

DCUSA Change Proposal (DCP)		At what stage is this document in the process?					
DCP 479: Update to Schedule 20 ('Production of the Cost Information Review Pack') and the CDCM inputs to maintain alignment with the distribution licence Date Raised: 20/06/2026 Proposer Name: Kara Burke Company Name: Northern Powergrid Party Category: DNO	01 – Change Proposal						
	02 – Consultation						
	03 – Change Report						
	04 – Change Declaration						
Purpose of Change Proposal: The intent of this Change Proposal is to align Schedule 20 ('Production of the Cost Information Review Pack'), and the inputs to the CIRP template and CDCM model, with the latest version of the electricity distribution licence.							
	Impacted Parties: ☒ Suppliers ☒ DNOs ☒ IDNOs ☒ CVA Registrants ☐ OTSO Party ☐ Gas Suppliers ☐ SIP Parties						
	Impacted Clauses: <table border="1"> <thead> <tr> <th>Section/Schedule</th> <th>Clause/Paragraph</th> </tr> </thead> <tbody> <tr> <td>Schedule 20</td> <td>3.2 Appendix A</td> </tr> <tr> <td colspan="2"></td> </tr> </tbody> </table>		Section/Schedule	Clause/Paragraph	Schedule 20	3.2 Appendix A	
Section/Schedule	Clause/Paragraph						
Schedule 20	3.2 Appendix A						

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Indicative Timeline

The Secretariat recommends the following timetable:

Initial Assessment Report	15 July 2026
Consultation Issued to Industry Participants	N/A
Change Report Approved by Panel	19 August 2026
Change Report issued for Voting	20 August 2026
Party Voting Closes	11 September 2026
Change Declaration Issued	15 September 2026

1 Summary

What?

- 1.1 Table 1 of Appendix A of Schedule 20 requires an update to reflect the implemented changes to the formula for calculating Pass-through in Special Condition 6.1.3 'Formula for calculating the pass-through items term (PT_i)' of the Electricity Distribution Licence Special Conditions. This also needs to be reflected in 'Table 1 – Detailed', 'Table 1 – Delta to Previous' and 'CIRP – General Inputs' in the Cost Information Review Pack (CIRP) template and the 'General Inputs' sheet of the CDCM model.
- 1.2 SC6.1 has been updated to include a new pass-through item for Connections Reform Costs, in accordance with Ofgem's decision¹, with the updated licence taking effect from 27 January 2026. This cost represents reasonable costs associated with the one-off exercise to implement TM04+, specifically the Gate 2 to Whole Queue Exercise.
- 1.3 This has already been reflected in the Ofgem governed Regulatory Reporting Packs² and in the Price Control Financial Model (PCFM)³

Why?

- 1.4 The change to the electricity distribution licence has resulted in the introduction of a new term in the calculation of Allowed Revenue via the Special Conditions of the electricity distribution licence. As a result, Table 1 of Appendix A of Schedule 20, along with the corresponding table in the CIRP template, and the Allowed Revenue calculation in the 'General Inputs' sheet of the CDCM, no longer align to the licence. This therefore requires a housekeeping change, with a knock-on impact on Schedule 16 which requires DNOs to prepare a forecast of allowed revenue consistent with Table 1 of Schedule 20.
- 1.5 Without this update the CDCM and CIRP would be misaligned to the distribution licence, which would require DNOs to either record the new passthrough item against the wrong costs or to leave the item out entirely, which would mean that they were not calculating allowed revenues in line with the PCFM and would be in breach of Special Condition 2.1.4.

¹ [Modifications to electricity distribution licence Special Conditions to enable TM04+ connections reform | Ofgem](#)

² [RIIO-2 Regulatory Instructions and Guidance and Regulatory Reporting Packs | Ofgem](#)

³ [ED2 Price Control Financial Model | Ofgem](#)

How?

- 1.6 Table 1 of Appendix A of Schedule 20 should be updated to remain aligned to the implemented electricity distribution licence, namely the update to the formula in Special Condition 6.1.3 'Formula for calculating the pass-through items term (PTt)'. This should be reflected in the models by adding a new row for the input in 'Table 1 – Detailed', 'Table 1 – Delta to Previous' and 'CIRP – General Inputs' in the Cost Information Review Pack (CIRP) template and the 'General Inputs' sheet of the CDCM model CIRP template and in the CDCM model, by adding a row into the 'Table 1 0 Detailed' 'General Inputs' sheet of the CDCM model. It will not cause any changes to any of the calculations of tariffs, as it just gets added into the total allowed revenue and shouldn't have any special treatment anywhere else. No changes to the EDCM are needed. It will need CEPA/TNEI to update it however, so this CP will require a model support request.

Who?

- 1.7 This would impact the Schedule 20 Cost Information Review Packs and as such, this impacts Suppliers, DNOs and IDNOs. There will be no impact on the calculated tariffs.

2 Governance

Proposers view on items that impact the progression of the CP

- 2.1 ☐ Tick this box if you feel that you are raising this change to try to address a current or imminent issue that has significant adverse commercial or safety implications or which would otherwise place Parties in breach of relevant regulations.
- 2.2 Do you believe this Change Proposal will have a significant impact on any of the following? (Select all that apply)
- ☐ Electricity consumers
 - ☐ Supply
 - ☐ Distribution
 - ☐ Generation
 - ☐ Commercial activities connected with any of the above
 - ☒ None of the Above
- 2.3 Do you believe this Change Proposal will? *(Select all that apply)
- ☐ Have a significant commercial impact on any a Party or Party Category or on customers
 - ☐ Be likely to discriminate in its effects between at least one Party or another
 - ☐ Be the subject of controversy between Parties
 - ☐ Cause at least one Party to be in breach of this Agreement if not urgently addressed
 - ☐ Change the governance or the change control arrangements applying to the DCUSA
 - ☒ None of the Above
- 2.4 ☐ Tick this box if you either, haven't developed any proposed legal drafting or if you have, but you feel that further development will be required (i.e., via a Working Group)?

Proposers view on items that impact the progression of the CP

Prioritisation Criteria	High Impact
Strategic Direction Statement Alignment: The CP strongly supports key government energy policy actions that require immediate progress and aligns with SDS priorities under the Act Now category.	No
Complexity: The CP is highly complex, with a fast-approaching deadline, significant implementation challenges, and a requirement for extensive stakeholder engagement.	No
Importance: The CP addresses a high-risk or critical issue, making timely action important for stakeholders as it is anticipated to deliver substantial benefits and value.	No
Priority Category (To be considered High priority all 3 Criteria must be High Impact.)	Standard Priority

- 2.5 There are no material impacts to customers or DCUSA parties as a result of this change being accepted so this is a part 2 matter.
- 2.6 We believe this change proposal should be prioritised as Standard priority as it does not obviously align with the SDS, is not overly important but could be considered quite complex (each as described in the guidance document).

Code Admin view on progression route for this CP

- 2.7 Based the answers provided by the Proposer to the above questions the Code Administrator believes that this Change Proposal should:
- Be treated as a Part 2 Matter;
 - Be treated as a Standard Change; and
 - Proceed to the Change Report phase.

3 Reasons for raising the Change Proposal

- 3.1 To the reasons for this change proposal have been articulated in section 1 of the change proposal.

4 Solution and Legal Text

Solution Overview

- 4.1 The solution is the inclusion of one additional row in the Table 1 of Annex A of Schedule 20, resolving the inconsistency between DCUSA and the distribution licence which has arisen. This will also need to be reflected in 'General Inputs' in the CDCM model and in 'Table 1 - Detailed', 'Table 1 – Delta from Previous' and 'CIRP_General inputs' in the CIRP template.
- 4.2 This doesn't cause any changes to any of the tariff calculations, but it will need CEPA/TNEI to update the input sheets in the CIRP and CDCM. There are no changes required to the EDCM.

- 4.3 The Modelling Support Request and updated CIRP can be found in Attachment 2 DCP 479 model Support Request.

Legal Text Amendments

- 4.4 The legal text can be found within Attachment 1 DCP 479 Draft Legal Text.

Addition/Amendment to DCUSA Owned Market Message (Data Flow) or Data Item

- 4.5 N/A

Market Message (Data Flow) / Data Item Commentary

- 4.6 N/A

5 Relevant Objectives

- 5.1 Our view as to which of the DCUSA Objectives would be better facilitated by the implementation of this Change Proposal is set out below.

DCUSA Charging Objectives

1) The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Positive
2) That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)	None
3) That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	None
4) That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	Positive
5) That compliance by each DNO Party with the Charging Methodologies facilitates compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and	None
6) That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None
5.2 Charging objective one: better facilitated by ensuring that the DCUSA remains aligned to the distribution licence and ensuring that the charging methodologies enable transparent and equitable recovery of costs which the distribution licence requires the DNO to incur.	

- 5.3 Charging objective two: no impact
- 5.4 Charging objective three: no impact
- 5.5 Charging objective four: better facilitated by restoring alignment between the DCUSA and the distribution licence.
- 5.6 Charging objective five: no impact
- 5.7 Charging objective six: no impact

6 Impacts & Other Considerations

Impacts on any Significant Code Review (SCR) or other significant industry change projects

- 6.1 We do not believe that this CP impacts upon any current SCR or other significant industry change projects.
- 6.2 We have considered whether any other industry codes might be impacted as a result of this Change Proposal, and my/our initial view is set out below.

Grid Code..... ☒ SEC... ☒ CUSC... ☒ None..... ☒

Distribution Code... ☒ REC.... ☒ BSC..... ☒

Impacts on DCUSA Owned Data Flows

- 6.3 We do not believe that this change will require any amendments to DCUSA owned Data Flows (Market Messages) or the applicable Scenario Variants or any Data Items

Consumer Impacts

- 6.4 We do not believe that this change will impact consumers

Environmental Impacts

- 6.5 In accordance with DCUSA Clause 10.4.5A, we have assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. We have not identified any material impact on greenhouse gas emissions from the implementation of this CP.

7 Implementation

Lead Time for Implementation

- 7.1 As the change to the Distribution Licence has been live since January 2026, this change should be implemented as soon as possible, to allow Allowed Revenues to be correctly recorded and calculated for tariff calculations.

Proposed Implementation Date

- 7.2 The Proposed implementation date is 5 working days after industry approval.

8 Recommendations

The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.