

DCP 469 Working Group - Meeting 07

Tuesday, 04 August 2026 @ 10am via Microsoft Teams

Attendee	Company
Working Group Members	
Charles Mott [CM]	SSEN
Chris Barker [CB]	SP ENW
Chris Ong [CO]	UKPN
Christos Papaevangelou [CP]	NGED
Dave Wornell [DW]	NGED
Ed Grimsey [EG]	BUUK
Edda Dirks [ED]	SSE Generation
Emma Robinson [ER]	E.ON
Harvey Takhar [HT]	NESO
James Knight [JK]	British Gas
John Harmer [JH]	Waters Wye
Lorna Murray [LM]	SPEN
Louise Robinson [LR]	ESP Electricity
Niall Coyle [NC]	NESO
Nik Wills [NW]	Stark
Ryan Farrell [RF]	Northern Powergrid
Tony Collings [TC]	Ecotricity
Ofgem Observer	
Tim Aldridge [TA]	Ofgem
Code Administrator	
Melissa Kendal [MK] (Technical Secretariat)	ElectraLink
Richard Colwill [RC] (Chair)	ElectraLink

Apologies	Company
Emma Clark [EC]	SSEN

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 and Open Actions

- 1.4 The Chair shared the previous minutes and there were no further comments/feedback. These minutes were approved.
- 1.5 The Chair provided the updates on the current open actions; these can be found within the Appendix.

2. Purpose of the Meeting

- 2.1 The Chair explained that the purpose of the meeting was to continue to review the draft consultation document within the Working Group and agree next steps.

3. Review of Draft Consultation Document

- 3.1 The Chair presented the draft Consultation document live on screen for the Working Group to review and discuss.
- 3.2 The key updates can be found below:
- 3.3 Members continued to review the draft Consultation document following the completed actions from the previous meeting, and agreeing to take further actions to improve clarity, consistency and technical accuracy prior to issuing to wider industry for feedback.
- 3.4 The group debated the use of the term 'volatility' vs. 'variability' on a number of occasions throughout the document, ultimately agreeing to use the term 'annual volatility' as a compromise. Following this, the Secretariat agreed to take an action to cross-check the draft Consultation document to ensure that all references have been updated for consistency.

ACTION 07/01: The Secretariat to cross-check the draft Consultation document to ensure that all references to the term 'volatility' are replaced with 'annual volatility'.

- 3.5 One member raised an issue around inconsistent capitalisation of the term 'C(c)ustomer' throughout the document. The Secretariat also agreed to cross-check the document to ensure that 'Customer' is always capitalised for consistency.

ACTION 07/02: The Secretariat to cross-check the draft Consultation document to ensure that all references to the term 'Customer' are capitalised.

3.6 Allowed Revenue Analysis

- 3.7 The Chair presented the allowed revenue template live on screen for further discussion.

- 3.8 ED requested further clarification on the calculations within the allowed revenue template, particularly the adjustments within the specific rows and columns – DW provided a detailed explanation of how the model accounts for different starting points and cumulative adjustments across years.
- 3.9 Both DW and CO explained that the adjustments are necessary because setting charges at different notice periods (i.e., 2-months vs. 15-months) results in different starting allowed revenues, which then flow through subsequent years, requiring cumulative corrections to reflect what would have happened under alternate scenarios.
- 3.10 Members discussed the above and agreed that there should be a clear explanation of the methodology included within the draft Consultation document – following this, both DW and CO agreed to produce additional wording around this to be included within the document. CO provided some draft wording for the group to review live during the meeting (which can be found below) but agreed to develop further offline.
- *Paragraph 4.1/4.2 – ‘When setting DUoS charges the DNO will use the AR from the latest PCFM available. When charges have been set at 15 months’ notice they will use a PCFM which is intended for a future charging year, as a result when the charges are set at 2 months’ notice and you use the latest PCFM data which will be different as its for the following year (for which the charging year that AR relates to). As a result, when using the AR for 2 months’ notice is not what is contained within the latest PCFM but will be that value along with the difference between the two AR values used in order to calculate the AR which needs to be recovered.’*

ACTION 07/03: DW and CO to produce additional wording that provides a clear explanation of the methodology, to be included within the draft Consultation document.

- 3.11 JK and NC raised questions about how over- and under-recovery, as well as forecasting errors (especially for volumes and inflation), are handled in the model, with DW clarifying that the approach assumes similar forecasting errors would occur under both notice periods and that the K factor adjustments are central to the analysis.
- 3.12 JK queried whether it would be possible to separate the drivers of the K factor between inflation and changes in allowed other changes in allowed revenue, to see how forecastable the actual revenues that DNOs receive are and how much of it is forecasting inflation - RF explained that this piece of work could become a large task and too complicated and does not believe that the year-on-year drivers across each DNO.
- 3.13 The group agreed to include both the spreadsheet and a detailed explanatory note as attachments to the Consultation, ensuring that stakeholders can understand and scrutinise the methodology used in the analysis.
- 3.14 **Consultation Questions & Stakeholder feedback**
- 3.15 The group reviewed the current Consultation questions, confirming the inclusion of questions on Customer preferences regarding volatility vs. certainty, and agreed to add further questions on cost reflectivity, legal text, implementation date, and the inclusion of time band changes.

- 3.16 Members discussed whether shorter notice periods are more cost reflective, with differing views on whether cost reflectivity should be assessed annually or over a price control period, leading to the decision to include a specific Consultation question on this topic.
- 3.17 The group agreed to include questions and explanatory text regarding the alignment of notice periods across electricity and gas codes, referencing Ofgem's previous decisions and the rationale for not mandating full alignment, and to seek stakeholder views on whether cross-code considerations have been sufficiently addressed.
- 3.18 A number of members clarified the impacts of notice period changes on different Customer segments, particularly pass-through Customers, and agreed to amend the Consultation wording and questions to reflect the nuanced effects on both Suppliers and Customers.
- 3.19 In regard to paragraph 4.37, ED suggested that the wording may need amending or removed if not needed as it may not be relevant to this CP – CO agreed to take this away and have a look at the wording. CO did note that this wording was originally included as the time band change does not say 'in line with the notice period', and actually states 15-months; so this wording was included as an alignment so the outcome does not end up having two potentially slightly competing obligations within the same code that say different things.

ACTION 07/04: CO to review and amend paragraph 4.37 as necessary offline.

- 3.20 **Legal Text, Objectives Assessment, and Implementation Planning**
- 3.21 In regard to the main notice period and time banding notification, CO agreed to take an action to draft the necessary legal text changes, which are to be included within the draft Consultation document; this is to avoid the need for a separate Consultation at a later stage.

ACTION 07/05: CO to draft the necessary legal text changes for both the main notice period and the time band notification, for inclusion within the draft Consultation document.

- 3.22 The group debated whether the proposal should be assessed against the DCUSA General Objectives and/or the DCUSA Charging Objectives – following discussions, members agreed to include justification and assessment for both (as DCP 437 was assessed on both DCUSA General and Charging Objectives), pending further guidance from the DCUSA Panel and referencing previous CPs.

ACTION 07/06: The Secretariat to discuss including both the DCUSA General and Charging Objectives within this CP at the August DCUSA Panel meeting and feedback to the group.

- 3.23 Both ED and CO agreed to take an action to expand the sections on consumer benefits and impacts, reusing the relevant wording from earlier sections of the draft Consultation document and ensuring that both direct and indirect effects (i.e., risk premiums) are clearly articulated.

ACTION 07/07: ED and CO to expand the sections on consumer benefits and impacts within the draft Consultation document, ensuring that both direct and indirect effects (i.e., risk premiums) are clearly articulated).

- 3.24 The Working Group acknowledged that the original urgent timeline was no longer realistic, given the overlap with Ofgem's ED3 Consultation, and agreed to revise the implementation date and potentially delay issuing the DCP 469 Consultation, to avoid stakeholder confusion.

- 3.25 Members highlighted the importance of considering related Ofgem Consultations and cross-code alignment. Following this, the group agreed to monitor developments and adjust the Consultation process and content as needed.
- 3.26 DW stated that this CP was originally raised as a cross-code CP, and queried what is happening with the other codes – the Chair explained that it was previously agreed that aligning both electricity and gas was going to be difficult, but to come up with a conclusion that provides the rationale for alignment (without necessarily saying all codes should align), and if they are different, why they are different.
- 3.27 Following this, CO informed the group that paragraph 4.19 within the draft Consultation includes a number of paragraphs explaining how this situation has been arrived at.
- 3.28 JH suggested that there should be a Consultation question on cost reflectivity, i.e., ‘do you believe this solution is more cost-reflective?’ – other members agreed, and TA suggested that this should be part of the Consultation.
- 3.29 **Next Steps**
- 3.30 Following the review of the draft Consultation document, the Chair agreed to accept the tracked changes and circulate an updated ‘clean’ version of the document to the Working Group for review online. The Chair noted that all new changes/updates to the document will now be in tracked changes.
- 3.31 The Working Group agreed to provide feedback and completed actions on the updated draft Consultation document prior to the next meeting scheduled for 26 August 2026 for a final review. The Chair noted that this should allow enough time for actions to be completed and for the Ofgem ED3 Consultation to close (prior to issuing the DCP 469 Consultation).

ACTION 07/08: The Secretariat to circulate a ‘clean’ version of the draft Consultation document to the Working Group offline, for further feedback/agreed actions to be provided.

ACTION 07/09: The Working Group to provide feedback/completed actions in regard to the draft Consultation prior to the next meeting scheduled for 26 August 2026.

4. Agreed Next Steps

- 4.1 The Working Group discussed the next steps, and the following items were captured:
- The Secretariat to accept the changes made on the draft Consultation to-date and circulate a ‘clean version’ to the Working Group for offline review.
 - The Working Group to review and provide feedback/agreed actions on the draft Consultation document prior to the next meeting.
 - The Working Group to have a final review of the draft Consultation document during the next meeting scheduled for 26 August 2026.

5. Any Other Business

- 5.1 No further business was raised. The Chair thanked members for their contributions and closed the meeting.

6. Date of Next Meeting – 26 August 2026

- 6.1 The next Working Group meeting is scheduled for 26 August 2026 at 10am.

7. Attachments

- Attachment 1_DCP 469 Work Plan

APPENDIX A

New and Open Actions

Ref	Action	Owner	Update
01/01	The Secretariat to gather further information around CMP 286/287 for future Working Group discussions.	Secretariat	Ongoing.
05/02	The Secretariat/Working Group to review the collated RFI responses and ensure that all comments have been addressed within the draft Consultation document.	Secretariat / Working Group	This will be picked up as part of the wider consultation review during the meeting. It was agreed that the action could be closed if the review confirmed that the relevant points had been addressed; otherwise, it would remain open. To be confirmed at next meeting.
06/03	The Secretariat to introduce consistent figure and table numbering, review chart captions, and amend or crop misleading chart titles where appropriate.	Secretariat	Ongoing. The Chair confirmed that this will be completed at the end of the final review of the document.
06/04	Include a cross-reference within the draft consultation document to clarify the basis for the 'Maximum changes to Prices' parameter under the 2-month period of 10% used in the Risk Premium Calculator.	Ryan Farrell	Ongoing.
06/05	Add appropriate links to Ofgem CARR materials or other cited material in the Consultation document.	Secretariat	Ongoing.
06/06	The Secretariat to consider targeted consultation distribution to Citizens Advice, the Energy Intensive Users Group and any suitable bodies representing small commercial customers	Secretariat / Working Group	Ongoing.
07/01	The Secretariat to cross-check the draft Consultation document to ensure that all references to the term 'volatility' are replaced with 'annual volatility'.	Secretariat	New Action.
07/02	The Secretariat to cross-check the draft Consultation document to ensure that all references to the term 'Customer' are capitalised.	Secretariat	New Action.

APPENDIX A

07/03	DW and CO to produce additional wording that provides a clear explanation of the methodology, to be included within the draft Consultation document.	Dave Wornell / Chris Ong	New Action.
07/04	CO to review and amend paragraph 4.37 as necessary offline.	Chris Ong	New Action.
07/05	CO to draft the necessary legal text changes for both the main notice period and the time band notification, for inclusion within the draft Consultation document.	Chris Ong	New Action.
07/06	The Secretariat to discuss including both the DCUSA General and Charging Objectives within this CP at the August DCUSA Panel meeting and feedback to the group.	Secretariat	New Action.
07/07	ED and CO to expand the sections on consumer benefits and impacts within the draft Consultation document, ensuring that both direct and indirect effects (i.e., risk premiums) are clearly articulated).	Edda Dirks / Chris Ong	New Action.
07/08	The Secretariat to circulate a 'clean' version of the draft Consultation document to the Working Group offline, for further feedback/agreed actions to be provided.	Secretariat	New Action.
07/09	The Working Group to provide feedback/completed actions in regard to the draft Consultation prior to the next meeting scheduled for 26 August 2026.	Working Group	New Action.

Closed Actions

Ref		Update	
06/01	Draft revised wording for the consultation introduction, clarifying the problem DCP 469 seeks to solve, the expected benefits of the proposal, and the relationship between DCP 469 and DCP 437.	CO	Closed.
06/02	The Secretariat to recirculate the previously shared allowed revenue / volatility analysis workbook and any associated supporting material to all Working Group members.	Secretariat	Closed.

APPENDIX A

			<i>UPDATE: circulated post meeting and as an attachment to these minutes.</i>
06/07	Circulate the amended draft consultation document following the meeting.	Secretariat	Closed.