DCUSA CHANGE DECLARATION	
CHANGE PROPOSAL	DCP 477 Managing the effects of excessive surplus residual revenue in the EDCM
DATE OF ISSUE	09 November 2026
ISSUED TO	DCUSA Parties
VOTING PARTIES	CVA Registrants, DNOs, IDNOs & Suppliers
SYNOPSIS	This document provides Parties with the outcome of the Party Vote with respect to the Change Report issued for DCP 477 and the recommendation of the Parties in respect of this Change Proposal.

1. INTRODUCTION

1.1 In accordance with Clause 13.4 of the DCUSA this paper sets out the Parties' recommendation in relation to DCP 477.

1.2 The Change Report for DCP 477 was issued to DCUSA Contract Managers on 21 October 2026 for a voting period of 10 Working Days.

2. PARTY VOTE ON PROPOSED VARIATION (SOLUTION A)

2.1 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed variation be Accepted.

3. PARTY VOTE ON PROPOSED VARIATION (SOLUTION B)

3.1 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed variation be Accepted.

4. PARTY VOTE ON PROPOSED IMPLEMENTATION DATE

4.1 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed implementation date was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed implementation date be Accepted.

5. DCUSA PARTIES OVERALL RECOMMENDATION

5.1 The overall recommendation, in accordance with Clause 13.5 of the DCUSA, is that both Solution A and Solution B of the CP be accepted.

5.2 As DCP 477 is classed as a Part 1 Matter, the above recommendation will be provided to the Authority for their final decision.

6. APPENDICIES

- APPENDIX 1 – CONSOLIDATED PARTY VOTES

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VOTING END DATE: 04 NOVEMBER 2026	WEIGHTED VOTING					
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER	SAFE ISOLATION PROVIDER
VOTING ON CHANGE SOLUTION A	Accept	Accept	Accept	None Received	Not Eligible	Not Eligible
VOTING ON CHANGE SOLUTION B	Accept	Accept	Reject	None Received	Not Eligible	Not Eligible
VOTING ON IMPLEMENTATION DATE	Accept	Accept	Accept	None Received	Not Eligible	Not Eligible
RECOMMENDATION	**CHANGE SOLUTION A– ACCEPT** For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the 'Solution A' was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the change solution be Accepted. **CHANGE SOLUTION B– ACCEPT** For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the 'Solution B' was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the change solution be Accepted. **PREFERENCES** Of the eight voting Parties that Accepted both Solution A and Solution B, all eight selected 'Solution B' as their First Preference, meaning that all eight selected 'Solution A' as their as their Second Preference. **IMPLEMENTATION DATE – ACCEPT** For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 50%. In accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the implementation date be Accepted.					
PART ONE / PART TWO MATTER	**Part One Matter** – Authority Determination Required					

PARTY	SOLUTION A (A / R)	SOLUTION B (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
DNO PARTIES					
SP DISTRIBUTION PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT	Agree with working group assessment.	
SP MANWEB PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT		
NATIONAL GRID ELECTRICITY DISTRIBUTION (EAST MIDLANDS) PLC	REJECT	ACCEPT	ACCEPT	NGED supports Solution B and does not support Solution A. Whilst Solution A includes the intervention methodologies previously approved by Ofgem, it does not address the associated notice period constraints which have also been subject to derogation in practice. Solution B provides a more complete and enduring solution by incorporating both the intervention methods and the revised notice period arrangements. The additional time afforded by the 13-month publication requirement enables DNOs to undertake the detailed modelling, validation, governance and assurance activities needed to implement the interventions correctly and develop robust tariffs. NGED considers Solution B to be the more appropriate and efficient enduring solution.	
NATIONAL GRID ELECTRICITY DISTRIBUTION (WEST MIDLANDS) PLC	REJECT	ACCEPT	ACCEPT		
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WALES) PLC	REJECT	ACCEPT	ACCEPT		
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC	REJECT	ACCEPT	ACCEPT		
SOUTHERN ELECTRIC POWER DISTRIBUTION PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT	We agree Charging Objectives 1, 2, 3 & 6 are better facilitated as well as General Objective 4 for the reasons stipulated in the change report.	
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT		

EASTERN POWER NETWORKS	ACCEPT	REJECT	ACCEPT	We believe that the DCUSA Charging Objectives 1, 2 and 6 will be better facilitated by option A as it would address the issue of negative charges in the model and should make for a more efficient process. We do however believe it could negatively impact DCUSA Charging Objective 3 as the solution chosen to address the issues could be to use historic inputs which would likely not result in cost reflective charges, when compared to using the latest available data.	We have significant concerns with Solution B. By introducing a delay to the publication of charges within DCUSA to accommodate what appears to be a fundamental issue within the EDCM charging methodology, the proposal would effectively grant DNOs using FCP that are impacted by negative charges an additional two months to calculate and publish their DUoS charges. As CDCM and EDCM charges cannot be published independently, this delay would also affect the publication of CDCM charges. Given that this issue has persisted for at least the last two charging years, there is a strong likelihood that it will continue until either a fundamental change is made to the FCP methodology or all DNOs move to an alternative methodology, such as LRIC, which does not appear to experience the same challenges. If it is considered necessary to reduce the notice period for DNOs using FCP, we believe a more equitable approach would be to apply a corresponding delay to the publication of DUoS charges across all DNOs. It is difficult to justify a position where only certain DNOs receive additional time to complete their charging calculations because they have been unable to identify and resolve the issue sufficiently early to enable publication within the standard notice period, alongside all other DNOs.
LONDON POWER NETWORKS	ACCEPT	REJECT	ACCEPT		
SOUTH EASTERN POWER NETWORKS	ACCEPT	REJECT	ACCEPT		
NORTHERN POWERGRID (NORTHEAST) PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT	DCUSA General Objectives: 4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it. DCUSA Charging Objectives: 1. That compliance by each DNO Party with the	We accept both proposed solutions with a preference for solution B.
NORTHERN POWERGRID (YORKHIRE) PLC	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT		

				Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence 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) 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 6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	
ELECTRICITY NORTH WEST LIMITED	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT	as per Change Report.	Solution B - First preference Solution A - Second Preference
IDNO PARTIES					
ADVANCED ELECTRICITY NETWORKS LIMITED	ACCEPT SECOND PREFERENCE	ACCEPT FIRST PREFERENCE	ACCEPT	General Objectives 1 & 3, and Charging Objectives 1-6	
SUPPLIER PARTIES					
BRITISH GAS TRADING LIMITED	ACCEPT	REJECT	ACCEPT		In terms of rationale, we support Solution A and the codification of the existing intervention options. However, we remain opposed to the potential reduction in the standard notice period provided for under Solution B, consistent with the position we set out through the consultation process.

SSE ENERGY SUPPLY LIMITED	ACCEPT	REJECT	ACCEPT	We agree with the proposer that Charging Objectives 1, 2, 3 and 6 are better facilitated by this change.	
CVA REGISTRANT PARTIES					
None Received					
GAS SUPPLIER PARTIES					
Not Eligible					
SAFE ISOLATION PROVIDERS					
Not Eligible					