



# Regulation DCP228

## Distribution Use of System (DUoS) charge changes

April 1 2018

### Background

DCP228 is a Distribution Connection and Use of System Agreement (DCUSA) industry code modification. It affects DUoS charges, and forms part of the Common Distribution Charging Methodology (CDCM). Approved by Ofgem in September 2016, this new regulatory change will come into effect on April 1 2018. The changes will apply to customers with half-hourly (HH) meters. You can find more information on DCP228 [here](#).

### What are DUoS charges?

DUoS charges contribute to the cost of maintaining the regional networks that transport electricity from local substations to the end user. The UK network infrastructure is owned and operated by Distribution Network Operators (DNOs) in each UK region. DUoS costs are charged to generators and suppliers, and then recovered from electricity customers.

DUoS volume rates for HH meters are split into three separate time bands. These vary according to each region but generally fall at the following times:

- **Red** - peak time 16:00 - 19:00
- **Amber** - daytime 08:00 - 16:00/evening 19:00 - 21:00
- **Green** - night time 21:00 - 08:00

Current tariffs vary in line with these time bands, with charges being most expensive in the red band. This reflects increased demands on networks at peak times, which in turn creates a need for more infrastructure to be in place to ensure that networks can cope. To date, higher tariffs have given businesses an incentive to move peak consumption to different times of the day, to avoid the highest costs.

### What change will take place?

From April 1 2018, the weighting of tariffs will be more evenly spread across all time bands. This means that DNOs can distribute any increased costs more evenly, rather than relying on peak charges for the main share of income to support the networks.

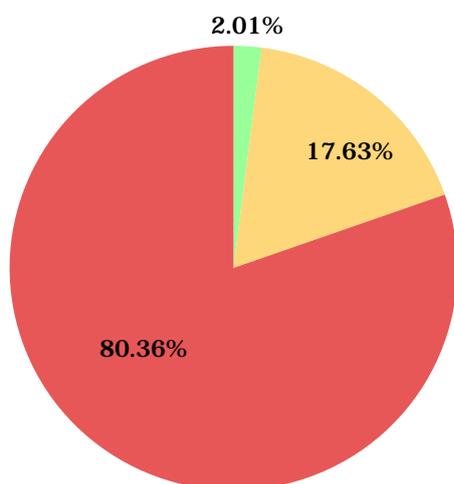
### What will be the impact of DCP228?

The DCP228 regulation will only affect HH customers. Charges during the red time band will be lower, while tariffs in the amber and green time bands will be higher. Although this means a reduction in charges at peak times, charges are likely to be higher overall for customers with HH meters.

The diagrams below outline how the changes may appear to different HH customers, displayed as a percentage of total charges according to the DUoS time band.

### DUoS: Time of day tariff distribution change

2017 - 2018 total DUoS Timeband



2018 - 2019 total DUoS Timeband

