without it first being anonymised by the Code Administrator, also aggregating it into average risk premiums across all Suppliers.
- 3.20 Following the above, NC agreed to share a template of how this was previous carried out to help aid the anonymisation and aggregation of the data requested for this RFI. NC also provided a link to the [CMP 286 RFI Letter](#) which clearly outlines how the data received will be treated.

**ACTION 02/03: NC to provide the Secretariat with a template/guide of how to anonymise and aggregate the requested data from the RFI (as previously carried out within CMP 286).**

3.21 The Chair confirmed that the RFI will clearly state that all data received will be anonymised and aggregated.

3.22 RF suggested the below questions:

- For each main customer market affected by risk premiums, please provide the below risk premium impact analysis.
- Compare the existing DUoS risk premium (based on 15-months and ~40% volatility) with a risk premium based on the same calculation except for the following inputs:
  - Replace the 15-month DUoS notice period variable with a 2-month DUoS notice variance; and
  - Reduce the volatility variable to 6%. (Dave's analysis suggests 6% is a reasonable number).
- Did the risk premium increase, decrease, or remain broadly the same. If it increased or decreased, how much did it change as a percentage.

3.23 RF stated that the hope would be that suppliers that did not wish to provide any hard data on the other risk premium questions would find it more agreeable to answer to this question, which would help establish if the change is positive or negative on the risk premium and by how much.

3.24 Following the discussions, the Secretariat agreed to make the necessary updates to the RFI document and issue to the Working Group for an offline review. Once the RFI has had a final review, the Secretariat will then issue to wider industry for feedback, and a meeting poll will be issued to the Working Group to schedule the next meeting to review the collates responses.

**ACTION 02/04: The Secretariat to make the necessary updates to the draft RFI document.**

**ACTION 02/05: The Secretariat to issue the final RFI document to wider industry for feedback.**

## 4. Agreed Next Steps

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

- The Secretariat to make the necessary updates to the draft RFI document and issue to the Working Group for an offline final review.
- The Secretariat to issue the final RFI document to wider industry for feedback.
- The Secretariat to issue a meeting poll to schedule the next Working Group meeting to review the collated RFI responses.

## 5. Any Other Business

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

5.2 There were no other items raised.

## 6. Date of Next Meeting – TBC

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- 6.1 The next Working Group meeting is TBC – the Secretariat will issue a meeting poll to the Working Group to schedule the next meeting to review the collated RFI responses once the RFI has been issued to wider industry.

**ACTION 02/06: The Secretariat to issue a meeting poll to schedule the next Working Group meeting to review the collated RFI responses.**

## 7. Attachments

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- Attachment 1\_DCP 469 Work Plan

## APPENDIX A

### New and Open Actions

Action Ref.	Action	Owner	Update
<b>01/01</b>	The Secretariat to gather further information around CMP 286/287 for future Working Group discussions.	Secretariat	<b>Ongoing.</b>
<b>02/01</b>	The Secretariat to ensure ICoSS are included within the RFI distribution list.	Secretariat	<b>New Action.</b>
<b>02/02</b>	The Secretariat to include a caveat within the notice period table (under para 2.1 of the RFI) to state that the publication dates could vary each year.	Secretariat	<b>New Action.</b>
<b>02/03</b>	NC to provide the Secretariat with a template/guide of how to anonymise and aggregate the requested data from the RFI (as previously carried out within CMP 286).	Niall Coyle	<b>New Action.</b>
<b>02/04</b>	The Secretariat to make the necessary updates to the draft RFI document.	Secretariat	<b>New Action.</b>
<b>02/05</b>	The Secretariat to issue the final RFI document to wider industry for feedback.	Secretariat	<b>New Action.</b>
<b>02/06</b>	The Secretariat to issue a meeting poll to schedule the next Working Group meeting to review the collated RFI responses.	Secretariat	<b>New Action.</b>

### Closed Actions

Action Ref.	Update
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<b>01/02</b>	CO to circulate notes in relation to DNO impact and potential drivers behind the volatility to the Working Group offline.	Chris Ong	<b>Closed.</b>
<b>01/03</b>	The Secretariat to seek an Ofgem representative for the DCP 469 Working Group meetings.	Secretariat	<b>Closed.</b>
<b>01/04</b>	The Secretariat to seek attendance from Ofgem at the next meeting with an update.	Secretariat	<b>Closed.</b>
<b>01/05</b>	The Secretariat to produce a draft RFI for the Working Group to review offline.	Secretariat	<b>Closed.</b>