Public

Code Administrator Meeting Summary

Workgroup Meeting 12: CMP460 - Improving Transmission Connection Asset Charging

Date: 30 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 12 was to confirm the revised timeline, review the Actions Log, review the revised Legal Text, consider the status of potential Alternative Requests, undertake an initial review of the Workgroup Report, and assess progress against the Terms of Reference.

Confirmation of revised timeline

The Chair confirmed that the Workgroup Report remained scheduled for submission to the CUSC Panel on 22 January 2027. Including the current meeting, four Workgroup meetings remain to complete the outstanding work, with the final meeting expected to include the Workgroup vote and finalisation of the Workgroup Report. The timetable remained achievable, but Workgroup members would need to complete actions and document reviews between meetings to avoid needing to schedule additional meetings.

Actions Log

The following actions were discussed:

- **Action 14 (Open)** – The revised Legal Text had been circulated shortly before the meeting. Following the Workgroup discussion, the Proposer would provide a stable version to the NESO SME for onward review by NESO Legal.
- **Action 40 (Open)** – The worked examples remained outstanding and would be updated once the revised Legal Text and refund methodology were sufficiently settled.
- **Action 45 (Open)** – KM and PB were continuing to develop an Alternative Request concerning the treatment of refunds. The Proposer had also drafted a similar Alternative, and the two approaches would be compared before the next Workgroup meeting.

- **Action 46 (Closed)** – The Workgroup confirmed that TOs determine asset classification and charging boundaries. Refund process, revenue and funding considerations would be recorded in the Workgroup Report rather than keeping the action open.
- **Action 48 (Closed)** – The scope was confirmed as distribution licence holders only. Grid Parks and tertiary connections would not be included and would require a separate modification if they were to be progressed.
- **Action 49 (Closed)** – The sole-use exception and related Section 14.2.6 drafting had been addressed in the revised Legal Text.
- **Action 50 (Open)** – Supporting material on implementation, cut-off points, and legacy projects remained outstanding and would be developed for the next Workgroup meeting.
- **Action 51 (Open)** – The impact assessment remained under review following the revised scope and would be updated as required, including consideration of refund and consumer impacts.

Legal Text

The Proposer presented a simplified Legal Text draft which had been returned substantially to the baseline and refocused on distribution licence holders. The Workgroup was asked to consider whether the drafting reflected the policy intent and agreed scope of CMP460 before the document was submitted to NESO Legal.

The principal change was to Section 14.2.6. The revised structure treated relevant transmission assets as infrastructure unless they were installed solely for, and only capable of use by, an individual embedded customer or embedded power station. Workgroup members considered the revised approach clearer, although the wording “only capable of use” would need to be critically reviewed by NESO Legal. Separate wording clarified that low-voltage assets owned by a Transmission Owner for the benefit of a distribution licence holder would be treated consistently with the revised definition.

A Workgroup member questioned whether a DNO could influence the connection boundary in a way that increased the extent of assets treated as infrastructure and socialised the associated costs. The Proposer considered that the intended outcome was for transmission infrastructure serving distribution licence holders to be treated as infrastructure. Other members noted that economic and coordination requirements already applied and that any wider defect may fall outside CMP460. No drafting change was agreed, but members were invited to provide specific alternative wording if required.

The Workgroup then considered the proposed capital contribution refund methodology. Discussion covered inflation, partial and staged contributions, contribution and refund dates,

remaining asset life, contracted-but-not-connected projects, and contributions already paid for future assets. Members agreed that the policy intent should be clear before finalising the calculation, where the refund was intended to return the unused portion of a capital contribution relating to the remaining asset life after reclassification, rather than refund historic use. The Proposer agreed to use the formula provided by a Workgroup member as the basis for the Legal Text, subject to testing the treatment of future projects and other edge cases.

The discussion also identified implementation and contractual issues, including the need to update existing connection offers and agreements, the timing of contract variations, refund eligibility and administration, and whether obligations on NESO were implicit in the CUSC or required express drafting. The Proposer and NESO SME would seek advice from NESO Legal. Wider operational matters would be captured in the implementation section, or a supporting annex, of the Workgroup Report.

The NESO SME also identified an unintended amendment removing references to supergrid transformers from the provisions relating to the Avoided GSP Infrastructure Credit (AGIC). Members considered that CMP460 should not alter the policy intent of the earlier AGIC modification. The Proposer agreed to remove the amendment before the Legal Text was submitted for NESO Legal's review.

Alternative Requests

The Chair explained that any Alternative Request should be submitted early enough to undergo a Critical Friend Check and be discussed at the next Workgroup meeting, to enable the Workgroup to undertake a Stage 1 vote to decide whether an Alternative Request should become a Workgroup Alternative CUSC Modification (WACM), with the formal Stage 2 Workgroup vote taking place later in the process.

The Proposer confirmed they were considering a potential Alternative which would remove the capital contribution refund mechanism for projects that were already energised, while retaining the need to consider projects that had paid contributions but would connect after the effective date. PB confirmed that this appeared to pursue the same broad outcome as the Alternative being developed by PB and KM, so they would pause their drafting to review the Proposer's version. The Proposer and PB/KM would agree whether one Alternative Request would be sufficient and who should submit it. The Chair requested a clear position and completed request by 07 October 2026.

Workgroup Report

The Chair presented the first full draft of the Workgroup Report and confirmed that it would be one of the Workgroup's principal outputs alongside the Legal Text. A collaboration space would be established for Workgroup members to review the draft between meetings. Non-contentious comments would be incorporated into the master document, while matters requiring further discussion would return to the next Workgroup meeting. Workgroup members unable to access the collaboration space could submit comments separately but were asked to do so early to avoid multiple competing versions. Workgroup members were asked to use Word comments function rather than tracked changes.

The Chair completed a page-turn of the draft Workgroup Report noting that much of the early content had been carried forward from the proposal and Workgroup Consultation, while the post-consultation discussion, Alternatives, implementation, impact assessment, voting, and Terms of Reference sections would require further development. The Chair noted that the extent of additional drafting would depend on whether any Alternative Requests achieved WACM status. Recent discussions on scope, refunds, contracts, funding, and implementation would also need to be incorporated into the draft.

Terms of Reference

The Workgroup reviewed each Term of Reference (ToR) to identify which had been met and where further evidence or discussion was required. The Chair emphasised that the final Workgroup Report must make the Workgroup's consideration explicit, even where a matter had already been addressed implicitly through earlier discussions. The following points were discussed:

- (a) Consider EBR implications
  The Workgroup confirmed that no EBR interaction had been identified.

- (b) Ensure the solution is aligned with the outcomes of the DCUSA DCP461 Workgroup and any other related DCUSA changes, where practical
  The Workgroup considered CMP460 to be independent of DCP461, although the two modifications concerned related levels of the charging framework.

- (c) Consider coordination with TOs to revise construction agreements
  Further work was required on the specific treatment and revision of construction agreements.

- (d) Consider alignment with the End-to-End Connections Review
  The interaction with the End-to-End Connections Review was considered unlikely to create a material conflict given the proposed 01 April 2028 effective date, but the implementation steps and timing should be explained clearly in the Workgroup Report.

- (e) Consider alignment with the wider regulatory reforms for network charging
  Members recognised that CMP460 may interact with wider network charging reform, but the scope and outcome of that reform were not yet sufficiently defined to assess alignment conclusively. The Workgroup considered that it had addressed the issue as far as reasonably possible, while recording the recent Panel discussion and the regulatory context.

- (f) Consider the interaction with distribution and transmission business plans and the ability for TOs to secure funding for any works
  The Workgroup agreed that the Workgroup Report would need to state explicitly that implementation may require funding arrangements for TOs, although CMP460 itself could not reopen price controls or determine how that funding would be secured.

- (g) Consider the incentives for Users to invest efficiently, particularly the cost signals provided to Users through the charging methodology
  The Workgroup considered that incentives, cost signals, and gaming risks had been substantively discussed.

- (h) Consider the impacts of socialised costs on consumers and other parties
  Consumer and distributional impacts required more explicit treatment. Earlier analysis had indicated that reclassification could increase TDR charges by around 7%, but this pre-dated the proposed refund mechanism. Workgroup members also highlighted that socialisation would move costs away from the connecting party and into TNUoS, with effects that would follow the existing TDR allocation and may not fall evenly across users or regions. These matters would be developed in the impact assessment and Workgroup Report so that the consumer impact was clear to the Authority.

AOB and Next Steps

The Chair confirmed that Workgroup 13 was scheduled for 28 October 2026. Before that meeting, Workgroup members would review and comment on the Workgroup Report, the Proposer and KM/PB would finalise the Alternative Request position by 07 October 2026, and the Proposer would issue an updated and stable version of the Legal Text to the NESO SME for submission to NESO

Legal. The Chair noted that legal feedback was required for the next meeting, subject to the availability of NESO Legal.

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	Closed
48	WG11	JC / TBD	Clarify whether transmission connections, including Grid Parks and tertiary connections, fall within the scope of CMP460 and report back at the next Workgroup meeting.	WG12	Closed
49	WG11	JC	Confirm how the exception in Section 14.2.6 should be addressed and revise the drafting accordingly.	WG12	Closed
50	WG11	JC	Provide supporting material explaining the proposed implementation cut-off points and treatment of legacy projects, including the relevant repayment arrangements.	WG12	Open
51	WG11	JC	Review and, if necessary, update the impact assessment to determine whether it estimates the capital contributions paid	WG12	Open

			by DNO customers, liaising with the NESO SME where further information is required.		
52	WG12	JC	Update the Legal Text following the Workgroup 12 discussion, including the agreed refund formula, treatment of future projects and removal of the unintended AGIC/SGT amendment, and provide a stable version to the NESO SME.	WG13	New
53	WG12	AH	Submit the stable revised Legal Text to NESO Legal and seek advice on whether the Legal Text must expressly require and/or timetable updates to existing connection offers and agreements.	WG13	New
54	WG12	JC / PB / KM	Review the proposed Alternative Request, confirm whether a single request covers both approaches, agree the submitter, and provide the final request by 07 October 2026.	WG13	New
55	WG12	All	Review the draft Workgroup Report in the collaboration space and submit comments by the notified cut-off ahead of Workgroup 13.	WG13	New
56	WG12	AH	Seek further NESO input on the geographical and distributional effects of allocating the additional costs through TDR, for inclusion in the impact assessment and Workgroup Report.	WG13	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 SME
Brian Hoy	BH	SP Electricity North West	Workgroup Member

Name	Initial	Company	Role
Damian Clough	DC	SSE Generation	Workgroup Member
Dimitrios Terzis	DT	SSEN Transmission	Workgroup Member
Drew Johnstone	DJ	Northern Power Grid	Workgroup Member
Grahame Neale	GN	Lightsource BP	Workgroup Member
Hector Perez	HP	ScottishPower Renewables	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Jonathan Whitaker	JW	SSEN Transmission	Workgroup Member (Alternate)
Kyle Murchie	KM	Roadnight Taylor	Workgroup Member
Liam Sweeney	LS	Ofgem	Authority Representative
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Natalija Zaiceva	NZ	UK Power Networks	Workgroup Member
Paul Mott	PM	NESO	NESO SME
Philip Bale	PB	Roadnight Taylor	Workgroup Member (Alternate)
Rob Smith	RS	Enso Green Holdings Limited (EGHL)	Workgroup Member
Will Bowen	WB	UK Power Networks	Workgroup Member (Alternate)