

This document is classified as **CLEAR** in accordance with the Panel Information Policy. Recipients can distribute this information to the world, there is no limit on disclosure. Information may be shared without restriction subject to copyright.

Paper Reference:	CCG_01_0909_03
Action:	For Information
<u>Acronyms and Defined Terms SEC Glossary</u>	

CCG Summary of Terms of Reference

1. Purpose

To summarise the final form of the DCC Customer Challenge Group (CCG) Terms of Reference (ToR), published by Ofgem on 15 July 2025, a full copy of which is attached as an Appendix.

Each CCG member is requested to familiarise themselves with these ToR, the most relevant parts of which are set out below and in the Schedule. Numbers in brackets are paragraphs within the ToR.

2. Overview of the ToR

The ToR cover the following: during autumn 2025, to challenge and feedback to DCC on its draft Business Plan (BP) for the period November 2026 to March 2028, leading up to the submission of a report to Ofgem within one month of DCC's submission of its BP to Ofgem (i.e. early Jan 2026); and thereafter to monitor adherence to delivery of the BP and provide views on any reopener applications.

3. Objectives

Through the CCG, stakeholders can input into, scrutinise and comment on DCC's Business Plan and provide DCC and Ofgem with a view on whether it meets the needs of DCC's customers and consumers (1.2).

The objectives of the CCG are to (2.1):

- a) Provide effective challenge and feedback to DCC on its draft BP;
- b) Provide a view on DCC's draft BP to Ofgem on behalf of DCC customers and consumers to assist their assessment of DCC's Price Control submission;
- c) Monitor DCC's adherence to, and delivery against, the BP;
- d) Provide feedback to DCC and a view to Ofgem on reopener applications.

4. Deliverables

- (a) CCG to provide to Panel a non-commercially confidential version of its Report before submission to Ofgem, to allow Panel to seek clarification but Panel cannot request changes (4.14).
- (b) The CCG Report is to be submitted not more than 1 month after DCC submits its BP to Ofgem (4.4) – so in Jan 2026.
- (c) Thereafter CCG to provide non-commercially confidential version to SEC Parties and to the Panel and on webpage (5.4).

The CCG role is advisory, not decision making (2.3). Determination of DCC's Allowed Revenues remains Ofgem's responsibility.

5. Roles and Responsibilities of CCG (4.2)

Given the importance, these are copied into the Schedule to this paper. DCC to ensure the CCG has access to relevant information and data and is to respond to written questions within 14 days (4.1).

6. Constitution of CCG

CCG is accountable to SEC Panel (2.10) but operationally independent (4.10).

Membership comprises:

- a) Chair
- b) Core members: Large Suppliers (max 3); Small suppliers (max 2); Network Operators (max 2); consumer reps (max 2) Other (1).
- c) Non core members: experts appointed by Chair (max 3).
- d) DCC rep, who can be supported by other DCC experts (3.25). Chair can as necessary ask DCC member to recuse themselves from part of meeting.
- e) Ofgem is not a member but may attend as Observer (3.22). Neither is Ofgem a mediator between DCC and CCG (4.17).
- f) DESNZ has requested and will attend as an Observer, although this is not included in the ToR.

Core Members to act independently, not as delegates of any organisation (3.13 and 3.19). Non core members to act as individuals (3.19).

SEC Panel members prohibited from being CCG members (3.17).

CCG (via the Chair) can seek other expert input, which must be disclosed in the Report (3.21).

Chair to review membership after second cost control cycle (Q1 2028) and thereafter normal term expected to be 3 years (3.43).

7. Meetings and Voting

Minimum 2 per month between receipt of BP and submission of BP to Ofgem (3.27). Thereafter at least quarterly to monitor DCC delivery (3.28). Members must attend at least 50% of meetings (3.14).

Core members can propose Alternates subject to Chair approval (3.16).

Quorum: 50% of all core members appointed at the time, plus the Chair (3.29).

Each core member can vote (3.31). All decisions to be by resolution of simple majority (50%) of core members, with Chair having casting vote in the event of deadlock (3.32). Resolutions can also be approved in writing by core members, rather than at a meeting (3.33).

8. Compliance and Conflicts

Members to comply with 'Principles established by the Committee on Standards in Public Life' (3.39) and competition law (3.40).

Maintain register of interests – any financial or other interest that could give rise to a conflict of interest (actual or potential) (3.41).

9. Recommendations

The CCG is requested to:

- **NOTE** the contents of this paper.

Mark Bygraves

CCG Chair

09 09 2025

Attachments

Appendix: DCC Customer Challenge Group Terms of Reference v1 dated 15 July 2025

Schedule 1 Roles and Responsibilities of CCG

The following is extracted from paragraphs 4.2 to 4.9 of the ToR.

To achieve its objectives the CCG shall:

- a) Provide a challenge to, and scrutiny of, DCC's draft BP from the perspective of DCC customers, and current and future consumers, with a focus on effective delivery of the DCC's Mandatory Business, and the DCC's objectives as set out within DCC's Licence.
- b) Engage with DCC to allow DCC to reflect on feedback.
- c) Provide a response to Ofgem's consultation on its determination of Allowed Revenue for the cost control, and advise Ofgem on any aspects of these determinations from the perspective of DCC customers and consumers.
- d) Review information from DCC on its delivery of the BP, provide feedback to DCC and, if appropriate, raise concerns to either the Panel or the Ofgem.
- e) Following engagement on reopener applications in Q3, provide a recommendation to Ofgem for approval of the reopener application presented to the CCG by DCC.

The focus of the CCG should be to constructively challenge DCC on the following areas (including but not limited to):

- a) The alignment of the BP to DCC's Licence objectives.
- b) DCC's development objectives and the link to a longer term strategy.
- c) Stakeholder engagement DCC has undertaken to inform its BP and how it has reflected the feedback it has received in the given circumstances.
- d) Assurance that costs of major procurements and SEC changes are in line with the most up to date business cases and SEC modification documents.
- e) Scrutiny of drivers, assumptions and engagement on External Costs associated with change requests driven by factors other than SEC change process.
- f) DCC's assumptions for Internal Costs, both resource and non-resource relative to the BP.
- g) Proposed outputs and associated forecast costs including the modelling assumptions behind all of the above costs and how the costs compare to historical levels, other companies, and other industries relative to the BP.
- h) DCC's approach to managing risk and uncertainty, for example identification of volume sensitive costs, a copy of DCC's risk register, or other customer dependencies.
- i) Reopener applications submitted by DCC during the cost control period.

In its report the CCG shall set out its views on:

- a) The quality of the BP in terms of completeness of the information provided in accordance with the BP Guidance issued by Ofgem.
- b) How DCC has reflected in its BP the views of its customers, including the feedback provided to DCC by the CCG during the engagement process.
- c) How DCC's BP aligns to DCC's objectives, customer needs and consumer interest.
- d) Any areas of disagreement with DCC's BP for Ofgem's consideration, inclusive of relevant reasons and evidence for consideration.

The purpose of the Report will be to assist Ofgem by identifying areas of contention. Ofgem may provide further verbal guidance on what areas the report should cover.

What is out of scope for the CCG?

- a) CCG will not scrutinise matters of cyber information technology and cyber operational technology as these are matters of national security and may involve sensitive information.
- b) CCG will have no remit on the development of approaches or tools DCC takes in relation to financial decisions, such as cost benefit analyses.
- c) The CCG will not have decision-making powers and is not expected to jointly own the Business Plan that DCC submits.