

DCUSA Schedule 20 Cost Information Review Pack Presentations 02

25 June 2026 at 14:00 - Web-Conference

Attendee	Company
Working Group Members	
Kara Burke [KB]	NPg
Rob Scott [RS]	BrytEnergy
Sally-Ann Young [SAY]	SSE
Leon Stafford [LS]	UKPN
Chris Ong [ON]	UKPN
Thomas Glen [GT]	SPEN
Alister Johnson [AJ]	UKPD
Charles Mott [CM]	SSE
Dave Wornell [DW]	NGED
Blessing Ekpe [BE]	SSE
Chirs Baker [CB]	SP ENW
Ed Grimsey [EG]	BU-UK
James Knight [JK]	Centrica
Jonathan Dadson [JD]	Valda Energy
Louise Bunny [LB]	NPg
Meredith Bradley [MB]	YU Energy
Rakesh Gohil [RG]	Centrica
Simran Kelsey [SK]	Centrica
Swanpnil Yedekar [SY]	YU Energy

Stephen Millar [SM]	SPEN
Code Administrator	
Andy Green [AG] (Chair)	ElectraLink

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.

Competition Law Guidance and Terms of Reference

- 1.2 The Working Group agreed to be bound by the Competition Law Guidance for the duration of the meeting.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of the meeting to review the Schedule 20 CIRP review packs which is a requirement that was introduced by [DCP 325](#), which removed the responsibility for the hosting of the webinar from the ENA to the DCUSA.

3. Review of presentations

- 3.1 The Chair moved on to the presentations. These can be found within Attachment 1 DCUSA CIRP 02 Presentations.

NPg

- 3.2 KB presented Northern Powergrid's latest CIRP submission. It was explained that the majority of updated figures now reflect finalised 2025/26 positions, although certain elements remain indicative and will be reconciled during future submissions. Forecasting for ED3 remains aligned to previous methodologies and therefore does not yet reflect the company's forthcoming ED3 business plan submission.
- 3.3 It was explained that most changes within pass-through costs were from final 2025/26 figures. Further adjustments had been made to the Yorkshire licence exit charge forecasts due to updated asset replacement information. Small movements in prescribed rates were largely attributable to inflation indexation.
- 3.1 A notable update related to the inclusion of Connections Reform pass-through costs, which had recently become a licence pass-through item. As the current CIRP model lacks a dedicated category for these costs, the value has temporarily been included within the pension deficit row. NPg confirmed that a change would be raised to amend the model and create an appropriate reporting category.
- 3.2 Further updates included revised incentive forecasts, updates to NIA allowances based on outturn positions, inflation revisions aligned to the March OBR forecast, and revenue recovery forecasts

updated using actual billing data. Members were advised that a further, more substantive update would be expected following the August PCFM submission.

3.3 No questions were raised following the presentation.

NGED

3.4 DW provided an update on behalf of NGED. Members were advised that limited changes had been made since the previous publication. The company had not yet updated ODI positions due to the availability of data but had revised inflation assumptions, tax allowances and made a small amendment relating to exit charges.

3.5 NGED highlighted that 2028/29 figures remain highly provisional as business plan development is ongoing. Members were shown updated revenue breakdowns and variance analysis, although it was emphasised that more meaningful changes are expected within the August CIRP update when both the RRP submission and business plan development will have progressed further.

3.6 No questions were raised by attendees.

UKPN

3.7 LS delivered the UKPN presentation and noted that a revised version of the submission had been uploaded following correction of an earlier publication.

3.8 UKPN advised that:

- The latest PCFM data had been incorporated.
- 2025/26 figures would be finalised over the coming months.
- Forecasts for later years remain uncertain pending development of future business plans.
- Allowed revenue had increased by approximately £229 million.

3.9 The largest driver of change was revised inflation forecasting. UKPN had moved from the OBR October forecast used in the previous publication to an Experian-based inflation forecast, which was considered internally to be a more accurate predictor of future inflation. This change alone increased allowed revenues by approximately 1.6% across the forecast period.

3.10 A discussion followed regarding inflation forecasting methodologies. Swapnil Yedekar queried whether other DNOs intended to adopt Experian forecasts. In response:

- UKPN explained its rationale for using Experian forecasts.
- NPg confirmed DNOs had previously agreed that organisations could select their preferred forecasting approach for interim CIRP updates.
- NGED noted that inflation assumptions are a separate variable within the model and can be changed by users when undertaking their own analyses.

- It was acknowledged that actual outturn values would ultimately reflect actual inflation rather than forecast assumptions.

SSEN

- 3.11 CM reported that SSEN had similarly restricted updates to changes in inflation assumptions. The March OBR forecast had been adopted, resulting in a modest reduction in allowed revenue for 2025/26 and corresponding increases in subsequent years. A similar trend was observed across both SSEN licence areas.
- 3.12 Members were advised that more substantive updates are expected within future CIRP publications. No questions were raised.

SP ENW

- 3.13 CB advised that his company's primary update related to inflation assumptions aligned with OBR forecasts. Members were informed that inflation affects the CIRP model through both forecast and actual inputs and that another inflation-related adjustment would likely occur at the next publication once updated actual data becomes available.
- 3.14 Given the limited scope of revisions, only consequential impacts on correction terms and related calculations were reported. No questions were raised.

SPEN

- 3.15 TG presented SPEN's update. Similar to several other DNOs, SPEN had primarily updated inflation assumptions, with broader revisions deferred until forecast submissions and approvals had been completed.
- 3.16 The revised inflation assumptions were forecast to generate over-recoveries across multiple years, resulting in a corrective reduction of approximately £12 million in 2029. Members were also shown a breakdown of variances, including inflation impacts across distribution and maintenance expenditure and associated tax allowance effects.
- 3.17 SPEN noted that a significantly larger update is anticipated at the next webinar.

4. Attendance and Engagement

- 4.1 The Chair noted that attendance had increased significantly compared with the previous webinar. Members discussed stakeholder engagement and whether invitations should be circulated more widely to improve visibility and participation across the industry.
- 4.2 CO suggested that webinar visibility could be improved by circulating invitations more widely, including distribution to the wider DCMDG mailing list.
- 4.3 It was noted that some interested parties were unaware of the webinars when administered by the ENA and that broader circulation may improve stakeholder engagement and awareness.

5. Any Other Business

- 5.1 The Chair informed attendees that a future DCUSA change proposal is expected to be raised to amend legal text and the CIRP model to accommodate the new Connections Reform pass-through cost category identified during NPg's presentation.
- 5.2 KB confirmed that the issue had already been discussed within the DCMDG and explained that the change would create a dedicated reporting line for Connections Reform costs rather than requiring DNOs to use existing categories.
- 5.3 Members were advised that the proposal is expected to proceed directly to a change report and would not require a formal working group.

6. Attachments

- Attachment 1 DCUSA CIRP 02 Presentations

APPENDIX A

New and Open Actions

Action Ref.	Action	Owner	Update
01/01	The Secretariat to change the name of the next webinar.	Secretariat	New action