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Code Administrator Meeting

Summary

Workgroup Meeting 11: CMP460 – Improving Transmission Connection Asset Charging

Date: 09 September 2026

Contact Details

Chair: Robert Hughes, Robert.Hughes3@neso.energy

Proposer: Joe Colebrook, joe@innova.co.uk

Key areas of discussion

The purpose of Workgroup 11 was to review progress from Workgroups 1 – 10, discuss the revised timeline, consider the outstanding Actions, undertake a detailed review of the draft Legal Text, discuss potential Alternative Requests, and agree the work required to complete the Workgroup Report and Terms of Reference.

Progress and Current Position

The Chair explained that CMP460 had resumed following a pause between April and September 2026. The pause reflected competing priorities, resource availability constraints, and the revised implementation date of 1 April 2028. The Chair confirmed that the Workgroup should now focus on resolving the remaining substantive issues, completing the Legal Text and worked examples, considering any Alternative Requests, and preparing the Workgroup Report.

A Workgroup member highlighted wider transmission charging reform concerning shared substations and local charging arrangements. The Proposer considered that CMP460 should continue unless directed otherwise by the Authority, so that the completed proposal could inform the wider reform work.

Revised Timeline

The Chair presented the revised timeline, which targeted completion of the remaining Workgroup activity by December 2026, agreement of the Workgroup Report and the Workgroup vote at the final Workgroup meeting, and submission of the Workgroup Report to the CUSC Panel in January 2027. The subsequent consultation and reporting stages would take place during 2027, with implementation proposed for 1 April 2028.

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The Chair emphasised that the remaining Workgroup meetings would need to address the draft Legal Text, worked examples, impact assessment, Alternative Requests, Terms of Reference, and Workgroup Report. The next Workgroup meeting will be extended to four hours to allow sufficient time for the outstanding substantive work.

Actions Log

The following actions were discussed:

- **Action 14 (Open)** – The NESO SME confirmed that NESO Legal had reviewed an earlier version of the Legal Text. As further changes had since been made, the revised and consolidated Legal Text would be returned to NESO Legal for further review.
- **Action 40 (Open)** – The Proposer confirmed that the worked examples remained outstanding and would be completed once the scope and revised Legal Text had been clarified.
- **Action 45 (Open)** – A Workgroup member confirmed that a potential Alternative Request was being developed and was expected to be submitted for consideration at the next Workgroup meeting.
- **Action 46 (Open)** – The NESO SME confirmed that Transmission Owners determine asset classification and the charging boundary. Further input was required from the NESO Revenue and Settlements Team on charge calculations, implementation, and potential refunds.
- **Action 47 (Closed)** – The Workgroup reviewed the revised Legal Text and agreed further drafting changes relating to asset definitions, the sole-use exception, one-off works, and the proposed refund mechanism. The action was closed.
- **Actions 48 to 51 (New)** – New Actions were raised to progress scope clarification, Section 14.2.6 drafting, the proposed refund mechanism, and review of the impact assessment. Further details can be found in the Actions table.

Legal Text

The Proposer led a detailed review of the proposed amendments to CUSC Section 14. The Workgroup considered whether Grid Parks, tertiary connections and other transmission-connected arrangements were within the scope of CMP460. The Proposer had drafted on the basis that these arrangements were included, but the Chair proposed that the Workgroup review the Legal Text provisionally on an embedded-customer-only basis while the scope position was clarified.

New Action: Proposer and relevant Workgroup members to clarify whether transmission connections, including Grid Parks and tertiary connections, fall within the scope of CMP460 and report back at the next Workgroup meeting.

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The Workgroup discussed whether Section 14.2 should be comprehensively rewritten or amended only as far as necessary. A Workgroup member favoured focused changes to reduce the risk of unintended consequences, while the Proposer considered that a broader rewrite might be justified because the section defines connection boundaries. The Chair asked the Proposer to continue with the focused drafting and reconsider a wider rewrite only if that approach proved insufficient.

The emerging drafting principle was that transmission-licensee-owned assets used by embedded customers or embedded power stations would generally be treated as infrastructure assets, except where assets were installed solely for, and were only capable of use by, an individual embedded customer or embedded power station. Workgroup members discussed the distinction between genuine future shareability and incidental spare capacity. The Proposer agreed to revise Section 14.2.6 to express the default treatment and sole-use exception more clearly.

New Action: Proposer to confirm how the exception in Section 14.2.6 should be addressed and revise the drafting accordingly.

The Workgroup also considered assets required beyond normal planning obligations. A Workgroup member explained that these costs could remain recoverable through the existing one-off works arrangements even where the general asset classification was infrastructure. The Workgroup supported retaining this clarification within Section 14.2.6. The Proposer agreed to restore amended wording concerning discrimination to the existing wording, unless NESO Legal identified a specific reason for change.

The Proposer outlined a mechanism for repaying the remaining depreciated value of a capital contribution where an asset was reclassified as infrastructure and entered the Transmission Owner's regulated asset base. Workgroup members discussed prospective and retrospective application, treatment of offers and projects at different stages, the implementation cut-off, depreciation, the timing of contributions and repayments, and the treatment of connected and legacy projects. The Chair asked that these substantive choices be made explicit in the Legal Text drafting rather than left implicit.

New Action: Proposer to provide supporting material explaining the proposed implementation cut-off points and treatment of legacy projects, including the relevant repayment arrangements.

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The Workgroup noted that earlier estimates of approximately £300 million to £400 million related to annual connection-cost impacts rather than historical capital contributions. The Proposer and NESO SME agreed to review the supporting impact assessment and obtain relevant information from the NESO Revenue and Settlements Team. The Proposer will also refine the calculation methodology and supporting example to account for the date of each contribution, repayment timing, and remaining asset life.

New Action: Proposer to review and, if necessary, update the impact assessment to determine whether it estimates the capital contributions paid by DNO customers, liaising with the NESO SME where further information is required.

Alternative Requests

The Chair reminded the Workgroup that Alternative Requests should be raised as early as possible to allow sufficient time for review and discussion. A Workgroup member confirmed that a potential Alternative Request was being developed by a colleague and was expected to be available for the next meeting. The Chair explained that it would need to be submitted in the required format and undergo a Critical Friend Check before the Workgroup could consider whether it should become a Workgroup Alternative CUSC Modification.

A Workgroup member reiterated a possible alternative approach based on more proportionate connection charging within the DNO sector rather than the wider socialisation of costs proposed by CMP460. The Chair encouraged interested CUSC Parties to engage with the Workgroup member and bring forward an Alternative Request promptly if the proposal was to proceed. The Technical Secretary confirmed that the Proposer could also raise an Alternative to their original proposal, provided it remained within the scope of the original defect.

Workgroup Report

The Chair proposed that the next full version of the Workgroup Report should be prepared after the scope, Legal Text, refund mechanism, and potential Alternative Requests had been developed further. They noted that the Workgroup Report will need to explain the substantive reasoning supporting the proposed solution, including the treatment of scope, implementation cut-offs and legacy projects, rather than simply reproduce the final Legal Text.

Terms of Reference

The Chair confirmed that the Workgroup would review the Terms of Reference at the next meeting to establish which matters had been addressed and where further evidence or discussion was required. This would include the regulatory, DCUSA, construction agreement,

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wider charging reform, funding, incentive, and consumer impact considerations identified in the Terms of Reference.

AOB and Next Steps

No additional substantive items were raised under AOB. The Chair confirmed that the next Workgroup meeting would take place on 30 September 2026 from 09:00 to 13:00. Ahead of that meeting, the revised Legal Text will be completed and shared with NESO Legal, the worked examples and refund mechanism will be developed, the impact assessment will be reviewed with input from the NESO Revenue and Settlements Team, and the proposed Alternative Request will be submitted for review.

Actions

For the full Actions Log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
14	WG2	JC / AH	Review potential changes to Legal Text with legal team (possibly Section 3 or 11).	WG6	Open
40	WG8	JC	Update or develop worked examples in Section 14.11 to reflect the revised legal text and consult the charging team to ensure accuracy of first year charges in the examples.	WG9	Open
45	WG9	PB	PB and other interested Workgroup members to consider the scope, alignment, and differences between the potential alternative(s) being considered in preparation for the next Workgroup meeting.	WG10	Open
46	WG10	AH	Confirm who is responsible for determining asset classification/charging boundary and calculating connection charges for implementation, and to clarify the process and timing for refunds and implementation steps.	WG11	Open
47	WG10	JC / AH	Proposer to coordinate with NESO/NESO legal to resolve outstanding Legal text issues, especially around asset definitions and refund calculations.	WG11	Closed
48	WG11	JC / TBD	Clarify whether transmission connections, including Grid Parks and tertiary connections, fall within the scope of	WG12	New

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			CMP460 and report back at the next Workgroup meeting.		
49	WG11	JC	Confirm how the exception in Section 14.2.6 should be addressed and revise the drafting accordingly.	WG12	New
50	WG11	JC	Provide supporting material explaining the proposed implementation cut-off points and treatment of legacy projects, including the relevant repayment arrangements.	WG12	New
51	WG11	JC	Review and, if necessary, update the impact assessment to determine whether it estimates the capital contributions paid by DNO customers, liaising with the NESO SME where further information is required.	WG12	New

Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO	Chair
Matthew Larreta	ML	NESO	Technical Secretary
Joe Colebrook	JC	Innova Capital Limited	Proposer
Aishwarya Harsure	AH	NESO	NESO Representative
Alex Pentecost	AP	Eclipse Power Solutions	Workgroup Member (Alternate)
Brian Hoy	BH	SP Electricity North West	Workgroup Member
Chris Patrick	CP	Ofgem	Authority Representative
Claire Hynes	CH	RWE	Observer
Damian Clough	DC	SSE Generation	Workgroup Member
Drew Johnstone	DJ	Northern Power Grid	Workgroup Member
Edda Dirks	ED	SSE Generation	Workgroup Member (Alternate)
Grahame Neale	GN	Lightsource BP	Workgroup Member
Hector Perez	HP	ScottishPower Renewables	Workgroup Member
Helen Stack	HS	Centrica	Workgroup Member
Ian Burman	IB	Green Gen Cymru	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Natalija Zaiceva	NZ	UK Power Networks	Workgroup Member
Patrick O'Mahony	PO	Orsted	Observer

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Name	Initial	Company	Role
Paul Mott	PM	NESO	NESO Representative
Philip Bale	PB	Roadnight Taylor	Workgroup Member (Alternate)