

DCP 474 ‘Application of Smart Meter Communication Licence Costs in the CDCM’ Working Group Meeting 05

17 September 2026 – Web-conference

Attendee	Company
Working Group Members	
Amanda McFarlane	Aurora Utilities
Christos Papavangelou	NGED
Ed Grimesy (Proposer)	The Electricity Network Company
Louise Robinson	ESPUG
Lorna Murray	SPEN
Charles Mott	SSEN
Ofgem Observer	
Shyam Doraiswamy	Ofgem
Code Administrator	
John Lawton (Chair)	ElectraLink
Dylan Townsend (Technical Secretariat)	ElectraLink
Apologies	
Edda Dirks	SSE Generation

1. Administration

Recording

- 1.1 The Secretariat informed Working Group members that, as per the terms of reference, the meeting would be recorded for the purpose of aiding the Technical Secretary in producing an accurate record of the meeting. The recording will be deleted after no later than 60 days after the meeting.

Apologies

- 1.2 It was noted that apologies had been received from Edda Dirks (SSE Generation).

Terms of Reference and Competition Law Guidance

- 1.3 The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting.

Review of the minutes of the last meeting

- 1.4 The Working Group reviewed the minutes of meeting 04 of the Working Group and it was noted that no comments were made and the Secretariat confirmed that they would then be treated as a true and accurate record of the meeting.

Updates on actions

- 1.5 The Secretariat ran the Working Group through the actions log and updates on each action are captured within the action log; this can be found in Appendix 1 of this document.

2. Purpose of the Meeting

- 2.1 The Chair confirmed that the main purpose of the meeting was to review and approve the draft modelling specification and legal text so that they could be issued to the modelling consultants for them to be able to produce updated models and impact assessments. The Working Group would also review the consultation document, progress the remaining drafting that is not dependent on the modelling outputs and consider the next steps and work plan.
- 2.2 The Secretariat noted that the modelling consultants were aware of the proposed request and were ready to begin the work once the formal specification had been issued. The contractual timeframe is 20 working days; however, the consultants have indicated that they may be able to complete the work sooner.

3. Review of Modelling Specification

Scope and baseline models

- 3.1 The Secretariat introduced the modelling specification and advised that the request covered the CDCM, PCDM and CIRP. The CDCM required amendment to implement the revised DCP 474 solution, the PCDM required amendment to reverse the DCP 395 treatment, and the CIRP required corresponding changes because it contained the table of revenue items previously contained set out in Schedule 15 as cost information tables that is also found in the CDCM.
- 3.2 The specification proposed using the latest final 2027/28 model versions as the baseline and it was agreed that this was the appropriate approach. Ed Grimsey noted that the same 2027/28 CDCM models had been used for the Working Group's initial impact assessment and already reflected the anticipated increase in DCC costs arising from the revised allocation between Suppliers and Distributors.
- 3.3 The Secretariat identified a possible version-control issue affecting the CIRP following implementation of DCP 479 and the developing process for mid-year CIRP amendments. Working Group members agreed that this did not prevent the request from proceeding. The modelling consultants should use the relevant current baseline when commencing their work and align any final model to the applicable version then in force.

Description of the preferred solution

- 3.4 The Working Group reviewed the background, proposed solution and interaction with DCP 395 set out in the modelling specification. Members were satisfied that the document accurately described the solution that was agreed at the last meeting.

- 3.5 No substantive amendments were proposed and the Working Group agreed that specification could be submitted to the Modelling Consultants for them to begin work, subject to the completion of the legal text review.
- 3.6 The Secretariat explained that the specification and any associated documentation would be sent to the appropriate DCUSA Panel members for approval. Subject to that approval, the pack would then be issued to CEPA/TNEI, and the Secretariat would confirm to the Working Group when this was completed.

Action 05/01: The Secretariat to obtain Panel approval for submission of the modelling specification to CEPA/TNEI. Subject to this approval, the formal modelling request will be sent to the modelling consultants. The Working Group will be informed when this has been completed.

4. Review of Legal Text

Schedule 16

- 4.1 The Working Group reviewed the updated Schedule 16 drafting. The principal concern was the wording that stated that the Smart Meter Communication Licence Cost fixed-charge adder would apply to the specified all-the-way tariffs “and their LDNO equivalent”. Working Group members agreed that this wording was inconsistent with the revised solution, under which the adder would apply only to the relevant all-the-way tariffs and would not be added to the corresponding LDNO tariffs. Therefore, it was agreed that this wording should be removed.
- 4.2 The Chair noted that a drafting comment explaining the relocation of existing text from paragraph 104 to paragraph 107 should remain visible in the consultation version of the legal text so that respondents could follow the movement of the provision. This was agreed.
- 4.3 The Working Group had no further suggestions regarding Schedule 16.

Schedule 29 and reversal of DCP 395

- 4.4 The Chair confirmed that he had reviewed the Schedule 29 amendments against the legal text introduced by DCP 395 and was satisfied that the relevant provisions had been removed correctly. The Working Group agreed that the Schedule 29 amendments appropriately reversed the specific Smart Meter Communication Licence Cost treatment introduced by DCP 395 and therefore no further amendments were proposed.

5. Review of the Draft Consultation Document

- 5.1 The Working Group reviewed the revised wording in paragraph 1.2, and it was noted that the text now described the DCC Charging Statement by reference to the relevant Profile Classes without implying that the statement itself expressly identified aggregated customers as the cost driver. The link to the DCC Charging Statement and the references to the relevant paragraphs have been retained and therefore, Working Group members agreed that the revised wording alleviated their previous concerns.

- 5.2 The Working Group also noted that the separate background work regarding the mapping between Profile Classes and aggregated tariffs would be reflected in the consultation as part of the Working Group assessment.
- 5.3 The Working Group also agreed that section 4.7 should be reframed around the allocation of pass-through costs. The description of the Working Group's initial approach should remain as part of their assessment, but the consultation question should relate to the revised solution rather than inviting support for an approach that the Working Group are no longer proposing.
- 5.4 Working Group members also agreed that the question concerning the revised approach should remain as a single question and the phrase "proposed treatment" was preferred to "proposed solution" as it seemed clearer.
- 5.5 The Chair requested that the consultation be updated to enable a clearer visual separation before the section discussing who benefits from the DCC communications network. It was agreed that a footnote would be included to the first relevant reference to related MPANs, linking to or identifying the applicable definition.
- 5.6 The Working Group then reviewed the new drafting describing the discussions with the modelling consultants and the revised treatment of DNO and LDNO tariffs. It was confirmed that the text correctly stated that the Smart Meter Communication Licence Cost adder would be applied to the relevant all-the-way tariffs and would not be included in the corresponding LDNO tariffs. The group confirmed that they were happy with the explanation of the connection between the new recovery approach and the consequential reversal of DCP 395.
- 5.7 The Working Group agreed that the existing impact assessment text and tables relating to the initial solution should be removed from section 6 and should be rewritten once the modelling consultants had provided the updated impact assessment. The consultation could then be updated to include explanations of the material tariff, typical-bill, revenue and LDNO discount effects.
- 5.8 Members considered whether the proposed implementation date for DCP 474 should still be 2028/29, however, it was agreed that this was becoming increasingly more unlikely to be achievable. The Secretariat noted that the position would be affected by Ofgem's pending decision on the period of notice for the 2028/29 charges. The Ofgem Observer for the Working Group advised that Ofgem were still considering this and would publish their decision documents once they were ready.
- 5.9 It was agreed that the specific 2028/29 proposed implementation date would be removed, and the consultation would instead invite views on the proposed implementation timing and would ask respondents to provide rationale for their views. Existing text regarding derogations to DCUSA would remain.
- 5.10 The Working Group reviewed the legal text section of the drafted consultation and agreed that it was reflective of the intended solution for the Change Proposal and Working Group members would seek Party views on this.
- 5.11 It was agreed that the Secretariat would update the consultation document to reflect the discussions held, including updating the consultation question numbering throughout.

Action 05/02: The Secretariat to update the consultation to reflect the discussions held and to circulate the updated version to the Working Group.

6. Next Steps and Work Plan

6.1 The Secretariat presented an updated work plan. The immediate next steps were as follows:

- The modelling specification documents to be issued to CEPA/TNEI following DCUSA Panel approval;
- The modelling consultants to amend the models and prepare the impact assessment;
- The Secretariat to update the consultation document to reflect the discussions held at this meeting and to insert the impact assessment from CEPA/TNEI once it has been received; and
- The Working Group to reconvene on Thursday, 22nd October 2026 to review the impact assessment and updated consultation document.

Action 05/03: The Secretariat to update the work plan and circulate to Working Group members.

Action 05/04: The Secretariat to send calendar invitations for the next Working Group meeting, being held on Thursday, 22nd October 2026.

7. Any Other Business

7.1 No further business was raised.

7.2 The Chair thanked members for their contributions. The meeting was then closed.

APPENDIX 1 – ACTIONS LOG

New and Open Actions

Ref	Action	Owner	Update
05/01	The Secretariat to obtain Panel approval for submission of the modelling specification to CEPA/TNEI. Subject to this approval, the formal modelling request will be sent to the modelling consultants. The Working Group will be informed when this has been completed	ElectraLink	NEW ACTION
05/02	The Secretariat to update the consultation to reflect the discussions held and to circulate the updated version to the Working Group.	ElectraLink	NEW ACTION
05/03	The Secretariat to update the work plan and circulate to Working Group members.	ElectraLink	NEW ACTION
05/04	The Secretariat to send calendar invitations for the next Working Group meeting, being held on Thursday, 22 nd October 2026.	ElectraLink	NEW ACTION

Closed Actions

Ref	Action	Owner	Update
04/01	The Secretariat updating the modelling specification document to reflect the new solution and legal text, and to submit this to the Working Group for review as soon as possible and once agreed by Working Group to issue to the modelling consultants.	ElectraLink	Completed: Modelling statement had been prepared, and the document will be reviewed during Working Group Meeting 05.
04/02	EG to review and redraft the wording under paragraph 1.2 of the consultation document to clarify the link between DCC charging statement profile classes and aggregated customers, ensuring it is not misleading and cross-references later explanatory paragraphs.	Ed Grimsey	Completed: Paragraph 1.2 of the consultation document has been revised and incorporated into the clean version.
04/03	The Secretariat to verify and provide evidence that DCC charging statement Table 10 metering systems (profile classes 1-4) can be mapped to aggregated tariffs, referencing the relevant change proposal (likely DCP 268).	ElectraLink	Completed: Working Group agreed to close the action, subject to reviewing the material and placing appropriate explanations in the consultation.
04/04	The Secretariat to create copies of the consultation document and send both to the Working Group. Specifically, a 'working' document should be preserved with tracked changed and a clean	ElectraLink	Completed: Both versions circulated to the Working Group.

	subsequent version created for further amendments, allowing the drafting history to remain traceable.		
04/05	The Secretariat to update the Legal Text to specifically add in Schedule 29 and then complete the removal of paragraphs introduced by DCP 395 and ensure alignment with the new solution.	ElectraLink	Completed: Legal Text updated and circulated to the Working Group
04/06	The Secretariat to update the work plan to reflect the additional meeting, modelling request and revised consultation timetable.	ElectraLink	Completed: Work Plan updated and circulated to the Working Group.
04/07	The Secretariat to set up the next meeting in calendars for Thursday, 17 September 2026 between 1:00pm and 4:00pm, however, if the modelling output is returned earlier, the meeting could be brought forward.	ElectraLink	Completed: Meeting arranged.