

# DCP 469 Working Group - Meeting 04

21 May 2026 at 13:00 – 16:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Alex Pentecost [AP]	Eclipse
Charles Mott [CM]	SSE
Chris Barker [CB]	SP ENW
Chris Ong [CO]	UKPN
Christos Papaevangelou [CP]	National Grid
Dave Wornell [DW]	National Grid
Ed Grimsey [EG]	BUUK
Emma Clark [EC]	SSE
Emma Robinson [ER]	EON
Ian Burman [IB]	Green Gen Cymru
James Knight [JK]	Centrica
John Harmer [JH]	Waters Wye
Lorna Murray [LM]	SPEN
Louise Robinson [LR]	ESP
Mark Jones [MJ]	SSE
Niall Coyle [NC]	NESO
Ryan Farrell [RF]	NPg
Tim Aldridge [TA]	Ofgem
<b>Code Administrator</b>	
Mel Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink

<b>Apologies</b>	
Edda Dirks [ED]	SSE Gen

## 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.

## 2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of this meeting is to review the DCP 469 Collated RFI Responses within the Working Group and agree next steps.

## 3. Review of Anonymous Key Themes from RFI Responses

- 3.1 The Chair presented the DCP 469 overview of RFI responses document live on screen for the Working Group to review and discuss.

- 3.2 The key updates can be found below:

- 3.3 The Chair informed the group that the anonymous/confidential collated RFI responses document was circulated to the Working Group prior to this meeting, however, this has not yet been published on the DCUSA website. Rather than the Working Group reviewing the responses line by line, the Chair produced a document to share live on screen which provides an overview of key themes that have come out of this RFI as this may be more beneficial.

- 3.4 The key themes presented from the RFI can be found below:

- **Customer Impact (Cost vs Certainty)**

- Reducing the notice period is expected to increase customer costs and reduce price certainty. Suppliers would add risk premiums to manage unknown DUoS charges, particularly impacting fixed-price contracts. Overall, respondents consistently view this as worsening customer outcomes.

- **Allocation of Risk**

- The proposal is seen as shifting risk from DNOs to Suppliers and customers. Suppliers highlighted they are not well placed to manage this risk, as they cannot adjust prices once contracts are agreed and cannot hedge DUoS costs.

- **Deliverability and Market Impact**

- Suppliers do not consider the proposal workable without negative impacts. Indicative charges alone are not seen as sufficient, largely because of the movement seen with TNUoS charges between indicative and final; some respondents suggested mitigations such as setting a cap on how much final charges can differ from forecasts (e.g., +/- 5%) to improve certainty, but these would only partially reduce risk. Likely outcomes include fewer fixed-price products, more pass-through arrangements, and reduced customer choice, with alignment to reduce DUoS notice periods to TNUoS seen as exacerbating impacts.

- 3.5 Members noted that the response to this RFI is a Supplier view but does not represent the industry as a whole (as the RFI was only issued to Suppliers for response).
- 3.6 CO suggested that it may be worth reviewing the impact analysis that was carried out for DCP 437 [‘To Shorten the DUoS Pricing Notice Periods’](#), as from a DNO perspective, it showed a benefit to Customers and could be clearly explained within the Consultation.
- 3.7 A number of members believe that having shorter notice periods will benefit all Parties, suggesting that there will still be a level of competition between Suppliers to keep their risk premiums low for the Customers.
- 3.8 JH pointed out that there seems to be a divide between Suppliers opting for longer notice periods and DNOs opting for shorter notice periods and raised a concern that there is no middle ground. JH continued to state that they believe that it is right that DNOs can recover revenue that they do not make one year, but not at the Suppliers risk.
- 3.9 JH suggested looking at how the models are working and whether there should be an adjustment for inflation that is added much later in the process. In regard to the price control period, JH suggested whether these discussions should be spread a year earlier so that the revenue is not estimated.
- 3.10 RF stated that the rest of the industry are working with two/three-month notice periods on transmission, and by having longer notice periods DNOs are having to use out of date data to set charges.
- 3.11 DW stated that Customers have been complaining due to their fixed charges increasing and this is due to the mechanisms of the 15-month notice period. CO agreed with DW and added that they had

discussions with an EV operator recently who had questions regarding why there is a 15-month notice period when this advanced notice is not given from a transmission perspective.

- 3.12 The Chair asked the group how best to move forward with these two points of views (from both Suppliers/DNOs) when going out to Consultation. RF noted that DCP 437 '[To Shorten the DUoS Pricing Notice Periods](#)' looked to move the notice period by one month and there was not a middle ground between Suppliers and DNOs.
- 3.13 RF suggested including a list of pros and cons for both the Suppliers perspective and DNOs perspective along with a type of assessment showing what the outcome of this change would be and let Ofgem decide which would be most beneficial to the Customer.
- 3.14 CO suggested it may be beneficial to review and discuss why DCP 437 was rejected.
- 3.15 TA informed the group that it may be worth gathering more evidence from Customers themselves. If both Suppliers and DNOs are stating that they are representing the Customers, they are both reaching different conclusions and gaining a better understanding from Customers around the impacts of the volatility vs predictability may be useful.
- 3.16 JH stated that Suppliers have struggled this year with TNUoS and this has been raised in multiple industry forums.
- 3.17 In regard to next steps, RF suggested building on and developing the calculator as a Working Group, that was used in DCP 437. This can then be used to create information/tables showing what the risk premium might look like.
- 3.18 JK suggested that there used to be a two-year lag for over and under recovery coming through charges and then moved this to a one-year lag and suggested that this is potentially another solution to look at where over under recovery is spread out over a longer period. RF stated that this has been suggested before, however, believes that a one-year lag does not actually work with 15-months' notice as the tariffs have already been set for that year (and therefore still effectively working on a two-year lag).
- 3.19 RF continued to explain that this affects solar recovery, for example, and has much wider impacts across the licence in terms of how the licence should operate and how it does operate. Following this, CO suggested it may be worth asking a Consultation question around how Suppliers have dealt with DNOs reopening charges and issuing them two months/40 days before they take effect. Members agreed that this could be asked within the Consultation, however, DW noted that that only affects domestic Customers, which are already covered by the price cap.
- 3.20 NC also mentioned that regarding solar recovery, Suppliers are likely to get more than 40 days' notice by the DNO as the claims are approved by Ofgem and consulted on ahead of when they feed into tariffs; and would therefore have visibility of the overall revenue to be recovered for solar.
- 3.21 TA suggested an additional Consultation question around Suppliers with Customers on DNO networks vs IDNO networks, given that they get one less months' notice – it may be beneficial to ask respondents how this feeds into the risk premium that they are factoring into those charges and

whether there is a material difference between 15 and 14 months, depending on the Customers that they have.

- 3.22 TA also queried whether Citizens Advice have engaged within this Working Group in terms of what domestic Customers think of the notice – the Chair confirmed that there has not been any engagement with Citizen’s advice as of yet, however, this engagement could happen through the Consultation.
- 3.23 Following the above, CO suggested it may be more suitable to reach out to other Customer trade bodies as opposed to individual bodies for Consultation feedback – TA confirmed that Ofgem have contact with a number of representatives of these bodies and suggested that Ofgem can point them in the direction of the Consultation. Members agreed that this would be useful.

**ACTION 04/01: Ofgem [TA] to guide representatives of Customer trade bodies in the direction of the DCP 469 Consultation for feedback once issued to wider industry.**

- 3.24 Following the earlier discussion around DNOs developing the calculator that was used within DCP 437, CO suggested that this could be further developed to show what it would be in 2/4/6 months, for example. CO also suggested that some analysis may need to be carried out by DNOs around volatility (i.e., largely inflation driven) and also decide whether a second option will be being proposed as this will all need to tie together.
- 3.25 DNO members agreed to take this as an action to complete offline and circulate to the Working Group for review prior to the next meeting.
- 3.26 The Secretariat also agreed to take an action to produce a draft Consultation containing all of the discussions held to date, including the RFI that was circulated. This will be circulated to the Working Group for review offline prior to the next meeting.

**ACTION 04/02: DNO members to further discuss and develop the calculator used for DCP 437 offline along with additional analysis to be included within the Consultation offline and circulate to the Working Group for review prior to the next meeting.**

**ACTION 04/03: The Secretariat to produce a draft Consultation and circulate to the Working Group for review prior to the next meeting.**

- 3.27 NC suggested it would be beneficial to include the difference in volatility (analysis that was included within the RFI) and how the counterfactual was calculated as there were previous concerns raised about the methodology used. NC stated that there were also a number of comments around only covering a subset of DNO regions and suggested it would be helpful for this to be further explained within the Consultation.
- 3.28 TA queried whether there could be a qualitative element included within the Consultation of where the Working Group acknowledge that risk premiums are higher over the shorter notice period, but ask whether there is a threshold at which that changes, as even if Suppliers are not supportive of a shorter notice period, there must be some points within the year where it may materially change.
- 3.29 RF explained that towards around 33 months /40 days’ notice period, this is where there is more clarity around what charges should look like for the coming year as there is a better understanding of

what happened within the previous years. TA suggested it would be helpful to include information around what changes (from the Suppliers point of view) that risk premium.

- 3.30 JK suggested that looking at what the DNOs were forecasting revenues to be and what information was available at what points of the year could be beneficial.
- 3.31 JH believes that the issue suggests that there is something wrong with the modelling itself and with the approach to setting prices. JH queried how Suppliers are supposed to forecast the ED3 first year tariff – RF stated that they would do this in the same way that they do for transmission charges.
- 3.32 JH agreed with JK comment earlier regarding smoothing that change out over multiple years. JH also mentioned that the Working Group have aid that domestic Customers should be covered by the price cap and that this change would have less impact on them. This is a subset of Customers who are affected with a subset of tariffs - but for those tariffs, this change is hugely material.
- 3.33 Following the above discussions, the Chair confirmed that the Working Group/Secretariat will continue the development of the draft Consultation document on the basis that the proposal is seeking a reduction (preferably two-months).
- 3.34 The Chair queried whether the Working Group would like to ask respondents for any alternative solutions (that are within scope of this DCUSA change) that the Working Group could consider – the Working Group agreed that it would be worth asking the question around alternative solutions to allow all respondents to have the opportunity to feedback, with the caveat that it can only be dealt with within the change and what this change allows in terms of its scope. It was noted that DCUSA is also limited in what can be covered within its scope.
- 3.35 The Chair noted that any alternate solutions that are received via the Consultation that the Working Group and/or DCUSA cannot deal with directly due to being outside of the scope, the Working Group will ensure this is fed through to the relevant channels.
- 3.36 Following the above discussions, the Chair reiterated the agreed actions to take offline and agreed to take an action to issue a meeting poll with proposed dates for the next Working Group meeting once there are documents to review.

**ACTION 04/04: The Secretariat to issue a meeting poll for the next Working Group meeting (05) in due course.**

#### 4. Agreed Next Steps

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- 4.1 The Working Group discussed the next steps, and the following items were captured:
- DNO members to further discuss and develop the calculator used for DCP 437 offline.
  - The Secretariat to produce a draft Consultation and circulate to the Working Group for review prior to the next meeting.
  - The Secretariat to issue a meeting poll for the next Working Group meeting (05).

#### 5. Any Other Business

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

## 5.2 Ofgem Notice Period Consultation

- 5.3 TA informed the group that Ofgem mentioned at the DCMDG meeting held in the morning of 21 May 2026 that Ofgem are planning on consulting on the notice period, as it applies the first two years of ED3 – this in response to a request that Ofgem have received from the DNOs.
- 5.4 TA stated that DNOs are asking to shorten the notice period. Ofgem will be consulting on this and looking to publish this in around one months' time. TA explained that this is an isolated issue as it relates to the transition in price control, whereas this change is looking at an enduring change.
- 5.5 Following the responses to the Ofgem Notice Period Consultation, TA confirmed that they will gather the evidence and bring it to this change.
- 5.6 There were no other items raised.

## 6. Date of Next Meeting – TBC

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- 6.1 The next Working Group meeting is currently TBC. A meeting poll will be issued to the Working Group for availability of the next meeting.

## 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>04/01</b>	Ofgem [TA] to guide representatives of Customer trade bodies in the direction of the DCP 469 Consultation for feedback once issued to wider industry.	Ofgem [TA]	<b>New Action.</b>
<b>04/02</b>	DNO members to further discuss and develop the calculator used for DCP 437 offline along with additional analysis to be included within the Consultation offline and circulate to the Working Group for review prior to the next meeting.	DNO WG Members	<b>New Action.</b>
<b>04/03</b>	The Secretariat to produce a draft Consultation and circulate to the Working Group for review prior to the next meeting.	Secretariat	<b>New Action.</b>
<b>04/04</b>	The Secretariat to issue a meeting poll for the next Working Group meeting (05) in due course.	Secretariat	<b>New Action.</b>

### Closed Actions

Action Ref.			Update
<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>Closed.</b>
<b>03/01</b>	The Secretariat to circulate the draft RFI document to the Working Group for a final review offline.	Secretariat	<b>Closed.</b>



03/02	The Secretariat to issue toe RFI document to wider industry.	Secretariat	Closed.	
03/03	The Secretariat to schedule the next Working Group meeting for 21 May 2026 to review the collated RFI responses (anonymous).	Secretariat	Closed.	