DCUSA CHANGE DECLARATION	
CHANGE PROPOSAL	DCP 452 'Correct application of Forward Cost Pricing EDCM charges to users connected directly to a Grid Supply Point'
DATE OF ISSUE	16 April 2026
ISSUED TO	DCUSA Parties
VOTING PARTIES	CVA Registrants, DNOs, IDNOs & Suppliers
SYNOPSIS	This document provides Parties with the outcome of the Party Vote with respect to the Change Report issued for DCP 452 and the recommendation of the Parties in respect of this Change Proposal.

1. INTRODUCTION

1.1 In accordance with Clause 13.4 of the DCUSA this paper sets out the Parties' recommendation in relation to DCP 452.

1.2 The Change Report for DCP 452 was issued to DCUSA Contract Managers on 19 March 2026 for a voting period of 15 Working Days.

2. PARTY VOTE ON PROPOSED VARIATION

2.1 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed variation be Accepted.

3. PARTY VOTE ON PROPOSED IMPLEMENTATION DATE

3.1 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed implementation date was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed implementation date be Accepted.

4. DCUSA PARTIES OVERALL RECOMMENDATION

4.1 The overall recommendation, in accordance with Clause 13.5 of the DCUSA, is that the CP be accepted.

4.2 As DCP 452 is classed as a Part 1 Matter, the above recommendation will be provided to the Authority for their final decision.

5. APPENDICIES

- APPENDIX 1 – CONSOLIDATED PARTY VOTES

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VOTING END DATE: 13 APRIL 2026	WEIGHTED VOTING					
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER	SAFE ISOLATION PROVIDER
VOTING ON CHANGE SOLUTION	Accept	No Votes Received	Accept	Accept	Not Eligible	Not Eligible
VOTING ON IMPLEMENTATION DATE	Accept	No Votes Received	Accept	Accept	Not Eligible	Not Eligible
RECOMMENDATION	**CHANGE SOLUTION – ACCEPT** For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the change solution be Accepted. **IMPLEMENTATION DATE – ACCEPT** For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the implementation date be Accepted.					
PART ONE / PART TWO MATTER	**Part One Matter** – Authority Determination Required					

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES				
SP DISTRIBUTION PLC	ACCEPT	ACCEPT	We agree with the propser that objectives two and three are better facilitated by this change.	
SP MANWEB PLC	ACCEPT	ACCEPT		
NATIONAL GRID ELECTRICITY	ACCEPT	ACCEPT		

DISTRIBUTION (EAST MIDLANDS) PLC			Charging Objective 2 and Charging Objective 3 are better facilitated by DCP 452. The change enhances cost reflectivity by removing the application of Forward Cost Pricing (FCP) locational charges to Category 0000 customers connected directly to non-interconnected GSPs.	
NATIONAL GRID ELECTRICITY DISTRIBUTION (WEST MIDLANDS) PLC	ACCEPT	ACCEPT		
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WALES) PLC	ACCEPT	ACCEPT		
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC	ACCEPT	ACCEPT		
SOUTHERN ELECTRIC POWER DISTRIBUTION PLC	REJECT	REJECT	We are not convinced that implementing this DCP will facilitate any DCUSA charging objective.	While we understand the points raised by the proposer and acknowledge their rationale regarding the limited thermal impact of certain 0000 customers on the wider downstream network (given the absence of interconnection beyond the GSP), we consider that the consequential impacts of implementing DCP452 have not been sufficiently/fully assessed. In particular, we consider that the change risks undermining established charging principles and may introduce unintended consequences across the EDCM framework. There are number of concerns, as outlined below, which have been discussed throughout the working group meetings. Firstly, the proposal challenges the established "zonal" principle of the FCP charging methodology, whereby customers within the same network group are expected to face consistent charges. We consider this principle fundamental to cost reflectivity, particularly as FCP Charge 1 is derived using total group demand of all customers within that group, including 0000 customers whether they have thermal impact on the network or not. Secondly, while the proposal is targeted at a relatively small subset of customers (i.e. 0000), the underlying rationale could be applied more widely across other customer categories. The supporting evidence provided in the slides from the proposer does not, in our view, sufficiently demonstrate that such an approach would be robust across all network configurations. In particular, examples of
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC	REJECT	REJECT		

				non-interconnected downstream networks indicate that some of the assumptions presented may not be throughout valid. Some specific examples were provided for customer categories i.e. 1000,1100,1110, 1111 but other examples exist that would challenge the supportive text. For example, on the slide pack highlighting 1110 customers, the argument appears to be that typically primaries substation are interconnected and, on that basis, all 1110 customers within the FCP group will impact all customers on the 33KV network (see user G and circuit H). Reference is made to customer category 1000 here too. There are examples of distinctly separate networks downstream of GSP in SHEPD. Thirdly, our analysis indicates that implementation of the proposal would lead to an increase in FCP Charge 1 and FCP Remote Charge 1 for remaining customers within the same network group. This raises concerns regarding distributional impacts and the fairness of cost allocation. Fourthly, we also consider that the proposal may introduce distortions in customer connection behaviour. Customers may have an increased incentive to pursue connection arrangements that enable classification as 0000, particularly where the upfront cost of an enhanced connection is outweighed by lower ongoing DUoS charges. This could result in unequal outcomes depending on customer location and financial position. Customers that seek a new connection can request an enhanced connection offer and choose to pay additional operation and maintenance charges on the difference of the enhanced charges to the minimum scheme solution. The additional capital costs and subsequent operation and maintenance charges may be significantly lower than the cumulative long terms DUOS charges and may drive customers to seek a connection as customer category 0000. This may be advantageous to those customers where the minimum scheme solution is to connect at 0010 for example but who are in a financial position to pay these enhanced charges to connect as 0000. This would also be advantageous to those who are situated closer to the GSP/BSP, and these options could then become an additional choice for these customers. These options would be less viable for those that seek a connection

				that are situated much further away from the BSP/GSP as the capital costs and operation and maintenance charges over and above the minimum scheme solution will increase. In addition, the proposal does not fully account for future network configuration. Networks that are currently not interconnected may become so over time due to changing demand patterns or security requirements, which could invalidate the basis on which any exemption is granted. Finally, we are concerned that exempting 0000 customers from FCP locational charges would result in these costs being recovered through residual charges from other final demand customers. The scale of this impact is uncertain and may vary depending on future customer connections, demand growth, and network reinforcement requirements. On balance, we believe that a broader review of the Schedule 17 methodology is required to ensure fairness in the application of FCP. On this basis, our current position is to reject the proposal.
IDNO PARTIES				
NO VOTES RECEIVED				
SUPPLIER PARTIES				
FLEXITRICITY	ACCEPT	ACCEPT	2, 3	
CVA REGISTRANT PARTIES				
FIELD GAIA LTD	ACCEPT	ACCEPT	Our view remains unchanged from the consultation – namely that DCP452 significantly better facilitates objectives 2 and 3. **Objective 2:** Users at different voltages are inconsistently exposed to forward-looking signals from the FCP method. This distorts competition between the group of users connected at 0000 at non-interconnected GSPs. None of that	Please see our response to the DCP452 consultation for detailed comments on all aspects. We reiterate that DCP452 is a targeted change seeking to correct the most egregious effects of an oversight in the FCP variant of the EDCM, which results in a small subset of users being incorrectly exposed to a forward-looking charge which relates entirely to network assets on which those users will never drive reinforcement. Given it has relatively small impacts on others users we look forward to swift Ofgem approval.

			group of users drive reinforcement costs in the EDCM. But an arbitrary subset of that group (those connected in areas where the FCP method derives a non-zero charge, driven by downstream users at that location) are exposed to additional costs. Removing that inconsistency will better facilitate competition between users (both existing and prospective) connecting at 0000. It also distorts competition between downstream users (which should be exposed to the costs they drive) and 0000 customers (which should not). Downstream users which drive network costs have an undue competitive advantage through the undue sharing of network costs they drive with other users (those at 0000) which do not. **Objective 3:** There is a clear cross-subsidy in the baseline which is not cost-reflective. The FCP model is a very detailed and complex mechanism for determining the extent to which users drive network cost; the sophisticated signal is then simply applied to the wrong users. DCP452 would remove that misapplication while continuing to expose 0000 customers to costs which they are deemed to drive - Direct Costs, Indirect Costs and Transmission Exit Charges for example. It may also better facilitate Objective 4. As more large loads seek to connect (driven by electrification and datacentre growth), connecting at the highest	

			practicable voltage and as close to the GSP switchboard (particularly where the highest voltage is 33kV) is likely the lowest cost option. This avoids users' power flows causing resistive and reactive losses in the DNO's network. Penalising users who wish to directly connect directly to GSPs (particularly at 33kV in Scotland) could result in such users connecting smaller loads at lower voltages and/or seeking to connect directly to the transmission system, which would lead to inefficiencies in network design and operation.	
GAS SUPPLIER PARTIES				
Not Eligible				
SAFE ISOLATION PROVIDERS				
Not Eligible				