

Model documentation: Update models and guidance for DCP 474 (Request I04-1)

DCUSA/ElectraLink

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1. INTRODUCTION

This document describes charging models and supporting documentation developed for DCUSA to support DCUSA Change Proposal (DCP) 474. The following sections set out the:

- **specification** for the new files, including the identity of the reference files for the revisions noted here within and the new file names;
- **revisions** to the models; and
- the **impact** of those changes.

2. SPECIFICATION

2.1. OVERVIEW

The models and supporting documentation described herein were developed in response to a request to produce versions of the CDCM, PCDM and CIRP models that implement **DCP 474** – “*Application of Smart Meter Communication Licence Costs in the CDCM*”.

Smart Meter Communication Licence Costs relate to the provision of centralised communications services required for smart metered settlement. Distributors (DNOs and LDNOs) are charged by the Data Communication Company (DCC) for the provision of these communication services based on the number of connected Mandated Smart Metering Systems (MSMS). MSMS are all domestic supply points and non-domestic supply points with profile class 3 and 4, i.e. customers who are billed on an aggregated basis. Smart Meter Communication Licence Costs are also known as “*DCC Charges*”, on account of being levied by the Data Communications Company.

From the perspective of **DNOs’ allowed revenues**, DCC Charges are a pass-through item currently recovered via “*residual*” charges – typically as an adder to the banded fixed charge – levied on all final demand users regardless of whether they are a material driver of those costs. Other pass-through cost items driven by separately identifiable parts of the customer base are levied in a more targeted way (Supplier of Last Resort Net Costs; Valid Bad Debt Claims). DCP 474 therefore aims to introduce a transparent recovery mechanism for DCC Charges that better reflects the way in which costs are incurred and which aligns with established CDCM methods.

Whereas DNOs’ allowed revenues already include a precise allocation for DCC Charges, **LDNOs’ net revenues** are the product of a “relative price control”, whereby they retain a proportion of their end-users’ all-the-way charges. A previous change, **DCP 395** – “*Allocation of Smart Meter Communication Licence costs within LDNO tariffs*” – sought to allow LDNOs to retain a larger share of the all-the-way charge to approximately cover their own DCC Charges. It did this by bringing DCC Charges into the PCDM as a cost allocation to the LV services network level – thereby increasing the proportion of charges which LDNOs retain with respect to LV-connected end-users but reducing it with respect to higher network levels.

DCP 474 reverses this treatment in the PCDM. DCC Charges are removed from the PCDM completely, so the LDNO discounts are calculated as they were before DCP 395. Instead, DCC Charges are recovered in the CDCM through a pass-through cost adder applied to the fixed charge of eligible all-the-way tariff customers. LDNO tariffs exclude the adder, so the margin retained by an LDNO on an eligible end user includes the full adder, which the LDNO uses to cover its own DCC Charges.

DCP 474 therefore affects both models. In the PCDM, the changes are deletions that reverse DCP 395. In the CDCM, DCC Charges are removed from the revenue-matching target and recovered as an adder to the fixed charge of specific customer categories, and the CDCM no longer passes DCC Charges to the PCDM. DCP 474 also revises the CIRP to match the CDCM.

2.2. LEGAL TEXT VERSION

Model changes have been implemented in line with the draft DCUSA legal text shared on 17 September 2026 - **Attachment A_DCP 474 Draft Legal Text**.

This version does not include DCP 479, which was implemented on 11/09/2026, shortly before the current request was developed. Changes introduced by DCP 479 are minimal and have no effect on model outputs, so were not considered relevant to the impact assessment for DCP 474.

2.3. REFERENCE FILES

The following table sets out the reference versions of the charging models used as the starting point for the revisions described in this document.

Table 2.1: Reference files

Model	Model file name	Date sent
PCDM	PCDM_v5_20251106	06/11/2025
CDCM	CDCM_v11_20251106	06/11/2025
CIRP	CIRP_v1_20251106	06/11/2025

2.4. NEW FILES

The following table sets out the versions of the charging models and impact assessment provided to the DCP 474 Working Group in response to the request described above.

Table 2.2: New files

Model	Model file name	Date sent
PCDM	PCDM_v5_20251106_DCP474	16/10/2026
CDCM	CDCM_v11_20251106_DCP474	16/10/2026
CIRP	CIRP_v1_20251106_DCP474	16/10/2026
Impact assessment	ImpactAssessment_I04-1-DCP474	16/10/2026

We understand that the new files listed in Table 2.2 will be considered by the DCP 474 Working Group and may be shared for consultation.

2.5. ASSUMPTIONS AND CLARIFICATIONS

The draft legal text provided for this request is sufficiently clear that no assumptions are needed.

The cover sheet submitted alongside the draft legal text stated that the *“new adder should remain separately identifiable within the models so that the amount can be transparently presented in charging statements.”*

Communication with the DCP 474 Working Group has confirmed that DNOs intend to publish the new adder in their Charging Statements as they do for the existing SoLR and Bad-Debt adders – taken directly from the CDCM sheet formerly named “SoLR & bad debt adders”. Hence, the new adder does not need to be singled out as a new model output and rounding steps do not need to be applied.

The only aspect of implementation requiring technical judgment is the number of MPANs to be used as the denominator over which to divide allocated pass-through costs. The existing calculation of pass-through adders for Supplier of Last Resort and Eligible Bad Debt costs uses all-the-way customers plus LDNO customers. The new adder for DCC Charges only uses all-the-way customers because the adder will not apply to the tariffs which the DNO levies on LDNOs. This is a logical consequence of the requirement that such costs will not be allocated to



LDNO tariffs, as stated in Schedule 16, paragraph 100 (c), but would benefit from being stated explicitly within paragraph 105: i.e. "...divided by the combined forecast **all-the-way** customer count...".

3. MODEL REVISIONS

3.1. STRUCTURAL CHANGES

In the CDCM and CIRP, the 'SoLR & bad debt adders' sheet has been renamed to 'Pass-through cost adders', reflecting adders being calculated there.

3.2. ADDITIONAL OR MODIFIED INFORMATION SECTIONS

In all three models, informational changes were made on the 'Cover', 'Version control' and 'Index' sheets. In the CDCM and CIRP, a sheet name was changed on the 'Model map' sheet. None of these changes affects calculations in the rest of the models.

3.3. ADDITIONAL OR MODIFIED INPUT SECTIONS

In the PCDM, changes were made in the following input sheets:

'Fixed inputs'. Rows for Pass-through Smart Meter Communication Licence Costs have been deleted from allocation rule tables, which are presented by cost category.

- 'DNO inputs'. The input sections for Pass-through Smart Meter Communication Licence Costs (previously taken from the CDCM) and the inflation indices have been deleted. Subsequent sections renumbered. Rows removed from 2007/08 RRP expenditure tables.

In the CDCM, changes were made in the following input sheets:

- 'Fixed inputs'.
 - New row added to the "Map of applicable MPANs" table.
 - New table introduced to distinguish "Applicability to LDNO tariffs" between different pass-through items.
- 'General inputs'.
 - New row added to the "Pass-through costs not allocated through revenue matching" table.
 - Separate line pulling out "Pass-through Smart Meter Communication Licence Costs" to be pulled onto the 'Output to other models' sheet deleted.

In the CIRP, as well as replicating CDCM edits, changes were made in the following input sheets:

- 'CIRP_General inputs'.
 - New row added to the "Pass-through costs not allocated through revenue matching" table.
 - Separate line pulling out "Pass-through Smart Meter Communication Licence Costs" to be pulled onto the 'Output to other models' sheet deleted.

3.4. ADDITIONAL OR MODIFIED CALCULATION SECTIONS

In the PCDM, the following calculation sheets were modified:

- 'Expenditure'.
 - Final column removed.
 - "Smart meter communication licence costs" section removed.
 - Subsequent sections renumbered.
- 'Expensed'. Final column removed.
- 'Direct'. Final column removed.

In the CDCM, the following calculation sheets were modified:

- ‘Pass-through cost adders’ (formerly named ‘SoLR & bad debt adders’).
 - New row added for Pass-through Smart Meter Communication Licence Costs to all tables that bring in values or apply calculations per pass-through item.
 - New table added for “Applicability to LDNO tariffs”, allowing the model to determine the number of “MPANs to be charged for allocated pass-through costs”, and final adders to be presented “...by LDNO tariff applicability”.
- ‘Revenue matching’. Smart Meter Communication Licensee Costs added to existing steps used to deduct pass-through costs from the revenue-matching target, and to determine the headroom before the non-negative charges condition is breached.
- ‘Rounding’. New adder brought into the sheet separately and added to the fixed charge for all-the-way tariffs but not to LDNO tariffs (unlike existing adders for SoLR and bad debt costs).

In the CIRP, changes were made to calculation sheets to replicate CDCM edits.

3.5. ADDITIONAL OR MODIFIED OUTPUT SECTIONS

In the CDCM, the following output sheet was modified:

- ‘Output to other models’. The output of Pass-through Smart Meter Communication Licence Costs to the PCDM (previously Output 102-B) has been removed. Subsequent sections renumbered.

No changes have been made to output sections in the PCDM or CIRP.

4. IMPACT STATEMENT

4.1. SCOPE

This section sets out the impact of DCP 474 against current arrangements (Baseline), and against the earlier, pre-DCP 395 baseline (Pre-DCP 395), on:

- LDNO discount percentages, by the voltage level of the end-user's connection and the level of the LDNO/DNO boundary;
- typical bills for all-the-way customers;
- LDNO net revenues per MPAN for end-users below LV and HV boundary levels; and
- DNO revenue and LDNO net revenue.

Due to the large volume of outputs, the full set of results has been submitted as an Excel workbook alongside this report.

Impacts on **EHV properties** are beyond the scope of this assessment due to the lack of populated EDCM models in the public domain, and the expectation that the effects of DCP 474 on EHV properties is likely to be negligible (see below). DNOs are encouraged to carry out their own assessments for EHV customers.

4.2. INPUTS & APPROACH

Pre- and post- DCP 474 versions of the CDCM and PCDM models were linked up to a central inputs / outputs database constructed from published CDCM and PCDM models for the 2027/28 charging year. A VBA script recorded results for every DNO, for the following model combinations:

- Original CDCM + original PCDM = Baseline
- Original CDCM + DCP 474 PCDM = Pre-DCP 395 (the DCP 474 PCDM reverses DCP 395, so it is identical to the pre-DCP 395 PCDM)
- DCP 474 CDCM + DCP 474 PCDM = DCP 474

Part of the VBA script resolved inter-model **circularities between the CDCM and PCDM**. “*Notional EHV asset values*” produced by the CDCM were passed into the PCDM, affecting “*LDNO discount percentages*” which were linked into the live CDCM. If the effect of this action caused “*notional EHV asset values*” to change by more than a penny, the step was repeated. This mimics the steps which we expect DNOs carry out when publishing charges.

We were unable to resolve **circularities between the EDCM and other models**, as CEPA/TNEI do not have access to populated versions of DNOs' EDCM models. We expect the effect of this circularity to be small for three reasons:

- The EDCM output received by the CDCM – “Revenue raised outside CDCM - EDCM and Certain Interconnector Revenue” – is small relative to CDCM revenue: typically around 5%.
- EDCM revenue is probably only marginally affected by CDCM tariffs and LDNO discounts because most EDCM revenue derives from EHV-connected properties, and not from LDNO-served LV/HV properties.
- The “notional asset values” passed from the CDCM to the EDCM are only marginally affected by LDNO discounts – via the estimation of service model asset values as the product of a £ per MPAN assumption by the number of MPANs after discounting the LDNO-served proportion. For example, removing LDNO discounts altogether might only affect notional asset values by a few percentage points.

The Working Group noted that its preliminary impact analysis returned errors for the LPN region. LPN's 2027/28 CDCM lies on the borderline of how high forward-looking revenues can get before allowed revenue recovery becomes incompatible with setting non-negative charges for demand customers. When DCP 474 reallocates Smart Meter Communication Licence Costs from the residual to an adder, the residual is reduced further, which triggers

model errors. To prevent this, LPN's "gross asset costs", which are the basis for forward-looking charges, were reduced by 3% for the purposes of this impact assessment, reflecting the treatment recommended in Ofgem guidance.

4.3. VALIDATION

The following steps were used to check and validate the DCP 474 models:

- Workbook review software was used to highlight all model changes vs originals (and between the CDCM and CIRP) – which were checked against expectations to ensure that no unintended changes had been introduced; and no formulae inconsistencies had been introduced.
- Key sections were reviewed by a team member not involved in model development to confirm that they met specifications and had not introduced unintended issues or errors.
- Each model was populated manually to ensure that locking steps had been effective, and no issue flags arise.
- Impact assessment results were sense-checked and explained. For example:
 - LDNO discounts produced by the PCDM under DCP 474 are identical to Pre-DCP 395 for every DNO, as expected.
 - In the CDCM, fixed charges for 'Aggregated' demand customers (excluding related MPANs) increase, while other final demand customers' fixed charges (and unit rates for 'Unmetered Supply' customers) decrease, as expected due the reduction in residual charge adders.
 - The pass-through cost adder recovers the DNOs' "Smart Meter Communication Licensee Costs" in full, as expected.
 - LDNO net revenues increase with respect to 'Aggregated' demand customers (excluding related MPANs), but decrease with respect to other final demand customers, as expected.
 - A sense-check of the impact on net revenue retained by LDNOs relative to a pre-DCP 395 baseline (for a single DNO) confirms that the increase is almost exactly equal to the new adder in £ / MPAN terms, minus the effect of removing "Smart Meter Communication Licensee Costs" from the residual.

4.4. IMPACT

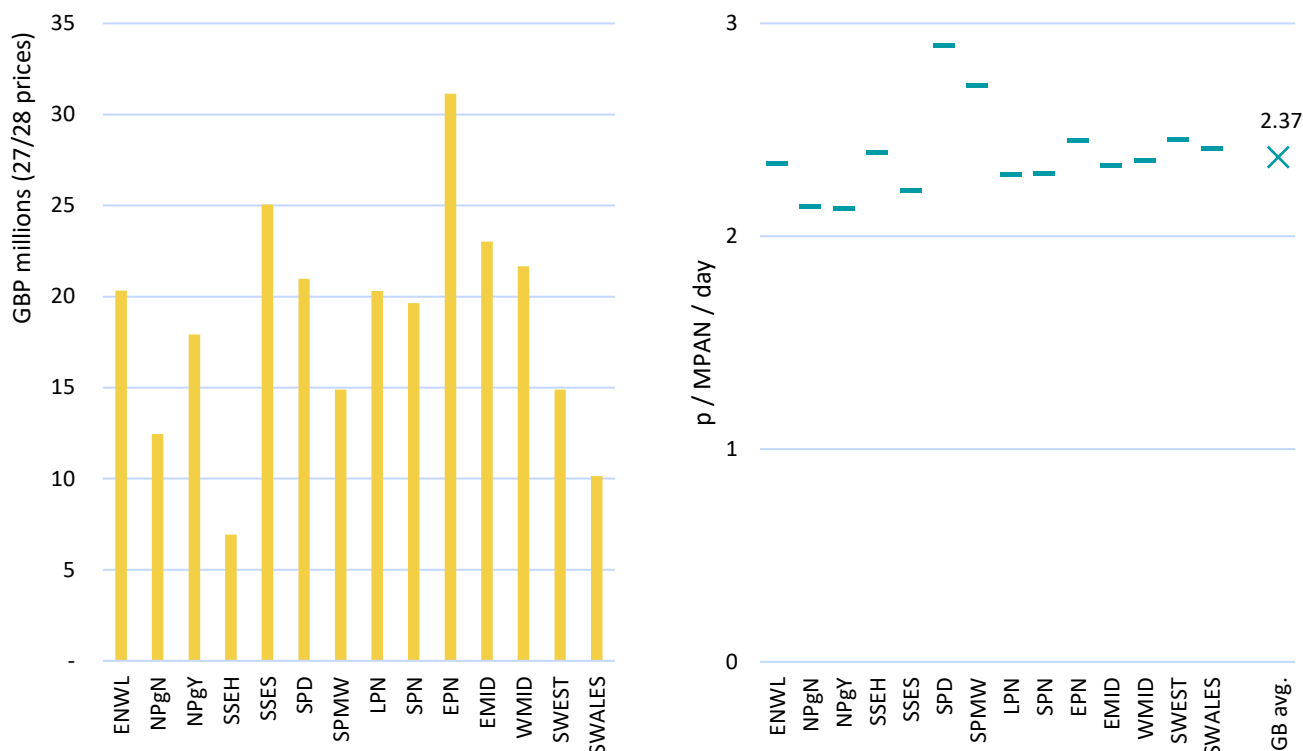
4.4.1. New fixed charge adders

When populating CDCM models for the 2027/28 charging year, DNOs assumed aggregate Smart Meter Communication Licensee Costs of **£259 million** (in 2027/28 prices) and collectively forecast **28 million** "Domestic Aggregated or CT" customers and **2 million** "Non-Domestic Aggregated or CT" customers which are directly connected to the distribution network (that is, not via LDNO assets).

DCP 474 would introduce a new adder to the fixed charge of these two eligible tariff categories, with a GB-average value of **2.37 pence per MPAN per day** (or £8.68 per MPAN per year). The level of the new adder is not perfectly uniform across DNO regions, reflecting variations in DNOs' estimates of DCC charges relative to customers counts, which are forecast at least 15 months ahead of the charging year to which they relate.

CDCM models also contain DNOs' forecasts of the number of eligible customers connected to the distribution network via LDNO assets – which was **2.6 million** for 2027/28. DCP 474 would apply the new adder to the fixed charge of "all-the-way" tariffs but not to the fixed charge of "LDNO" tariffs. That is, LDNOs would retain the adder value from LDNO-connected properties – thereby allowing LDNOs to cover their own Smart Meter Communication Licensee Costs directly. From LDNOs' perspective, the new adder would recover an estimated **£22.7 million** from eligible end-users connected to LDNO networks in 2027/28 (in 2027/28 prices).

Figure 4.1: 2027/28 Smart Meter Communication Licensee Costs (left) & DCP 474 fixed charge adders for Smart Meter Communication Licensee Costs (right) by DNO



4.4.2. Impact on LDNO discount percentages

Direct recovery of DCC charges from the customers deemed to contribute to those costs makes the previous treatment introduced by DCP 395 unnecessary. DCP 474 therefore removes Smart Meter Communication Licensee Costs from the PCDM, where it had been introduced to increase the weight placed on LV Services when calculating LDNO discounts.

For every DNO, the **LDNO discounts under DCP 474 are identical to under the pre-DCP 395 methodology** (i.e., the pre-DCP 395 methodology applied to 2027/28 inputs, not historic published values). Under DCP 395, LDNO discounts were increased to cover a specific cost, whereas under DCP 474 that cost is instead recovered through the tariffs of the customers considered to be responsible for creating it.

The table and charts overleaf show the change in LDNO discounts from Baseline to DCP 474 for each DNO area – which is essentially the **opposite of the impact assessment for DCP 395**. Changes are expressed in percentage points (pp); for example, a discount moving from 40% to 38% is a change of –2 pp.

In summary:

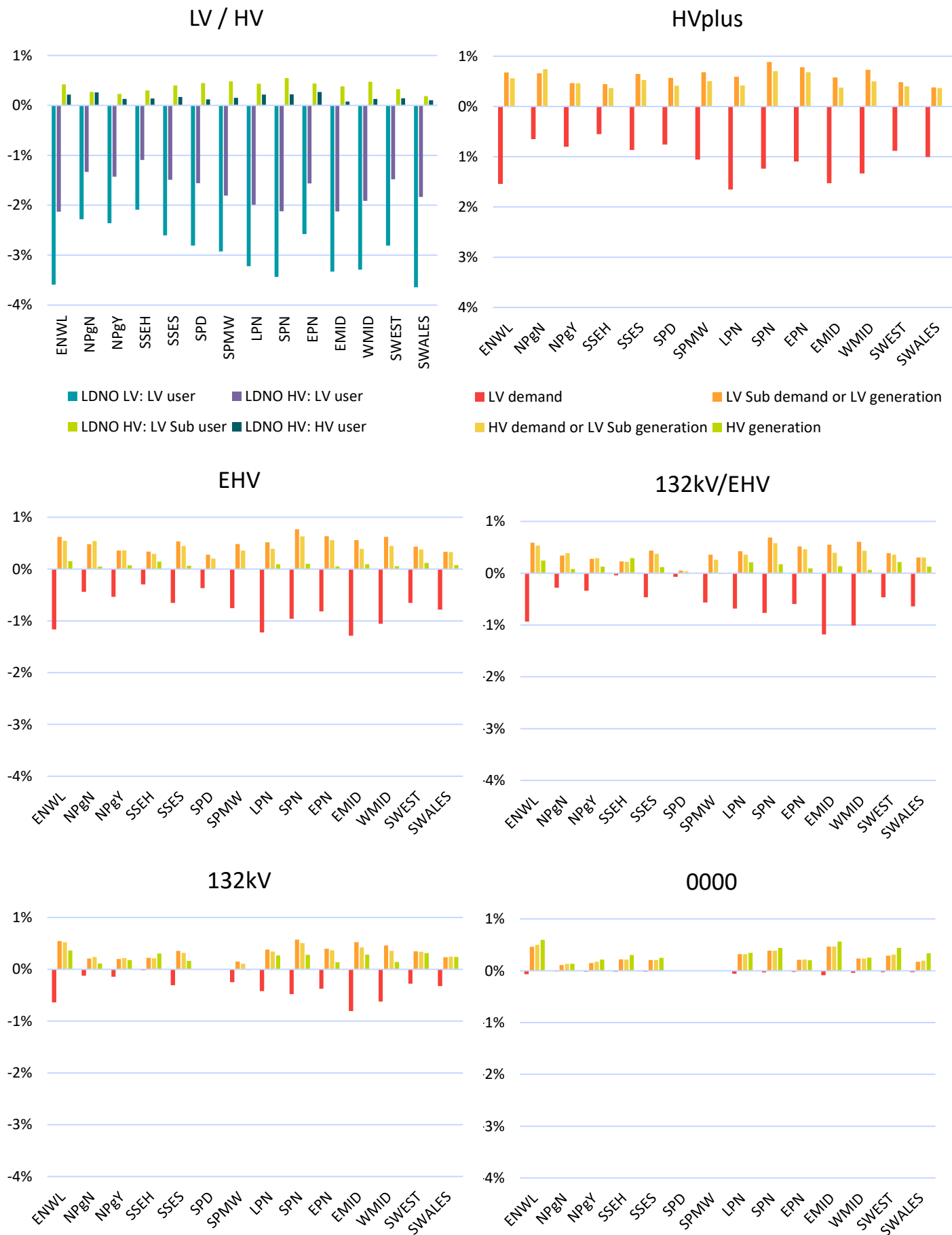
- LDNO discounts would fall for LV end-users and rise for LV Sub and HV end-users in every DNO region.
- The size of the fall in LDNO discounts for LV end-users would be diluted in percentage point terms with respect to higher boundary levels, as higher allocations to LV Services are offset by lower allocations to HV+ network levels.
- Impact sizes would vary by DNO – reflecting differences in their PCDMs.

Table 4.1: LDNO discounts: DCP 474 vs Baseline (percentage-point change)

LDNO:DNO boundary level																								
End-user connection level	LV	HV			Boundary HVplus				Boundary EHV				Boundary 132kV/EHV				Boundary 132kV				Boundary 0000			
	LV demand	LV demand	LV Sub demand	HV demand	LV demand	LV Sub demand or LV generation	HV demand or LV Sub generation	HV generation	LV demand	LV Sub demand or LV generation	HV demand or LV Sub generation	HV generation	LV demand	LV Sub demand or LV generation	HV demand or LV Sub generation	HV generation	LV demand	LV Sub demand or LV generation	HV demand or LV Sub generation	HV generation	LV demand	LV Sub demand or LV generation	HV demand or LV Sub generation	HV generation
ENWL	-3.6%	-2.1%	+0.4%	+0.2%	-1.5%	+0.7%	+0.6%	-	-1.2%	+0.6%	+0.5%	+0.2%	-0.9%	+0.6%	+0.5%	+0.2%	-0.6%	+0.5%	+0.5%	+0.4%	-0.1%	+0.5%	+0.5%	+0.6%
NPgN	-2.3%	-1.3%	+0.3%	+0.3%	-0.7%	+0.7%	+0.7%	-	-0.4%	+0.5%	+0.5%	+0.0%	-0.3%	+0.3%	+0.4%	+0.1%	-0.1%	+0.2%	+0.2%	+0.1%	-0.0%	+0.1%	+0.1%	+0.1%
NPgY	-2.4%	-1.4%	+0.2%	+0.1%	-0.8%	+0.5%	+0.5%	-	-0.5%	+0.4%	+0.4%	+0.1%	-0.3%	+0.3%	+0.3%	+0.1%	-0.1%	+0.2%	+0.2%	+0.2%	-0.0%	+0.1%	+0.2%	+0.2%
SSEH	-2.1%	-1.1%	+0.3%	+0.1%	-0.5%	+0.4%	+0.4%	-	-0.3%	+0.3%	+0.3%	+0.1%	-0.0%	+0.2%	+0.2%	+0.3%	-0.0%	+0.2%	+0.2%	+0.3%	-0.0%	+0.2%	+0.2%	+0.3%
SSES	-2.6%	-1.5%	+0.4%	+0.2%	-0.9%	+0.6%	+0.5%	-	-0.7%	+0.5%	+0.4%	+0.1%	-0.5%	+0.4%	+0.4%	+0.1%	-0.3%	+0.4%	+0.3%	+0.2%	-0.0%	+0.2%	+0.2%	+0.2%
SPD	-2.8%	-1.6%	+0.4%	+0.1%	-0.8%	+0.6%	+0.4%	-	-0.4%	+0.3%	+0.2%	-0.0%	-0.1%	+0.1%	+0.0%	-0.0%								
SPMW	-2.9%	-1.8%	+0.5%	+0.2%	-1.1%	+0.7%	+0.5%	-	-0.8%	+0.5%	+0.4%	-0.0%	-0.6%	+0.4%	+0.3%	-0.0%	-0.2%	+0.2%	+0.1%	-0.0%				
LPN	-3.2%	-2.0%	+0.4%	+0.2%	-1.7%	+0.6%	+0.4%	-	-1.2%	+0.5%	+0.4%	+0.1%	-0.7%	+0.4%	+0.4%	+0.2%	-0.4%	+0.4%	+0.3%	+0.3%	-0.1%	+0.3%	+0.3%	+0.3%
SPN	-3.4%	-2.1%	+0.5%	+0.2%	-1.2%	+0.9%	+0.7%	-	-1.0%	+0.8%	+0.6%	+0.1%	-0.8%	+0.7%	+0.6%	+0.2%	-0.5%	+0.6%	+0.5%	+0.3%	-0.0%	+0.4%	+0.4%	+0.4%
EPN	-2.6%	-1.6%	+0.4%	+0.3%	-1.1%	+0.8%	+0.7%	-	-0.8%	+0.6%	+0.6%	+0.1%	-0.6%	+0.5%	+0.5%	+0.1%	-0.4%	+0.4%	+0.4%	+0.1%	-0.0%	+0.2%	+0.2%	+0.2%
EMID	-3.3%	-2.1%	+0.4%	+0.1%	-1.5%	+0.6%	+0.4%	-	-1.3%	+0.6%	+0.4%	+0.1%	-1.2%	+0.6%	+0.4%	+0.1%	-0.8%	+0.5%	+0.4%	+0.3%	-0.1%	+0.5%	+0.5%	+0.6%
WMID	-3.3%	-1.9%	+0.5%	+0.1%	-1.3%	+0.7%	+0.5%	-	-1.1%	+0.6%	+0.4%	+0.1%	-1.0%	+0.6%	+0.4%	+0.1%	-0.6%	+0.5%	+0.4%	+0.1%	-0.0%	+0.2%	+0.2%	+0.3%
SWEST	-2.8%	-1.5%	+0.3%	+0.1%	-0.9%	+0.5%	+0.4%	-	-0.7%	+0.4%	+0.4%	+0.1%	-0.5%	+0.4%	+0.4%	+0.2%	-0.3%	+0.3%	+0.3%	+0.3%	-0.0%	+0.3%	+0.3%	+0.4%
SWALES	-3.6%	-1.8%	+0.2%	+0.1%	-1.0%	+0.4%	+0.4%	-	-0.8%	+0.3%	+0.3%	+0.1%	-0.6%	+0.3%	+0.3%	+0.1%	-0.3%	+0.2%	+0.2%	+0.2%	-0.0%	+0.2%	+0.2%	+0.3%

Note: SPD/SPMW have instances of discounts capped at 100%, which are therefore unaffected by DCP 474.

Figure 4.2: LDNO discounts: DCP 474 vs Baseline by LDNO:DNO boundary (percentage-point change)

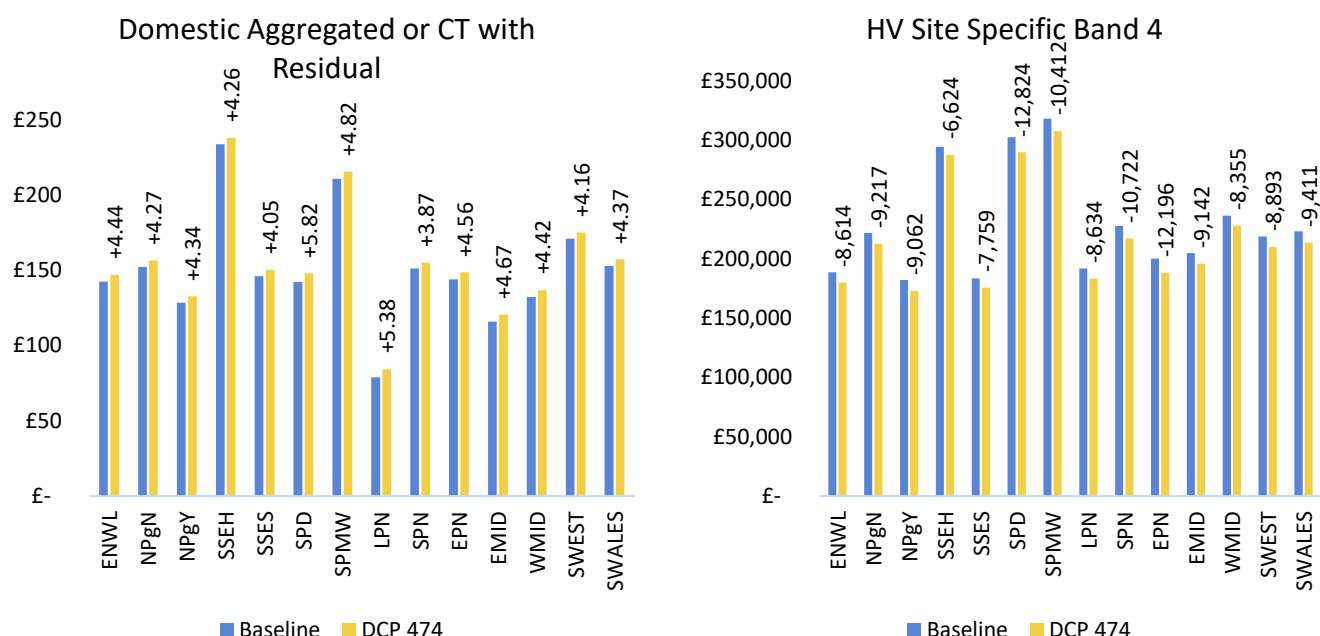


4.4.3. Impact on typical bills

As well as introducing a new adder for eligible customers, **DCP 474 reduces the banded fixed charge for final demand customers** (and unit rates for Unmetered Supply customers) which is used to recover “residual” revenue (the difference between revenue from notionally cost-reflective charges and DNOs’ allowed revenues). This effect somewhat offsets the direct impact of the new adder on eligible tariff classes, while reducing typical bills for all final demand tariffs via the residual adder.

The figure below illustrates the effect that DCP 474 would have on typical bills for two tariff categories. The ‘**Domestic Aggregated or CT with Residual**’ tariff class would pay, on average, £4.54 more in 2027/28 (in 2027/28 prices) – a 3.2% increase. The increase to typical bills is less than the value of the new fixed charge adder (+£8.68 per MPAN per year, average) because of the offsetting reduction to the fixed charge from lower residual revenue (-£3.95 per MPAN per year, average) as well as the effect of unwinding of DCP 395 (-£0.20 per MPAN per year, average), which predominantly occurs via the residual but also has a minor effect on unit rates (via system peak load calculations). By contrast, the ‘**HV Site Specific Band 4**’ tariff class would pay, on average, £9,303.02 less in 2027/28 (in 2027/28 prices) – a 4.3% reduction.

Figure 4.3: Typical bills (all-the-way), DCP 474 vs baseline, selected tariffs



Generation, Related-MPAN and non-final demand tariffs which pay neither the new adder nor the residual adder would be almost **unaffected by DCP 474**. Very small bill movements do occur due to the change in LDNO discounts resulting from unwinding DCP 395 – via the use of “discounted volumes” in the calculation of system peak load, and therefore in the conversion of unit costs to unit rates.

Typical bill movements for all tariff categories and DNO regions are shown in percentage terms in the table below. It demonstrates a **tipping-point** between ‘**Non-Domestic Aggregated or CT**’ Bands 1 and 2, above which the new adder is outweighed by reductions to the residual adder, as well as a smaller reduction from unwinding DCP 395. This situation is a result of the residual being recovered as a banded fixed charge while the new adder is a flat levy on all eligible customers. Therefore, it would be a fair generalisation to say that **DCP 474 would disadvantage domestic and small non-domestic customers and benefit larger non-domestic customers**.

The ‘Non-Domestic Aggregated or CT No Residual’ category faces strictly higher bills, as it would be eligible for the new adder, whereas it had previously avoided any contribution to DCC charges via the residual. Therefore, **DCP 474 would disadvantage a subset of storage customers**.

Table 4.2: Typical bills (all-the-way): DCP 474 vs Baseline (percentage-point change)

	ENWL	NPGN	NPGY	SSEH	SSES	SPD	SPMW	LPN	SPN	EPN	EMID	WMID	SWEST	SWALES
Domestic Aggregated or CT with Residual	3.1%	2.8%	3.4%	1.8%	2.8%	4.1%	2.3%	6.8%	2.6%	3.2%	4.0%	3.3%	2.4%	2.9%
Domestic Aggregated (Related MPAN)	-0.1%	0.0%	0.0%			0.0%	0.0%	0.0%	-0.1%	-0.1%				
Non-Domestic Aggregated or CT No Residual		3.1%	3.6%	1.4%	1.3%	10.7%	2.8%	3.1%	3.7%	2.6%	3.2%	2.0%	2.0%	3.0%
Non-Domestic Aggregated or CT Band 1	0.8%	2.5%	2.5%	4.1%	7.8%	2.3%	1.4%	7.3%	4.0%	4.2%	5.8%	5.0%	3.9%	2.6%
Non-Domestic Aggregated or CT Band 2	-0.7%	-0.6%	-0.6%	-0.1%	-0.1%	-0.8%	-0.6%	0.0%	-1.0%	-0.7%	-0.5%	-0.7%	-1.1%	-1.0%
Non-Domestic Aggregated or CT Band 3	-2.3%	-2.1%	-2.1%	-1.3%	-2.4%	-2.4%	-1.7%	-2.4%	-2.8%	-2.7%	-2.4%	-2.6%	-2.5%	-2.6%
Non-Domestic Aggregated or CT Band 4	-3.4%	-3.1%	-3.2%	-2.0%	-3.6%	-3.5%	-2.4%	-4.4%	-4.0%	-4.2%	-3.6%	-3.8%	-3.5%	-3.5%
Non-Domestic Aggregated (Related MPAN)	0.0%	0.0%	0.0%			-0.1%	-0.2%	-0.1%	-0.1%	-0.1%				
LV Site Specific No Residual	-0.1%	0.0%	-0.2%	-0.1%	-0.1%	0.0%	0.0%		-0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%
LV Site Specific Band 1	-3.1%	-3.2%	-3.6%	-1.8%	-2.8%	-3.5%	-2.5%	-3.4%	-3.1%	-3.3%	-3.2%	-2.9%	-2.9%	-3.0%
LV Site Specific Band 2	-2.9%	-2.9%	-3.2%	-1.6%	-2.3%	-3.3%	-2.5%	-2.9%	-3.0%	-3.0%	-2.7%	-2.3%	-2.4%	-2.6%
LV Site Specific Band 3	-3.0%	-3.3%	-3.5%	-1.6%	-2.4%	-3.5%	-2.6%	-3.1%	-3.0%	-3.1%	-2.7%	-2.3%	-2.4%	-2.7%
LV Site Specific Band 4	-4.2%	-3.4%	-3.4%	-1.6%	-2.4%	-3.6%	-2.8%	-3.2%	-3.0%	-3.3%	-2.8%	-2.4%	-2.8%	-2.9%
LV Sub Site Specific No Residual		-0.2%	0.0%			-0.1%	0.0%			-0.1%	0.0%	-0.1%	0.0%	
LV Sub Site Specific Band 1	-1.6%	-3.4%	-3.7%	-4.1%	-2.7%	-3.2%	-2.4%	-3.5%	-2.2%	-2.2%	-3.2%	-3.0%	-3.2%	-3.2%
LV Sub Site Specific Band 2	-2.5%	-2.8%	-3.5%	-2.7%	-3.2%	-2.9%	-2.3%	-4.1%	-2.7%	-2.7%	-2.8%	-2.5%	-2.8%	-3.0%
LV Sub Site Specific Band 3	-2.6%	-3.6%	-4.1%	-2.7%	-3.9%	-3.3%	-2.3%	-3.1%	-2.4%	-3.0%	-2.6%	-2.5%	-2.7%	-2.9%
LV Sub Site Specific Band 4	-2.6%	-3.6%	-3.8%	-2.9%	-3.8%	-3.1%	-2.5%	-3.2%	-2.8%	-3.1%	-2.4%	-2.2%	-2.8%	-2.6%
HV Site Specific No Residual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.2%	-0.1%	-0.1%	-0.1%	0.0%
HV Site Specific Band 1	-3.8%	-5.1%	-5.0%	-2.3%	-3.9%	-4.0%	-2.9%	-5.3%	-5.5%	-6.3%	-4.6%	-4.2%	-4.7%	-4.7%
HV Site Specific Band 2	-4.5%	-4.4%	-4.8%	-2.5%	-4.0%	-4.1%	-3.2%	-5.7%	-5.5%	-6.5%	-4.6%	-4.4%	-4.4%	-4.4%
HV Site Specific Band 3	-4.5%	-5.4%	-5.5%	-2.4%	-3.9%	-4.2%	-3.3%	-4.8%	-4.9%	-6.2%	-4.4%	-4.3%	-4.8%	-4.3%
HV Site Specific Band 4	-4.6%	-4.2%	-5.0%	-2.3%	-4.2%	-4.2%	-3.3%	-4.5%	-4.7%	-6.1%	-4.5%	-3.5%	-4.1%	-4.2%
Unmetered Supplies	-2.1%	-3.6%	-4.3%	-1.6%	-1.9%	-3.7%	-2.9%	-3.1%	-2.4%	-2.5%	-2.9%	-2.9%	-2.8%	-2.7%
LV Generation Aggregated	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%	-0.1%				
LV Sub Generation Aggregated				0.0%	-0.1%	-0.1%	0.0%							
LV Generation Site Specific	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.1%	0.0%	-0.1%				
LV Sub Generation Site Specific	0.0%	0.0%	0.0%	0.0%		-0.1%	0.0%	-0.1%	-0.1%	-0.1%				
HV Generation Site Specific	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%

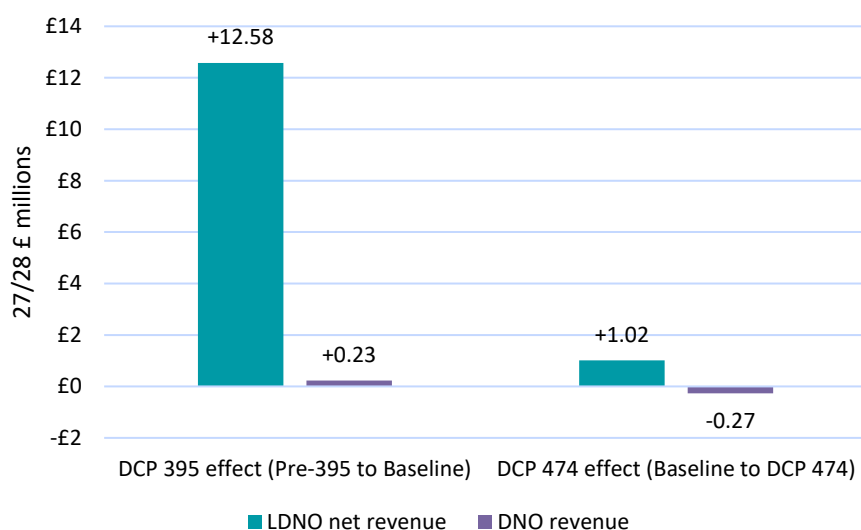
4.4.4. Impact on DNO revenues and LDNO net revenues

The approach taken by **DCP 474** should result in **LDNOs more precisely recovering net revenues required to meet their DCC charges** – replacing the approach taken by DCP 395 of altering the weights applied to LV vs other network levels when calculating LDNO discount percentages.

DCP 474 would increase **LDNO net revenue** from LV/HV properties by an estimated £1.02 million across GB in 2027/28 (in 2027/28 prices) – a 0.3% increase. The overall increase consists of a loss of net revenue from lower LDNO discounts, alongside a gain from the new adder. For context, the baseline already includes an estimated £12.58 million of net revenue retained by LDNOs due to DCP 395.

The chart below also demonstrates that **DNO revenue** is almost unchanged by DCP 474 – by construction. The small differences shown here arise due to rounding.

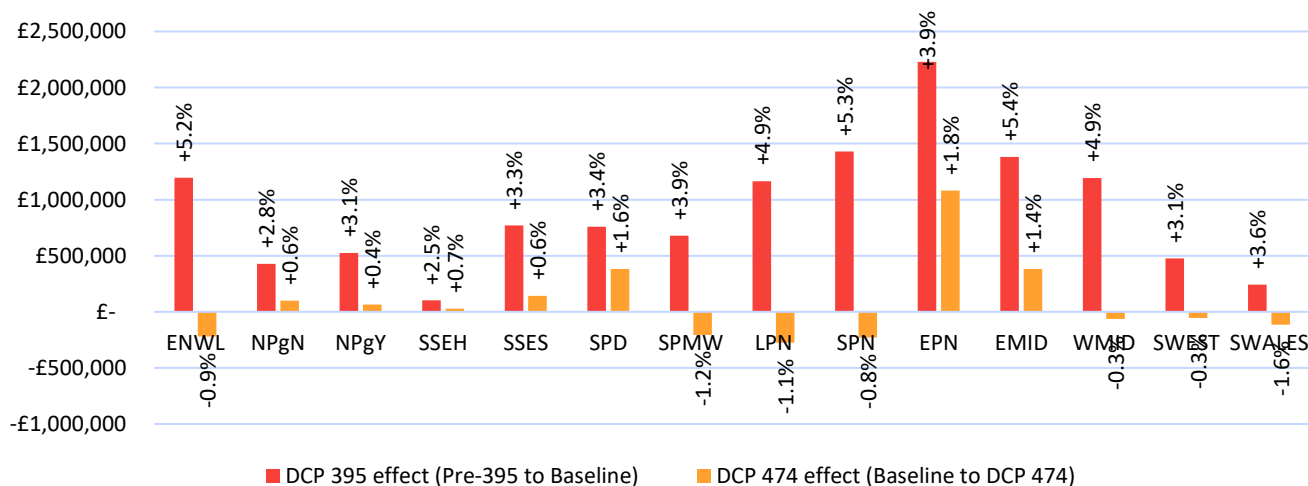
Figure 4.4: Change in revenue (£m): GB total



While DCP 474 is estimated to increase LDNO net revenue overall, this would not be the case in every DNO region, and may not be the case in future years if DNOs' forecasts of LDNO volumes changed substantively. The figure below shows that DCP 474 would reduce LDNO net revenue from LV/HV end-users in seven of fourteen regions. The **variation between regions** may arise because DNOs estimate different ratios of eligible vs non-eligible LDNO-served properties.

DCP 474 may also reduce net revenues for **individual LDNOs** if their portfolios are weighted towards large non-domestic customers; or particularly benefit LDNOs with portfolios weighted towards domestic and small non-domestic customers.

Figure 4.5: LDNO net revenue: change by DNO (£m)





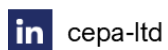
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