Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2026_1118_03_Initial Assessment Paper: DCP 489, DCP 461A, DCP 461B and DCP 461C
Action	For Decision

Initial Assessment Paper

1. Synopsis

1.1 This paper refers any new DCUSA Change Proposals (DCPs) to the DCUSA Panel for agreement on their progression.

1.2 This month, four new Change Proposals (CPs) have been received by the Secretariat:

- DCP 489 'DCUSA Accession Requirements for REP-900 and REP-901 Capability'; and
- Three possible progressions of the solutions to DCP 461 'Reducing the Impact of Transmission Distribution Charges'**:** DCP 461A 'Different outcomes caused by transmission asset classification', DCP 461B 'The "last customer standing" risk' and DCP 461C 'Different approaches between DNOs'. Appendix 1 provides further detail about the history and process being adopted to progress these Change Proposals. These three CPs do not introduce new issues or restart the work undertaken under DCP 461 but instead provide the necessary route for the nine solutions developed by the DCP 461 Working Group to be presented through three separate Change Reports.

1.3 The CPs have been assessed by the Secretariat in accordance with Clause 10.11 of the DCUSA, and the Secretariat believes that the CPs have met the requirements set out in the DCUSA. Therefore, the Secretariat has prepared a set of recommendations for consideration by the Panel.

2. Change Proposals Received

2.1 The table below details the CPs that have been received by the DCUSA Secretariat. The view of each Proposer as to whether their CP relates to a Part 1 or Part 2 Matter and whether their CP should be treated as a non-Urgent change or an Urgent change as well as their view on the appropriate Prioritisation Category are detailed in the bullet points below.

- It is the view of the Proposer of DCP 489 that it be classed as a non-Urgent change, a Part 1 Matter and that it be given a Prioritisation Category of Standard.
- It is the view of the Proposer of DCP 461A that it be classed as a non-Urgent change, a Part 1 Matter and that it be given a Prioritisation Category of High.
- It is the view of the Proposer of DCP 461B that it be classed as a non-Urgent change, a Part 1 Matter and that it be given a Prioritisation Category of High.
- It is the view of the Proposer of DCP 461C that it be classed as a non-Urgent change, a Part 1 Matter and that it be given a Prioritisation Category of High.

2.2 Taking into account the view of the Proposer's above, the DCUSA Panel should, with reference to DCUSA Clause 9.4 and 10.7, determine whether, in their opinion, each CP relates to a Part 1 or Part 2 Matter, whether the CP is to be treated as a non-Urgent or an Urgent Change and determine the Prioritisation Category as being either Standard or High (where applicable).

DCP No.	Title	Proposer	Part 1/2 Matter	Proposed Implementation Date	Impacted Clauses	CP Area	Summary
DCP 489	DCUSA Accession Requirements for REP-900 and REP-901 Capability	Eastern Power Networks plc	Part 1	02 July 2027	Section 1A	General	To ensure that new Distributors cannot issue MPANs unless they can create and send the REP-900 and REP-901 and that new Suppliers cannot register new MPANs unless they can receive and process the REP-900 and REP-901
DCP 461A	'Different outcomes caused by transmission asset classification'	Electricity North West Limited	Part 1	One month following Authority approval	Schedule 22	CCCM	Potential solution to DCP 461, whereby distribution connecting customers have a consistent charging outcome for transmission costs irrespective of the classification of the transmission assets in the transmission charging regime
DCP 461B	'The "last customer standing" risk'	National Grid Electricity Distribution	Part 1	One month following Authority approval	Schedule 22	CCCM	Potential solution to DCP 461, whereby distribution connecting customers will have a consistent charging outcome irrespective of the number of connecting customers subject to transmission reinforcement costs
DCP 461C	'Different approaches between DNOs'	Northern Powergrid	Part 1	One month following Authority approval	Schedule 22	CCCM	Potential solution to DCP 461, whereby relevant transmission reinforcement costs would continue to be recovered from connecting customers, rather than through DUoS, but the DCUSA arrangements would be clarified so that all DNOs apply the approach consistently.

3. Determination of the Prioritisation Category of the Change Proposals

3.1 The DCUSA requires the Panel to determine a Prioritisation Category for each Change Proposal (unless it is urgent), specifically:

- The Panel must assess each non-urgent proposal against the **Prioritisation Criteria**, taking into account the Proposer's assessment.
- The Panel must determine the **Prioritisation Category** for each proposal.

3.2 This is explicitly set out in:

- Clause 10.4.11 (requirement for proposer assessment); and
- Clause 10.12.2, which states:

"For every Change Proposal that is not treated as an Urgent Change Proposal, the Panel shall determine the Prioritisation Category of that Change Proposal by assessing it against the Prioritisation Criteria and taking into consideration the assessment presented by the Proposer."

3.3 Additionally, it should be noted that Urgent Change Proposals do not receive a Prioritisation Category.

Link to Authority (Ofgem) Guidance

3.4 The DCUSA defines both **Prioritisation Criteria** and **Prioritisation Category** by reference to the Authority's guidance, therefore, the Panel's determination must be consistent with the 'Authority Guidance on Code Modification Prioritisation'.

4. Progression of the Change Proposal

DCP 489 'DCUSA Accession Requirements for REP-900 and REP-901 Capability

4.1 ElectraLink recommends that DCP 489 is treated as a Part 1 Matter and a non-urgent Change and that it be progressed to the Definition phase via a Working Group, in accordance with the timetable set out in the table below:

Activity	Target Date
Initial Assessment Report	18 November 2026
Consultation Issued to Industry Participants	January/ February 2027
Change Report Approved by Panel	21 April 2027
Change Report issued for Voting	22 April 2027
Party Voting Closes	13 May 2027
Change Declaration Issued	18 May 2027

DCP 461A 'Different outcomes caused by transmission asset classification'

4.2 ElectraLink recommends that DCP 461A is treated as a Part 1 Matter and a Standard Change and that it be progressed to the Definition phase via a Working Group, in accordance with the timetable set out in the table below:

Activity	Target Date
Initial Assessment Report	18 November 2026
Consultation Issued to Industry Participants	Already completed under DCP 461
Change Report Approved by Panel	16 December 2026
Change Report issued for Voting	17 December 2026
Party Voting Closes	12 January 2027
Change Declaration Issued	18 January 2027

DCP 461B 'The "last customer standing" risk'

4.3 ElectraLink recommends that DCP 461B is treated as a Part 1 Matter and a Standard Change and that it be progressed to the Definition phase via a Working Group, in accordance with the timetable set out in the table below:

Activity	Target Date
Initial Assessment Report	18 November 2026
Consultation Issued to Industry Participants	Already completed under DCP 461
Change Report Approved by Panel	16 December 2026
Change Report issued for Voting	17 December 2026
Party Voting Closes	12 January 2027
Change Declaration Issued	18 January 2027

DCP 461C 'Different approaches between DNOs'

4.4 ElectraLink recommends that DCP 461C is treated as a Part 1 Matter and a Standard Change and that it be progressed to the Definition phase via a Working Group, in accordance with the timetable set out in the table below:

Activity	Target Date
Initial Assessment Report	18 November 2026
Consultation Issued to Industry Participants	Already completed under DCP 461
Change Report Approved by Panel	16 December 2026
Change Report issued for Voting	17 December 2026
Party Voting Closes	12 January 2027
Change Declaration Issued	18 January 2027

5. Recommendations

5.1 For DCP 489 the DCUSA Panel is invited to:

- **ACCEPT** the referral of the CP; and in doing so:
  - **AGREE** that the CP should be treated as a 'non-urgent' Change;
  - **AGREE** that the CP should be treated as a Part 1 Matter;
  - **AGREE** that the CP should be progressed to the Definition phase;
  - **AGREE** that the CP should be given a Prioritisation Category of Standard; and
  - **AGREE** the progression of the CP in accordance with the timescales set out in the table under paragraph 4.1 above; or
- **REJECT** the referral of the CP; and in doing so
  - **INSTRUCT** the Secretariat to notify the Proposer of that refusal as soon as is reasonably practicable, and to publish details of the Change Proposal in question and the Panel's reasons for such rejection on the Website (in accordance with Clause 10.15).

5.2 For DCP 461A the DCUSA Panel is invited to:

- **ACCEPT** the referral of the CP; and in doing so:
  - **AGREE** that the CP should be treated as a 'non-urgent' Change;
  - **AGREE** that the CP should be treated as a Part 1 Matter;
  - **AGREE** that the CP should be progressed to the Definition phase;
  - **AGREE** that the CP should be given a Prioritisation Category of High; and
  - **AGREE** the progression of the CP in accordance with the timescales set out in the table under paragraph 4.2 above; or
- **REJECT** the referral of the CP; and in doing so
  - **INSTRUCT** the Secretariat to notify the Proposer of that refusal as soon as is reasonably practicable, and to publish details of the Change Proposal in question and the Panel's reasons for such rejection on the Website (in accordance with Clause 10.15).

5.3 For DCP 461B the DCUSA Panel is invited to:

- **ACCEPT** the referral of the CP; and in doing so:
  - **AGREE** that the CP should be treated as a 'non-urgent' Change;
  - **AGREE** that the CP should be treated as a Part 1 Matter;
  - **AGREE** that the CP should be progressed to the Definition phase;
  - **AGREE** that the CP should be given a Prioritisation Category of High; and
  - **AGREE** the progression of the CP in accordance with the timescales set out in the table under paragraph 4.3 above; or
- **REJECT** the referral of the CP; and in doing so
  - **INSTRUCT** the Secretariat to notify the Proposer of that refusal as soon as is reasonably practicable, and to publish details of the Change Proposal in question and the Panel's reasons for such rejection on the Website (in accordance with Clause 10.15).

5.4 For DCP 461C the DCUSA Panel is invited to:

- **ACCEPT** the referral of the CP; and in doing so:
  - **AGREE** that the CP should be treated as a 'non-urgent' Change;
  - **AGREE** that the CP should be treated as a Part 1 Matter;
  - **AGREE** that the CP should be progressed to the Definition phase;
  - **AGREE** that the CP should be given a Prioritisation Category of High; and
  - **AGREE** the progression of the CP in accordance with the timescales set out in the table under paragraph 4.4 above; or
- **REJECT** the referral of the CP; and in doing so
  - **INSTRUCT** the Secretariat to notify the Proposer of that refusal as soon as is reasonably practicable, and to publish details of the Change Proposal in question and the Panel's reasons for such rejection on the Website (in accordance with Clause 10.15).

6. Attachments

- Attachment 1 – DCP 489 Change Proposal Form
- Attachment 2 – DCP 461A Change Proposal Form
- Attachment 3 – DCP 461B Change Proposal Form
- Attachment 4 – DCP 461C Change Proposal Form

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Appendix 1: Progression of the DCP 461 solutions DCP 461A, DCP 461B and DCP 461C

Purpose of this methodology

The Panel is asked to accept DCP 461A, DCP 461B and DCP 461C into the DCUSA change process.

These CPs do not introduce new issues or restart the work undertaken under DCP 461. They provide the necessary route for the nine solutions developed by the DCP 461 Working Group to be presented through three separate Change Reports.

What does each CP address?

DCP 461A: Different outcomes caused by transmission asset classification

A connecting customer may currently face transmission reinforcement costs at a Connection Site but not at an Infrastructure Site. The classification is outside the control of the customer and DNO, but it can materially affect the customer's connection charge.

DCP 461A asks: **Should connecting customers face these transmission reinforcement costs, and in what circumstances?**

DCP 461B: The "last customer standing" risk

Where several customers initially share transmission reinforcement costs, the amount payable by the remaining customers can increase if another project withdraws. In the most extreme case, one customer could be left paying the full cost.

DCP 461B asks: **How can each customer's contribution be made fairer, more proportionate and less dependent on the actions of other customers?**

DCP 461C: Different approaches between DNOs

DNOs currently interpret and apply the relevant charging arrangements differently. This can result in similar customers receiving different treatment depending on the DNO area in which they connect.

DCP 461C asks: **Should the existing approach be clarified so that all DNOs recover the relevant costs consistently?**

Solutions to be presented

DCP 461A will contain four solutions:

1. **No transmission reinforcement costs passed through:** all relevant costs would be recovered through DUoS rather than from the connecting customer.
2. **Single-customer exception:** the same approach, except where a GSP is provided wholly or mainly for one customer, who would continue to pay.
3. **No pass-through with a High-Cost Project Threshold:** the customer would not normally pay, but exceptionally high-cost projects above the threshold would remain chargeable.

4. **Single-customer exception with a High-Cost Project Threshold:** combines the single-customer exception with protection for DUoS customers from exceptionally high-cost projects.

DCP 461B will contain four solutions:

1. **Cost apportionment with capacity-based eligibility criteria:** customers meeting the agreed capacity threshold would pay a proportionate share of the transmission reinforcement costs, rather than potentially being left with the full cost.
2. **Cost apportionment with voltage-based eligibility criteria:** the same proportionate approach, but eligibility to contribute would be based on the connection voltage rather than capacity.
3. **Capacity-based eligibility criteria with a High-Cost Project Threshold:** the capacity-based approach would normally apply, but for projects above the High-Cost Project Threshold, the relevant costs would be charged to connecting customers in line with the threshold rules.
4. **Voltage-based eligibility criteria with a High-Cost Project Threshold:** the voltage-based approach would normally apply, with the same High-Cost Project Threshold arrangements for exceptionally high-cost projects.

DCP 461C will contain one solution:

1. **A standardised approach across DNOs:** relevant transmission reinforcement costs would continue to be recovered from connecting customers, rather than through DUoS, but the DCUSA arrangements would be clarified so that all DNOs apply the approach consistently.

Why all nine solutions are being progressed

When the additional CPs were previously presented, the Panel did not accept them into the process at that stage. The Panel asked the Working Group to complete the second consultation and consider whether any solutions could be removed.

The second consultation specifically asked stakeholders which solutions should proceed to the Authority and whether any should be eliminated. Having reviewed the responses and considered the issues raised, the Working Group concluded that all nine solutions remain credible alternatives and should be presented to Ofgem for review and decision.

The consultation feedback has been used to refine the solutions, legal text and supporting rationale. It has not identified a sufficient basis for the Working Group to remove any of the nine solutions. An Ofgem representative has participated in the Working Group and is content with the approach of presenting all nine solutions for Authority consideration. This participation should not be treated as prior approval of any individual solution.

Panel decision requested

The Panel is asked to:

1. accept DCP 461A, DCP 461B and DCP 461C into the DCUSA change process;
2. agree that the CPs continue through the existing DCP 461 Working Group; and
3. allow the three Change Reports, containing all nine solutions, to progress through to Party voting and ultimately to Ofgem for decision.