

DCP 466 Working Group - Meeting 05

06 March 2026 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Alex Riley [AR]	Tarmac
Chris Ong [CO]	UKPN
David Fewings [DF]	SE First
Ed Grimsey [EG]	BU-UK
Edda Dirks [ED]	SSE Gen
Erik Baguzis [EB]	Indigo
Hakan Feridun [HF]	Energunite
Itunu Akin-Olawale [IAO]	SP ENW
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
Neil Shah [NS]	Switch Business
Nik Wills [NW]	Stark
Peter Waymont [PW]	UKPN
Ryan Farrell [RF]	NPg
Seun Adedapo [SA]	National Grid
Steve Harris [SH]	MAID
Swapam Bahrani [SB]	Brook Green

Tom Holderness [TH]	Ofgem
Tony Collings [TC]	Ecotricity
Code Administrator	
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink
Apologies	
Victoria Burkett [VB]	EON Next

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 asked for comments/feedback – the below feedback was provided:
- 1.5 In regard to paragraph 3.7, ED mentioned that the second part of the sentence is contradictory. The Working Group discussed this and agreed for the last part of the sentence to be deleted.
- 1.6 In regard to paragraph 3.10, ED queried the meaning of the word ‘inevitability’ within tis sentence. The Chair confirmed that this was a direct quote provided by a respondent to the Consultation, and members suggested the respondent may have meant ‘viability’. Following discussions, it was agreed to add quotation marks around the direct quote and add ‘this comment was not entirely clear to all, however, the Secretariat agreed to seek clarity on the meaning.
- 1.7 In regard to paragraph 4.2, ED suggested adding a discussion around engagement with the CUSC (Connection and Use of System Code) Secretariat and TCMF (Transmission Charging Methodologies Forum), around the potential impacts on TNUoS residual. The Chair agreed to add this discussion point to the current list.
- 1.8 TH asked for further clarity around paragraph 3.29 offline – the Secretariat provided the below explanation and agreed to ensure the minutes reflects this: ‘This change will impact distribution Customers too, and this will need to be assessed. If the rebilling process for distribution Customers is

updated, the group should update the transmission process as well so that they align – potential CUSC change may be needed for this.’

- 1.9 TH asked for further clarity around paragraph 3.57 offline – the Secretariat agreed to amend the paragraph to the below:
- ‘In regard to comments on the draft legal text, if this does not include a one-off clean-up of existing bands, there could be a situation where some sites are in the wrong/incorrect band, and a Customer who is close to a band boundary could realise that a small change in MIC shifts them into a cheaper band. This could create distortion, where Customers behave strategically, not operationally. Cost allocation review should be considered to be included within the draft legal text.
- 1.10 TH suggested including ‘the allocation of residual costs between users as a result of band populations changing’ to clarify cost allocation, as to not confuse with the Ofgem-led *Cost Allocation and Recovery Review (CARR)*. The Secretariat agreed to include this within the minutes and ensure the terms are distinguished moving forward.

ACTION 05/01: The Secretariat to make the necessary updates to the previous WG minutes (WG 04).

- 1.11 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 continue to review the collated Consultation responses and discuss the Impact Assessment within the Working Group and agree next steps.

3. Review Ofgem Comments / Last Mile Response

- 3.1 The Chair presented a number of comments/questions from Ofgem live on screen for the Working Group to further discuss.
- 3.2 The Chair informed the group that TH asked the Working Group to elaborate on certain points made within the Consultation responses for a fuller understanding of the arguments.
- 3.3 *Ofgem Question – Regarding Last Mile Electricity’s response to Q2: How does residual charging band impact the ‘inevitability of new assets and therefore new developments, and has the potential to create risk regarding the reliability and resilience of the network’?*
- 3.4 The Chair confirmed that after following up with Last Mile, they explained that they do not agree with the proposal solution removing the ‘exceptional circumstances’ rule. They state that they do not believe that the proposal better facilitates competition and has a negative impact on DCUSA General Objective 2.
- 3.5 They stated that infrastructure assets are financed based on predictability of forecast revenue streams. This change introduces additional revenue volatility risk which will affect investor confidence and may curtail investment. The consequence is a negative impact on competition with less investment in new assets.
- LS stated that they understand the point around cash flow volatility as when the site reduces, it will take time for that money to flow back through to them; however, noted that this will catch up eventually.

- JH queried how a new connection would impact the actual delivery of new infrastructure; it would only impact the price if there were volatility and the cost of capital increases for who is installing the wire. LS stated that the full cost of the infrastructure going up is not recovered upfront; as the prices change over time, it will cause some cost recovery issues – however, it should balance out in the long-term. Although an issue, both agree that this should not affect the actual delivery of the assets.

3.6 Based on the above, Last Mile do not, therefore, believe that this CP better facilitates Ofgem’s principal objective to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition where that is appropriate. Or to better facilitate its specific statutory duty relating to security of supply. This is because the change may create maximum import capacity being understated and risk network resilience.

3.7 *Ofgem Question – Given the mixed views of IDNOs, Ofgem believes further discussion on revenue predictability concerns is warranted.*

3.8 *Ofgem Question – Furthermore, how does the residual charging band affect ‘maximum import capacity being understated’?*

- AR queried whether creating maximum import capacity being understated and risk network resilience is potentially an incorrect statement – AR stated that from experience, if the supply capacity at a site is requesting to reduce, this has been challenged by DNOs in the past to evidence this. RF agreed with this confirming that a site cannot reduce their supply under what they have used over the previous 12 months and therefore cannot be manipulated in this way.
- RF also queried the manipulation point as a site can only be reduced once every 12 months. A site can request an increase after a reduction, but then this would lead to a higher band.

3.9 Last Mile noted the discussion in the Working Group (WG 02) and in paragraph 4.4 of the Consultation that ‘one of the reasons for introducing the exceptional circumstances rule was to prevent users from manipulating their capacity or usage simply to drop into a lower-cost charging band without a genuine change in site use’. Last Mile believes that removal of ‘exceptional circumstances will reintroduce this risk. They do not believe that this risk is sufficiently mitigated by ‘the fact that Customers are only permitted to apply for a reduction in their MIC once per year, preventing them from frequently toggling capacity levels to avoid charges’, which was also the case when the exceptional circumstances rule was introduced.

3.10 Following the above discussions, the Secretariat agreed to seek further clarity around Last Mile’s expanded response to the Consultation.

ACTION 05/02: The Secretariat to follow-up with Last Mile to seek further clarification around their expanded response to the Consultation.

3.11 *Ofgem Question – Ofgem’s understanding is that the MIC should be set to an appropriate level, and that DNOs by licence cannot set an inaccurate MIC (despite the lack of a punitive exceeded capacity charge). Ofgem asked the Working Group if this is correct.*

3.12 *Ofgem Question – Regarding Brook Green Supply’s response to Q6 (and Q6 more generally): do we know NESOs view on the effect of this change (if approved) on TDR processes and charge stability?*

3.13 *Ofgem Question – Regarding Stark’s response to Q11: can this interaction with MHHS be explored in more detail?*

- The Working Group agreed to add potential interactions with MHHS to the considerations list.

- A number of members stated that they cannot see the interactions with MHHS and noted that there are no retrospective changes to capacity.
- PW provided an example of a potential interaction with MHHS – i.e., that if a Customer wanted a capacity change from today and they want it effective from 01 April; a connection agreement would be sent to them, however they take a long period of time to agree that connection agreement. Depending on the time taken, the tariff may not be able to be backdated to 01 April to match their capacity, only for the four months, showing a slight interaction.
- HF noted reiterated that all Suppliers (bar 1) were supportive of this change, with the 1 Supplier providing a soft 'not supportive'. All Suppliers would have already considered MHHS when providing their feedback, to which no concerns were highlighted.
- PW informed the group that this change does not give Customers any more freedom to change their capacity and any restrictions on changing capacity that may be applied are not overcome by this change. This change gives more flexibility in the banding that those Customer who do make a change get applied to them.

4. Continue Review of Collated Consultation Responses

- 4.1 The Chair presented the collated Consultation responses document live on screen for the Working Group to review and discuss.
- 4.2 The key updated can be found below:
- 4.3 **Q5**
- 4.4 The Chair informed the group that out of 16 respondents, 8 were able to provide usable numeric figures in relation to the question of how many sites are in a band that is not reflective of their MIC.
- 4.5 The Chair noted the scale of misalignment, stating that the responses highlight the structural difference between large DNO portfolios and smaller IDNO networks, as DNOs show large volumes (hundreds to thousands of sites) of misalignment and IDNOs show very low volumes (0-30 sites).
- 4.6 Four of the DNOs quantified the financial impacts - net impacts ranged from -£18k to +£8m, indicating material effects depending on portfolio size.
- 4.7 The Working Group noted that several parties highlight that misalignment persists because the current system relies on Customer application, not automatic re-banding.
- 4.8 In regard to Stark's response, members did not understand how they do not have the information around capacity and banding as this should be information that they have.
- 4.9 TH suggested that providing clarity in how the information received by the respondents is presented, will be helpful to the reader (i.e., what that in-year impacts does and what the effects are on the following year).
- 4.10 RF stated that in terms of the next charging year, depending on how the charges have been set, this change should not affect tariffs until 2028/29 at the earliest; it will be spread across all parties so would be equally picked up.

- 4.11 TH asked the Working Group how negative residuals can be accounted for within these calculations – PW stated that this would be irrelevant as so far, the residual that they are charged that residual, and the impact of moving them across bands sooner (or other from when they would have been moved) is dependant on what the published charges are in regard of whether the residual is positive or negative.
- 4.12 RF stated that looking at the data provided by the respondents, most are coming under and some over recovering. Both are returned or recollected through the under-over recovery mechanisms the next time tariffs are set.
- 4.13 Following the review of the data provided within the responses, ED suggested it would be helpful to collate this data (including confidential responses but marked as such) to gain a top-level overview. This could include a number of graphs showing the overall impacts. The Secretariat agreed to do this offline.

ACTION 05/03: The Secretariat to collate the data provided for Q5 of the Consultation responses and provide graphs and commentary to gain a better overview.

- 4.14 LS informed the group that NESO set out provisional tariffs and are finalised prior to the start of the charging year: NESO issue forecasts at various points of the year for Suppliers to base their cost recovery on. LS also mentioned that it could be argued that NESO have the capability to recover earlier than DUoS/DCUSA as their final tariff setting is sooner (it was noted that this is being addressed within DCP 469 [‘Cross Code Standardisation of Charging Arrangement Notice Periods’](#)).
- 4.15 TH stated transmission residual bands are set in DCUSA, and this CP would directly impact TDR allocation. With this, TH suggested that both DUoS and TNUoS should be covered. LS disagreed with this and explained that no other residual allocation activities have had to consider the wider national impacts.
- 4.16 RF explained that with this change, no amendments to the current wording in CUSC would need to be made. There will be a revenue impact on TNUoS but this will be corrected quickly. RG also stated that the band Customers are put on is what their residual band comes in the CUSC as well and they will be charged on that basis.
- 4.17 Following the above discussions, a number of members believe that this Working Group under DCUSA should not be looking at revenue impacts on TNUoS. The Chair informed the group that the Secretariat has a separate meeting scheduled with a CUSC rep in regard to the impact of DCP 420 [‘Provide targeted relief from residual charges for electric vehicle charging sites’](#) and DCP 454 [‘Provide enduring targeted relief from residual charges for electric vehicle charging sites’](#) and the outcome of this can be fed back to the Working Group.
- 4.18 The Secretariat also agreed to take an action to discuss these challenges at the Cross-Code Steering Group as it does link into other changes affecting residual (i.e. DCP 420/454).

ACTION 05/04: The Secretariat to update the Working Group on the separate discussions with a CUSC rep in regard to the impacts of DCP 420 and DCP 454.

ACTION 05/05: The Secretariat to discuss the challenges (relating to TNUoS impacts) at the Cross-Code Steering Group.

- 4.19 JH believes the revenue impact on NESO is important as they are likely to see larger movement as the TDR is so large and the DNO residual is much lower.
- 4.20 HF informed the group that this issue was previously discussed during a NESO webinar with Ofgem present in August 2025, and following a lot of discussion, the Ofgem view was that this issue was to be discussed/progressed via the DCUSA, along with the agreement from NESO on this. HF also stated that in regard to the impact assessment, it cannot be assumed that Customers are going to react immediately following this change.
- 4.21 JJ queried whether there would be a potential issue for the Customer trying to gain confirmation that they have moved band if NESO can only see site counts and not MPAN details, and suggested this may be worth considering; however, it was noted that NESO have been provided the opportunity to raise any concerns and have been reached out to.
- 4.22 Aside from individual sites and what HV band a Customer is in, AR mentioned that it is generally a positive for spare capacity to be released back onto the network for other Customers to use – this could then have a knock-on impact to what reinforcement costs could be required in years to come.
- 4.23 ED queried whether the group need to look at what TNUoS residual that transmission final demand users pay, in terms of whether a CUSC change might be needed, as this change could result in a misalignment between the two – LS disagreed with this as this change is focusing on capacity.
- 4.24 JH agreed with LS and stated that we have the data we need to determine what NESOs revenue change within a year would be. The Chair stated that this is the basis for the separate CUSC call regarding DCP 420/454, confirming whether CUSC are in agreement that the Secretariat has the correct data to be able to understand those impacts.
- 4.25 RF stated that the group does not currently have the data consisting of the band breakdown and is therefore not enough information to calculate the impacts. Following this, RF suggested that an RFI would need to be issued for 2026/27 data, to gather this data in order for this analysis to be carried out. The Chair suggested creating a spreadsheet template to ensure the same data is received across all DNOs.
- 4.26 RF provided the suggested questions for the RFI below:
- *Please provide your 2026/27 allocations as they stand.*
 - *Please provide your 2026/27 allocations as they would be if this proposal went live.*
 - *Please provide the residual charge applied to those.*
- 4.27 In terms of future discussions with NESO offline, HK suggested sending NESO a list of data, including the capacity levels and residual bands; this would then allow them to highlight any concerns (if any) and allow either themselves or Ofgem to run their own assessments if they wish to do so.
- 4.28 RF proposed creating a workbook of data (received from the RFI) that gets aggregated, and has total counts before and after, and the overall impact on DUoS.

4.29 Members discussed the response deadline for the RFI to request this data and agreed that 2 weeks would be an appropriate response window.

4.30 The Chair confirmed that the RFI will note that all data received will be aggregated. The Chair and RF agreed to have discussions offline to develop the RFI.

ACTION 05/06: The Chair and RF to have discussions offline to develop the RFI.

4.31 The Secretariat agreed to take an action to circulate the DCP 466 RFI to all DNOs to respond with a response deadline of 26 March 2026.

ACTION 05/07: The Secretariat to issue the DCP 466 RFI to all DNO Contract Managers with a response deadline of 26 March 2026.

4.32 The Working Group agreed to schedule the next meeting for 31 March to review the collated aggregated RFI Data.

5. Agreed Next Steps

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

- The Secretariat/RF to develop the DCP 466 RFI offline.
- The Secretariat to issue the DCP 466 RFI to all DNO Contract Managers.
- The Secretariat to schedule in the next Working Group meeting for 31 March 2026 to review the collated aggregated data.

6. Any Other Business

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

6.2 There were no other items raised.

7. Date of Next Meeting – 31 March 2026

7.1 The next Working Group meeting will be held on 31 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.
04/02	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	Ongoing.
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	Ongoing.
04/04	The Secretariat / Working Group to add clarification around the implementation date and frequency of changes within the Change Report.	Secretariat / Working Group	Ongoing.
04/05	The Working Group to revisit the Consultation responses to Q10 once the solution has been further refined.	Secretariat / Working Group	Ongoing.
04/06	The Secretariat to seek further information around Ofgem's system Cost Allocation Recovery Review (CARR).	Secretariat	Ongoing.
04/07	The Secretariat / Working Group to include a narrative that sets out the full proposed legal text changes.	Secretariat / Working Group	Ongoing.
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	Ongoing.
05/01	The Secretariat to make the necessary updates to the previous WG minutes (WG 04).	Secretariat	New Action.

05/02	The Secretariat to follow-up with Last Mile to seek further clarification around their expanded response to the Consultation.	Secretariat	New Action.
05/03	The Secretariat to collate the data provided for Q5 of the Consultation responses and provide graphs and commentary to gain a better overview.	Secretariat	New Action.
05/04	The Secretariat to update the Working Group on the separate discussions with a CUSC rep in regard to the impacts of DCP 420 and DCP 454.	Secretariat	New Action.
05/05	The Secretariat to discuss the challenges (relating to TNUoS impacts) at the Cross-Code Steering Group.	Secretariat	New Action.
05/06	The Chair and RF to have discussions offline to develop the RFI.	Secretariat / Ryan Farrell	New Action.
05/07	The Secretariat to issue the DCP 466 RFI to all DNO Contract Managers with a respond deadline of 26 March 2026.	Secretariat	New Action.

Closed Actions

Action Ref.		Update	
04/01	The Secretariat to reach out to Last Mile to seek further clarity around their response to Q2 of the Consultation.	Secretariat	Closed.
04/08	The Secretariat to circulate Ofgem's consideration points around this change to the Working Group post-meeting.	Secretariat	Closed.
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	Closed.