Meeting Session	Panel (Open Session)
Paper Reference	DCUSA_2026_0916_07_DCMDG 102 Headline Report
Action	For Information

Distribution Charging Methodologies Development Group (DCMDG) Headline Report 102

1. Synopsis

1.1 This report sets out the headlines from the 102nd DCMDG meeting held on 20 August 2026 via Microsoft Teams. The full minutes and associated papers are available on the DCUSA website.

1.2 This meeting was chaired by Richard Colwill. A total of 37 industry participants attended the meeting.

2. DCMDG Forward Work Plan and Issues Log

2.1 The group reviewed the DCMDG Forward Work Plan and Issues Log and considered progress against a number of outstanding actions. Members noted that the DCP 414/DCP 458 guidance document has been updated and will be circulated to the relevant subgroup for review.

2.2 Members were informed that Ofgem's consultation relating to debt relief arrangements remains ongoing. It was noted that a future Change Proposal may be required should Ofgem approve the proposed debt relief scheme and, as a result, the associated action remains open.

2.3 The group also reviewed the recent discussion regarding potential changes to the timing of DCMDG meetings. Following consideration by the DCUSA Panel and subsequent discussion within DCMDG, members agreed that the current meeting schedule, being held on the third Thursday of each month, should remain unchanged. The associated action was therefore closed.

3. Ofgem Update

3.1 Ofgem advised that it has decided not to issue a consultation on P441 'Creation of Complex Site Classes' and will instead proceed directly to a decision. It was noted that implementation timings will need to be aligned with the associated Distribution and Retail Energy Code modifications, with further communications expected in due course.

3.2 Members sought updates on a number of live charging-related Change Proposals. Ofgem advised that a decision on DCP 466 'Tariff Band to Follow Capacity' is expected by late September 2026 and that DCP 452 'Correct application of Forward Cost Pricing EDCM charges to users connected directly to a Grid Supply Point' remains under consideration, with a decision anticipated during mid-September 2026.

4. Reasonableness of Existing Connection Rules

4.1 The group discussed the reasonableness of existing connection arrangements that place the costs associated with changing or repurposing industrial connections onto the owner of a redeveloped site. The discussion followed queries received by Ofgem regarding sites that have undergone a change of use from industrial or commercial premises to domestic developments.

4.2 Ofgem explained that it is seeking to understand whether this represents a wider industry issue and noted a growing number of examples where customers have been required to fund connection changes following redevelopment activities. Members discussed the extent to which such costs should be anticipated as part of the due diligence process undertaken during site acquisition and redevelopment.

4.3 Discussion also explored potential complications relating to domestic and non-domestic classifications, particularly in respect of high-voltage and CT-metered sites. Members noted that some domestic customers may occupy connections that do not align neatly with existing charging structures.

4.4 Following discussion, members did not identify any evidence to suggest that the issue currently represents a significant industry concern, and no further actions were agreed.

5. DCMDG Subgroup Updates

5.1 The Chair provided an update on ongoing DCMDG subgroup activities and highlighted the recent approval of the DCUSA derogation application relating to the 2026 Annual Allocation Review. Members were advised that the derogation was approved by the DCUSA Panel on 19 August 2026 and that communications had subsequently been issued to industry stakeholders.

5.2 Members discussed the implementation of the approved derogation and sought clarification regarding its practical application. The group noted that the 2026 Annual Allocation Review will continue to be undertaken as normal, but that any resulting banding changes will only be applied from 1 April 2026, or from the date of migration where a site migrated after that date.

5.3 A number of follow-up actions were raised to ensure that stakeholders receive copies of the approval communications and to provide further clarification regarding points discussed by the DCUSA Panel during its consideration of the derogation application.

6. Any Other Business

6.1 No additional items of business were raised by members.

7. Next Meeting

7.1 The next DCMDG meeting will be held on 17 September 2026 via Microsoft Teams.

8. Actions

8.1 The DCUSA Panel is invited to:

- **NOTE** the contents of this Paper.

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