








DCUSA Request for Information to Supplier Parties		At what stage is this document in the process?
<h1>DCP 469</h1> <h2>Cross Code Standardisation of Charging Arrangement Notice Periods</h2> <p>Date Raised: 13/01/2026</p> <p>Proposer Name: Chris Ong</p> <p>Company Name: Eastern Power Networks</p> <p>Party Category: DNO</p>		<div>01 – Change Proposal</div> <div>02 – Consultation</div> <div>03 – Change Report</div> <div>04 – Change Declaration</div> <div>05 – Post send-back decision - RFI</div>
<p>Purpose of Change Proposal</p> <p>Cross Code standardisation of Charging Arrangement Notice Periods.</p>		
	<p>This document is a Request for Information issued to Supplier Parties/ Suppliers are invited to consider the questions set in section 3 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by 11 May 2026.</p>	
	<p>Impacted Parties</p> <p>Suppliers/DNOs/IDNOs/CVA Registrants</p>	
	<p>Impacted Clauses</p> <p>Clause 19.1A in Section 2A</p>	

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1 Background

- 1.1 DCP 437, raised by National Grid Electricity Distribution, proposed shortening the Distribution Use of System (DUoS) pricing notice periods to create a longer interval between the publication of the Price Control Financial Model (PCFM) and the publication of final DUoS charges. The intent was to give Distribution Network Operators (DNOs) more time to apply assurance processes following any Ofgem-directed amendments to allowed revenues.
- 1.2 Ofgem rejected DCP 437 on 10 October 2025 (decision letter provided in Attachment 2), concluding that the modification did not better facilitate DCUSA charging objectives 2, 3, and 6, with neutral impacts on the remaining objectives.
- 1.3 Following Ofgem's decision on DCP 437, they have stated that any further consideration of DUoS notice periods must be undertaken on a cross-code basis, meaning industry should review arrangements across frameworks such as CUSC and UNC rather than treating DUoS in isolation (please note that representatives of CUSC and UNC are part of the DCP 469 working group).
- 1.4 This requirement does not imply that codes must ultimately be aligned but there is an expectation that there is a holistic examination of why different notice periods exist, whether those differences remain justified, and where appropriate changes suggested if beneficial. Within DCP 469, it is evident that DNOs are keen to explore shortening the DUoS notice period, prompting an initial RFI to understand the impacts of potentially bringing DUoS timelines closer to those used for TNUoS.
- 1.5 Following this, DCP 469 has been raised to start this review and the first meeting was held on 11 February. Representatives from CUSC and UNC attended this meeting. At the meeting it was agreed to issue an RFI to Suppliers seeking views from Suppliers on the impacts of reducing the DUoS notice period to align with TNUoS.
- 1.6 The next section provides a collective view from DNOs on their rationale for requesting to reduce the notice period.

2 DNO Justification

Notice Periods

- 2.1 The different elements of the transmission and distribution network in Great Britain all provide different notice periods for the publication of use of system tariffs, in line with their licence and code obligations. At present these are as follows:

Network		Notice Period		2026/27 Publication
Electricity Distribution	DUoS	Indicative	N/A	N/A
		Final	15 Months	31 December 2024

Electricity Transmission	TNUoS	Indicative		Timetable provided
		Final	2 Months	31 January 2026
Gas Distribution	GDNUoS	Indicative	150 Days	
		Final	60 Days	31 January 2026
Gas Transmission		Indicative	N/A	
		Final	4 Months	31 May-25 (in effect from Oct-25)

- 2.2 Prior to RIIO-ED1 (which commenced 2015/16), DNOs published indicative charges 3 months before they took effect on the following 01 April, and final charges 40 calendar days before, which was around the 19 February.
- 2.3 Following significant volatility brought in by the introduction of the Common Distribution Charging Methodology (CDCM, Schedule 16 of the DCUSA), change proposal DCP178 'Notification period for change to use of system charges' was raised by a DNO to change these arrangements to be the current 15 months' notice for final charges.
- 2.4 This was considered to be possible at the time due to the largely fixed nature of network charges and historically stable DNO allowed revenues, combined with a desire from Suppliers to be able to set their long-term charges for customers based upon as many known quantities as possible. DCP178 was accepted and the first set of DUoS tariffs published with 15-months' notice were the 2017/18 tariffs.
- 2.5 Since then, two change proposals to introduce a change to the notification period of Transmission charges have been raised. Both of which were rejected by Ofgem:
- CMP244 'Set final TNUoS tariffs at least 15 months ahead of each charging year'; and
 - CMP286 'Improving TNUoS Predictability Through Increased Notice of the Target Revenue used in the TNUoS Tariff Setting Process'
- 2.6 As a result, Transmission notice periods remain unchanged. Additionally, the gas distribution network operators are required to provide 60 days notice and the gas transmission network provides four months notice.
- 2.7 Therefore, electricity distribution (DNOs and IDNOs) remains the outlier across the industry, required to give 10 months more notice than any other sector network operators.
- 2.8 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

Allowed Revenues

- 2.9 DUoS tariffs are set to recover allowed revenues, which are calculated in line with the electricity distribution licence. Changes to the calculation of allowed revenues in RIIO-ED1 and RIIO-ED2

have caused volatility in the levels of allowed revenue and the prior year correction element of this.

- 2.10 In RIIO-ED1, there was a two-year lag on several variable inputs to the allowed revenue, such as incentives and passthrough costs, as well as a true-up mechanism for inflation. The inflation true-up mechanism meant that a forecast of inflation was used at the point of setting charges and then any variance in allowed revenues driven by the change to actual inflation were captured in the allowed revenue two years later. This meant that the majority of allowed revenue was locked down at the point of setting charges and restricted the amount of over/under-recovery flowing through to later years in the prior-year correction mechanism.
- 2.11 Under RIIO-ED2, the previous two-year lag and inflation true-up arrangements were removed. This means that allowed revenues, including base revenue, can continue to change closer to when charges apply, rather than being fixed well in advance. As a result, DUoS tariffs may be set using estimates that later turn out to differ from the final allowed revenues. Any differences are then corrected in later years through the prior-year correction mechanism. This can lead to larger adjustments between charging years and has increased the volatility of DUoS charges.
- 2.12 Additionally, there have been several other factors which have driven significant variance in allowed revenues in recent years, which is then driving large changes in tariffs over two or more years, or requires tariffs to be revised and republished to address an issue which was unknown at the point of tariff setting.
- 2.13 SEC are currently reviewing the DCC charges which form part of the DNO allowed revenue via the passthrough mechanism. For 2027/28 tariffs, DNOs were left with little choice but to include an additional, estimated, ~£220m (across all DNOs) in passthrough costs in 2027/28 tariffs due to the proposed uplift in DNO DCC cost share. However, that decision is not finalised until September this year and may lead to yet more large over- or under-recoveries if the above figure has been over- or under-stated.
- 2.14 With a shorter notice period (as proposed), the total allowed revenue recovered across the years will remain the same, but moving to a shorter notice period would likely smooth the revenue across those years by improving the accuracy and removing the volatility driven by high values of prior year correction (a side effect of the lengthy 15-month notice periods).

Republished Tariffs

- 2.15 An example of this is Supplier of Last Resort (SoLR) costs, which led to republishing DUoS tariffs with 40 days' notice (as defined in the Distribution Licence) for both 2022/23 and 2023/24. At the current time, DNOs are in discussion with Ofgem over the proposed debt relief scheme, which at present is expected to result in the final charges for 2027/28 being reopened later this year or very early next year, in order to recover these additional costs. These issues are unlikely to be the last of this nature due to the way the arrangements are more dynamic than they have been

in the past, which will result in more ‘final’ charges needing to be revised closer to them taking effect, which removes the certainty which they are meant to provide to Suppliers.

New Price Control Periods

- 2.16 Under 15 months’ notice, when DNOs are setting tariffs for the first two years of a new price control, they do so without having the licence conditions in place for the price control period and without Ofgem’s final determination which sets the level of revenues that each DNO is allowed.
- 2.17 For the first charging year of RIIO-ED2 (2023/24), DNOs used the allowed revenue figure(s) from their submitted draft business plans, and for the second year (2024/25) they used the allowed revenue based on Ofgem’s final determination, which were still subject to appeals. The impact of this was that for the first two years there were significant variances in the Allowed Revenue, as the prior year correction mechanism needed to address the differences in the business plan numbers to those agreed as part of the price control final settlement and as the outcome of any subsequent appeals.
- 2.18 There are currently discussions ongoing between DNOs and Ofgem, over the Allowed Revenue to be used for the first year of ED3, which will be charging year 2028/29. All parties are aware of the issues experienced at the start of ED2 with using numbers from the business plan(s). Moving to a shorter notice period would mean that DNOs can use the final determination revenues when setting tariffs for the first year of the new price control period, which, although subject to appeals, would mean that the allowed revenues are more accurate and less volatile than using the business plan figures. If this change proposal was to be progressed swiftly, then it is possible that this change would address this issue not just for the first year of ED3 but also for when future price controls are being discussed and take effect.

Inflation

- 2.19 A further significant factor in variance in allowed revenue, and therefore tariffs, is inflation. When setting tariffs 15 months in advance, DNOs are required to use a forecast of inflation for three years, e.g. when setting tariffs for 2023/24 in December 2021 DNOs were required to use forecast inflation for 2021/22, 2022/23 and 2023/24. At this point all three years were forecast to be “normal” years. The UK then saw significant economic instability in 2022/23, resulting in inflation of 12.9%, with 2023/24 also remaining high at 7.3%. This increase in inflation drove a significant increase in allowed revenues for 2022/23, 2023/24 for which tariffs had already been set, meaning that the variance flowed through to 2024/25 in the prior year correction term, causing a significant increase in tariffs in 2024/25. Allowed revenues then returned to more “normal” levels in 2025/26 causing a significant decrease in tariffs in 2025/26. However, there is no certainty that similar increases will not be seen in future years as a result of current world events.

Code Consolidation

- 2.20 Over the next two years the arrangements currently covered under the CUSC and DCUSA will be merged, with the non-technical elements being brought together as part of the Electricity

Commercial Code (ECC). As part of this work, it is likely that the secretariat will seek to align arrangements where possible, and with the current arrangements between DUoS and TNUoS being so different, along with Ofgem having stated that they would like industry to review notice periods for charges, doing so in advance of any changes to the secretariat arrangements taking place, will potentially resolve an issue which would otherwise have to be addressed at a future date.

- 2.21 Although the original change proposal for DCP469 proposed indicative charges being published nine months before the charges take effect, forecast charges as part of the Cost Information Reporting Pack (CIRP)¹, are already published three times a year, just after the end of May, September and the month of final publication of tariffs in each year". Therefore, the separate publication of indicative charges might not be necessary.
- 2.22 Moving to a shorter notice period for final DUoS charges, which aligns with that used for TNUoS, would ensure that Suppliers have a full and final view across DUoS and TNUoS of the next year of charges for the Distribution and Transmission systems. This would provide Suppliers with the confidence that when final charges are published, that they are final and will not change, whilst also providing a clear view on the likely charges months before, with the publication of the existing CIRPs.
- 2.23 The impact of volatility in the charges is felt by all Customers, regardless of the type of customer or their type of contract. However, the impact of a shortened notice period realistically only impacts a small percentage of customers, as Domestic Customers are already covered by the Ofgem Price Cap, and it is believed that all EHV and most HV Customers will be on pass through contracts with their Supplier. As a result, only a subset of Customers are truly impacted by any change to the length of the notice period.
- 2.24 To support industry consideration of shortening the DUoS notice period, Attachment 3 presents an illustrative comparison of allowed revenue volatility across the NGED licence areas (EMEB, MIDE, SWAE and SWEB) under two scenarios:
1. Current 15-month notice period (the existing DUoS arrangement), and
 2. A re-modelled 2 month notice period aligned to the DCP 469 solution, similar to the timelines used for TNUoS.

3 Working Group Considerations and RFI Questions

- 3.1 This Request for Information is issued to Suppliers only, due to the nature of the questions being asked. The purpose of this RFI is to support the Working Group's assessment and to ensure the Authority is provided with sufficient evidence to enable an informed decision on DCP 469. The Working Group recognises the challenges associated with providing impact assessments where

¹ [Cost Information Review Packs](#)

information is commercially sensitive and has therefore tailored the questions below to avoid requesting such information, while still seeking sufficient qualitative insight to present a clear picture of potential impacts.

Impact on Supplier Risk Management and Risk Premia.

- 3.2 All responses will be treated anonymously when the Secretariat presents any responses to the working group and within any subsequent published documentation.
- 3.3 If the DUoS final charges notice period were reduced from 15 months to a shorter timeframe, including the 2-month notice period proposed under DCP 469, what impact would this have on your organisation's management of DUoS-related risk and any risk premia embedded within customer pricing?
- 3.4 Please respond with reference to the following points, where relevant.

a) Overall materiality for Suppliers and Customers

Please indicate the expected materiality of the impact of a **2-month notice period**, relative to the current 15-month arrangement:

- ☐ No material impact
- ☐ Low impact
- ☐ Medium impact
- ☐ High impact

Please briefly explain the key reasons for your assessment.

b) Direction and drivers

Please indicate whether a move to a shorter notice period (and in particular a 2-month notice period) would be expected to:

- ☐ Increase DUoS-related risk premia
- ☐ Decrease DUoS-related risk premia
- ☐ Result in no material change

Please identify the main drivers of your response (e.g. charge volatility, forecasting uncertainty, contract structures, timing of price setting).

c) Thresholds

Is there a notice period below which DUoS-related risk becomes materially more difficult for your organisation to manage (for example, depending on contract length)?

- ☐ No specific threshold
- ☐ Below 6 months
- ☐ Below 3 months
- ☐ At 2 months only

Please briefly explain including where relevant whether this varies by contract duration.

d) Customer and product segmentation

Please comment on whether impacts would differ materially by:

- Customer type and/or
- Product type (e.g. fixed-price versus pass-through arrangements).

Where impacts are limited to specific segments, please indicate this.

e) Behavioural and operational responses

Would a shorter notice period be expected to result in changes to your organisation's approach to any of the following (please tick all that apply and briefly explain):

- ☐ Product design
 - ☐ Contract length or structure
 - ☐ Use of pass-through charges
 - ☐ Internal risk management or governance processes
 - ☐ No material changes expected
 - ☐ Other – please specify
-

f) Alignment with TNUoS

Given that TNUoS charges are set on a shorter notice period, please comment on whether aligning DUoS timelines with TNUoS would:

- ☐ Mitigate DUoS-related risk
- ☐ Exacerbate DUoS-related risk
- ☐ Have no material effect

Please explain briefly.

g) Mitigations

Please identify any mitigations that would reduce the need for increased risk premia under a shorter DUoS notice period (for example indicative charges).

h) Other Information

Do you have any other information, evidence or comments in relation to the proposal?

- 3.5 Responses should be submitted using Attachment 1 and emailed to dcusa@electralink.co.uk no later than **11 May 2026**.

4 Attachments

- Attachment 1: DCP 469 RFI Response Form
- Attachment 2: DCP 437 Decision Letter
- Attachment 3: Illustrative comparison of allowed revenue volatility
- Attachment 4: DCP 469 Change Proposal