

DNO:DSO CODE OF PRACTICE

# Network Planning and Development

March 2026

## 1. SCOPE

Network Planning and Development activities and outputs benefit our customers and society and are essential for enabling demand and generation growth.

Delivering them requires DSO and DNO parts of our business to work together. It's therefore important that we're clear about where the responsibilities fall and the obligations on each part. This clarity helps ensure these activities and outputs are delivered efficiently and on time, and the transparency helps stakeholders understand our processes and how decisions are made.

That is the purpose of this DNO:DSO Code of Practice for network planning and development activities in SP Distribution plc and SP Manweb plc. It covers how we forecast demand and generation growth, how we identify where and when we need to increase network capacity, and how we select solutions to do this. It details the ways of working between DNO and DSO teams, including responsibilities, processes, timescales, scope and format of information exchange, and escalation procedures. It provides the next level of detail down from our DNO:DSO Operating Framework - Planning.

DNO:DSO Code of Practice for Network Operation, is the equivalent document that sets out the detail for how we operate the network including dispatch of flexibility associated with network investment and the planning and dispatch of flexibility for operational support. ,

## 2. ISSUE RECORD

Issue Date	Issue No.	Author	Amendment Details
16 March 2026	Issue 1	Mark Kent	Original Issue

## 3. ISSUE AUTHORITY

Author	Owner	Issue Authority	
Mark Kent Lead Engineer	Shengji Tee Principle Engineer	Malcolm Bebbington Head of Network Planning	Nia Lowe Head of DSO
		Date:15/3/2026	Date: 15/3/2026

## 4. REVIEW

This document shall be reviewed as dictated by business / legislative change; this includes stakeholder input. It shall be reviewed at a period of no greater than two years from the last issue date. A review shall be required for the transition to RIIO-ED3.

## 5. DISTRIBUTION

This document is published on our DSO Website.

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<b>6.</b>	<b>CONTENTS</b>	
1.	SCOPE.....	1
2.	ISSUE RECORD.....	2
3.	ISSUE AUTHORITY .....	2
4.	REVIEW .....	2
5.	DISTRIBUTION.....	2
6.	CONTENTS .....	3
7.	DEFINITIONS AND ABBREVIATIONS.....	4
8.	RELATED DOCUMENTS .....	4
9.	GENERAL.....	4
10.	NETWORK FORECASTING .....	5
10.1	Objective.....	5
10.2	Process overview .....	5
10.3	Step 1: DSO engages key regional stakeholders.....	6
10.4	Step 2: DNO develops first draft of DFES .....	6
10.5	Step 3: DSO and stakeholder first review of DFES .....	6
10.6	Step 4: DNO updates DFES .....	6
10.7	Step 5: DSO second review of DFES.....	7
10.8	Step 6: Sign off and publication.....	7
10.9	Forecasting summary .....	7
11.	NETWORK ASSESSMENTS AND SOLUTION OPTIONEERING .....	8
11.1	Objective.....	8
11.2	Process overview .....	8
11.3	Step 1: DNO does network capacity headroom assessment.....	9
11.4	Step 2: DNO develops counterfactual solution .....	9
11.5	Step 3: DSO runs flexibility tender .....	9
11.6	Step 4: DSO processes results of flexibility tender .....	9
11.7	Step 5: DNO solution optioneering and identification.....	10
11.8	Step 6: DSO review, sign off, and external audit.....	10
11.9	Step 7: Solution publication and delivery .....	10
11.10	Network assessment and solution optioneering summary .....	10
12.	ESCALATION PROCESS .....	11
12.1	Resolving disagreements .....	11

## 7. DEFINITIONS AND ABBREVIATIONS

<b>DFES</b>	Distribution Future Energy Scenarios. The forecasts we produce annually, with stakeholder input, forecasting key demand and generation metrics for our two distribution licence areas out to 2050.
<b>DSO</b>	Distribution System Operator. It refers to the DSO responsibilities defined by Ofgem (in the September 2021 RIIO-ED2 Business Plan Guidance), and the SP Energy Networks personnel and teams responsible for delivering them.
<b>GB FES</b>	Future Energy Scenarios. Forecasts published annually by NESO, forecasting key demand and generation metrics for the whole of GB out to 2050.
<b>NESO</b>	National Energy System Operator.
<b>RESP</b>	Regional Energy Strategic Plan. A strategic regional plan that holistically considers cross vector energy requirements over a region. This is a key input into network planning and our DFES. Development led by NESO, with Distribution Licensee input.
<b>SP Distribution plc</b>	The Distribution Licence Holder for the Distribution Service area formerly known as Scottish Power.
<b>SP Manweb plc</b>	The Distribution Licence Holder for the Distribution Service area formerly known as Manweb.
<b>SP Energy Networks</b>	A term used throughout this document to refer to both SP Distribution plc and SP Manweb plc including all associated design and planning practices.

## 8. RELATED DOCUMENTS

This document is one of a suite of documents relating to this subject area and should be read in conjunction with:

- (a) **SP Energy Networks Documents**
  - DNO:DSO Operating Framework, February 2026
  - Decision Making Framework - Planning, February 2026
  - Decision Making Framework – Operations March 2026
  - Conflict of Interest Management Plan, February 2026
  - DSO Strategy
- (b) **Ofgem Documents**
  - RIIO-ED2 Business Plan Guidance, September 2021

All processes must comply with both the requirements described within this document and those detailed above.

## 9. GENERAL

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Stated timescales are usually the maximum time period in which processes can be completed, and do not prevent processes being completed more quickly.

**10. NETWORK FORECASTING**

This code of practice focuses on process steps and where responsibilities sit, rather than on the methodological detail on each process step (that methodological detail is in our Decision Making Framework). The justification for the responsibilities in this Code of Practice is contained in our DNO:DSO Operating Framework.

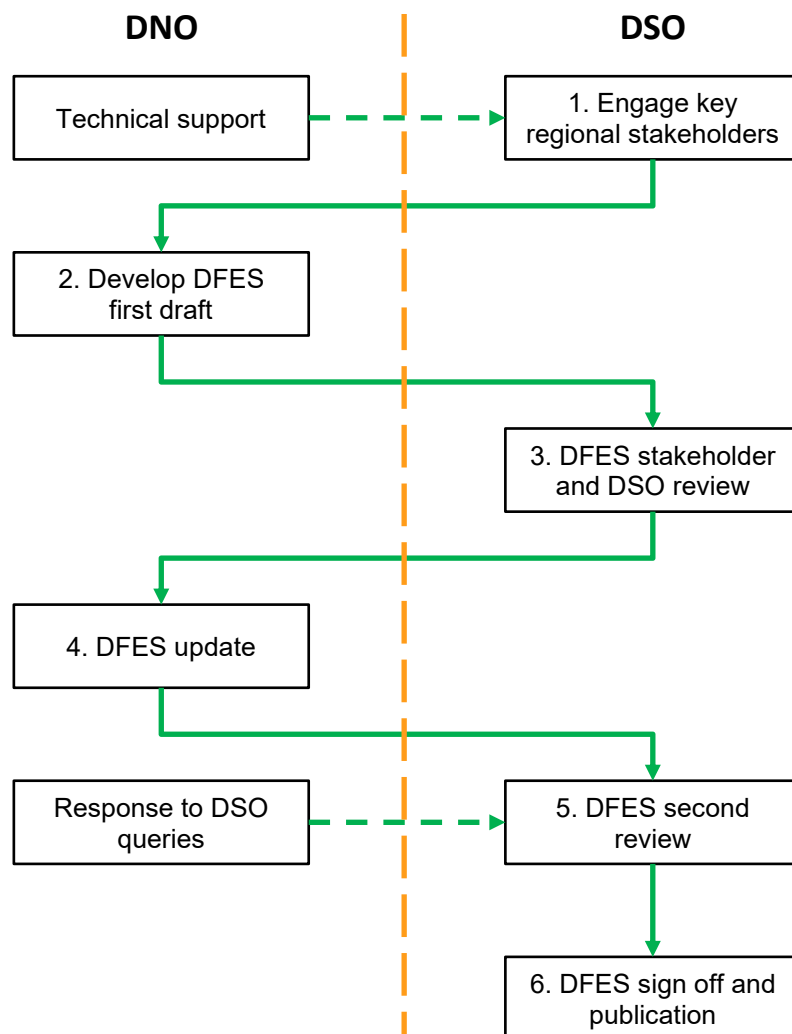
**10.1 Objective**

To ensure there is enough network capacity to accommodate our customers' requirements, we first need to understand what these requirements are. We develop Distribution Future Energy Scenarios (DFES) with our stakeholders (including NESO RESP) to do this, which are published annually in Q1. These are forecasts for a range of customer demand and generation metrics out to 2050.

The objective is to produce forecasts that accurately forecast stakeholder requirements, align with RESP outputs, are sufficiently granular to underpin network planning, and are supported by our stakeholders.

**10.2 Process overview**

Figure 1 shows the process overview. Each step is explained in more detail in subsequent sections.



**Figure 1: Forecasting process flow chart**

### **10.3 Step 1: DSO engages key regional stakeholders**

**Scope:** DSO Strategic Optimisation team to identify and engage Local Authorities, devolved governments, regional bodies and other key regional stakeholders (industrial clusters, transport bodies and investment zones) to help them develop their energy plans and ensure that their plans are fed through into our DFES. The DSO Strategic Optimisation team records information from these engagements and maintains a register of strategic projects. The DSO Strategic Optimisation team and DNO Network Planning team then meet at least monthly to review the register and key insights from regional stakeholders. The teams agree what information should be used for DFES development, and whether further stakeholder engagements are required to fill specific information gaps.

**Output:** the DNO Network Planning team have additional information on key stakeholder developments that should be incorporated into the DFES forecasts. This is used as an input for Step 2.

**Responsibility:** led by the DSO team. The DSO Strategic Optimisation team may request the DNO Network Planning team to provide technical support during stakeholder engagements.

**Timescale:** stakeholder engagement is a continuous process. Stakeholder information typically needs to have been received and reviewed by Q4 to be included in the following Q1 DFES publication.

### **10.4 Step 2: DNO develops first draft of DFES**

**Scope:** DNO Network Planning team carries out the underlying analysis to create the DFES forecasts: The enduring RESP pathways are used as the starting point as they underpin our DFES. To create the more granular DFES forecasts, these are then complemented with stakeholder plans (from Step 1), connections data, network loadings data and any other relevant data. The resulting DFES should remain consistent with the RESP pathways, and any deviations from the RESP pathway(s) will be well-justified. Once complete, the DFES is sent to the DSO team.

**Output:** a complete first draft of the DFES for review by DSO and stakeholders (step 3).

**Responsibility:** DNO Network Planning team.

**Timescale:** completed by end-October.

### **10.5 Step 3: DSO and stakeholder first review of DFES**

**Scope:** DSO reviews DFES and engages key stakeholders to step through and review the DFES with support from the Network planning if required. Obligation on DSO to promote feedback that is evidenced/justified. The DSO tabulates its feedback, along with stakeholder feedback, and provides to the DNO Network Planning team.

**Output:** a tabulated list of stakeholder and DSO team feedback on the first draft of DFES.

**Responsibility:** DSO.

**Timescale:** completed by end-November.

### **10.6 Step 4: DNO updates DFES**

**Scope:** DNO Network Planning team reviews the feedback received in Step 3 and updates DFES to prepare for sign off. It may seek clarification on stakeholder or DSO team feedback. For the former, the DNO Network Planning team may contact the stakeholder directly after discussion with the DSO team. For the latter, the DSO team will respond within agreed timescales (typically 5 working days). For every item of feedback received, the DNO Network Planning team records if/how that feedback was

incorporated or not, and the rationale why. The updated DFES is sent to the DSO for sign off, along with the feedback records.

**Output:** DFES updated with DSO and stakeholder feedback, sent to DSO for sign off, along with record of how feedback was used to inform the DFES.

**Responsibility:** DNO Network Planning team.

**Timescale:** completed by end-December.

### 10.7 Step 5: DSO second review of DFES

**Scope:** DSO performs final review of DFES before publication, including internal consistency checks and data assurance. Treatment of any outstanding queries/feedback is jointly agreed by DNO and DSO. DFES sent to Head of Distribution Networks and Head of DSO for senior manager sign off process.

**Output:** a final DFES ready for sign off process.

**Responsibility:** led by DSO with DNO Network Planning team input.

**Timescale:** completed by February.

### 10.8 Step 6: Sign off and publication

**Scope:** Head of Distribution Networks and Head of DSO sign off the DFES. DSO publishes the completed DFES on SPEN's website and notifies stakeholders.

**Output:** Published DFES.

**Responsibility:** DSO.

**Timescale:** completed by end-February.

### 10.9 Forecasting summary

Table 1 summarises the responsibilities and agreed timescales for the forecasting process.

- A = accountable
- R = responsible
- I = input if requested by the other party (e.g. responding to queries, providing detail etc)

Task	DNO	DSO	SLA	Output
1. Engage key regional stakeholders	I	R	Continuous	Knowledge of key stakeholder developments
2. Develop DFES first draft	R		End-Oct	Complete first draft for review
3. DFES stakeholder and DSO review	I	R	End-Nov	Stakeholder and DSO feedback on DFES
4. DFES update	R		End-Dec	DFES updated with feedback
5. DFES second review	I	R	February	Final DFES
6. DFES sign off and publication	R	A	End-Feb	DFES signed off and published

**Table 1: Responsibility and SLA matrix**

DFES timescales are dependent on tRESP and GB FES publications, so timescales in Table 1 are indicative.

**11. NETWORK ASSESSMENTS AND SOLUTION OPTIONEERING**

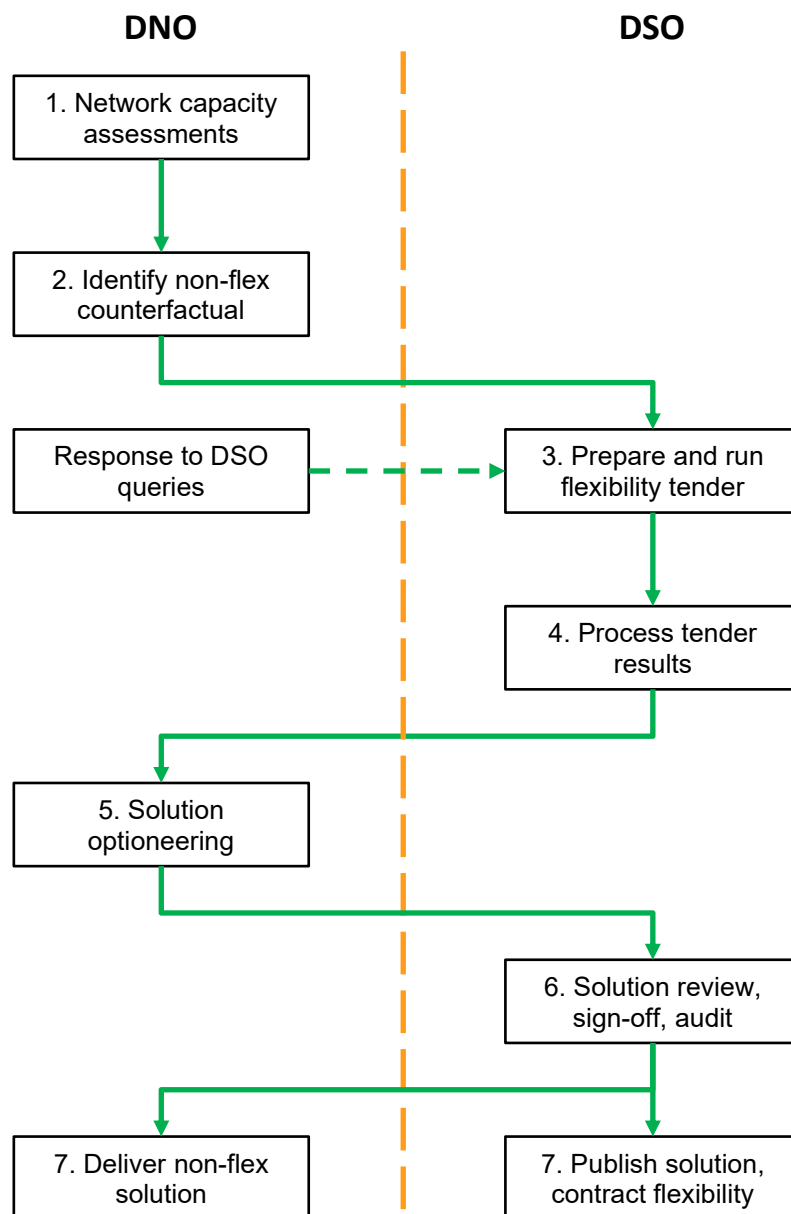
This code of practice focuses on the actions and responsibilities for each step of the process and expands on the content of the overarching Decision Making Framework – Network Planning. The justification for this approach is in the DNO:DSO Operating Framework.

**11.1 Objective**

Having created forecasts of customer demand and generation growth, we then undertake network impact assessments and solution optioneering. The objective is to understand where, when, and how much additional network capacity is needed to accommodate these forecast customer requirements, and how best to provide it (i.e. the timing and type of solution(s)).

**11.2 Process overview**

Figure 2 shows the process overview. Each step is explained in more detail in subsequent sections.



**Figure 2: Network assessments and solution optioneering process flow chart**

### **11.3 Step 1: DNO does network capacity headroom assessment**

**Scope:** The DNO Network Planning team undertakes a network impact assessment by running network capacity headroom assessments to identify where, when and how much additional capacity is required to accommodate forecast customer growth. This is undertaken for the entire network annually, and undertaken for parts of the network as triggered by specific requirements (e.g. new constraint risks).

**Output:** an updated understanding of every occurrence of where, when, and how much additional capacity is required across our LV, HV, EHV, and 132kV networks. This list is used as an input for steps 2 and 3.

**Responsibility:** DNO Network Planning team.

**Timescale:** annual review completed by end-March.

### **11.4 Step 2: DNO develops counterfactual solution**

**Scope:** For every capacity requirement, the DNO Network Planning team identifies and provides indicative costs for the least-cost technically acceptable non-flexibility solution. This is used as the counterfactual against which flexibility solutions can be compared. The DNO Network Planning team also flags (but does not remove from the list) any network capacity requirements where they consider that flexibility services would not be a viable solution (e.g. fault level constraints) and records their reasoning.

**Output:** the counterfactual solution (including cost) for every capacity requirement identified in step 1. The outputs of steps 1 and 2 are sent to the DSO Flexibility team.

**Responsibility:** DNO Network Planning team.

**Timescale:** completed by end-April.

### **11.5 Step 3: DSO runs flexibility tender**

**Scope:** The DSO Flexibility team assesses the list of network capacity requirements received from the DNO. They review those flagged by the DNO Network Planning team as not being viable for flexibility, and make the decision on whether they should be included in the monthly tenders or not. The DSO Flexibility team use the Common Evaluation Methodology to determine the flexibility service ceiling price for every capacity requirement. Any queries are sent to the DNO Network Planning team, with a target response time of five working days. The DSO Flexibility team then includes viable capacity requirements in the next flexibility tender (these are run monthly). The DSO Flexibility team is the point of contact for any service provider queries.

**Output:** a monthly tender for flexibility services for all viable network capacity requirements.

**Responsibility:** DSO Flexibility team.

**Timescale:** included in the first available tender, which are run monthly. Requirements may be retendered in subsequent tenders if required.

### **11.6 Step 4: DSO processes results of flexibility tender**

**Scope:** The DSO Flexibility team reviews the tender results and filters out unsuccessful bids (e.g. above the ceiling price). The remaining bids are sent to the DNO Network Planning team.

**Output:** a list of flexibility tender bids. This is used as input to step 5.

**Responsibility:** DSO Flexibility team.

**Timescale:** completed within two weeks of tender completion.

### **11.7 Step 5: DNO solution optioneering and identification**

**Scope:** The DNO Network Planning team reviews the cost, capacity, timescales, and other technical factors of all available solutions (including flexibility) and proposes a preferred solution (or combination of solutions)<sup>1</sup> for each capacity requirement. The DNO Network Planning team considers whole system and long-term customer needs in this process. The DNO leads engagement with stakeholders on individual project discussions (e.g. strategic projects that span transmission and distribution).

**Output:** the proposed solution (type, cost, timescales), captured in an IP2 paper, for every capacity requirement identified in step 1.

**Responsibility:** DNO Network Planning team.

**Timescale:** no set timescales as this varies depending on scale of project and extent of coordination required with other network companies.

### **11.8 Step 6: DSO review, sign off, and external audit**

**Scope:** DSO reviews the IP2 papers and is one of the signatories required.

**Output:** the proposed solution is signed off by DNO and DSO and moves to delivery teams.

**Responsibility:** DSO.

**Timescale:** IP2 sign off is done via monthly System Review Group (SRG) meetings.

### **11.9 Step 7: Solution publication and delivery**

**Scope:** DSO publishes the outcomes of this process in in our Network Development Plan (NDP) and Distribution Network Options Assessment (DNOA). The DSO Flexibility team places contracts for flexibility services where approved in IP2 papers. DNO responsible for detailed design and delivery of solutions.

**Output:** publication and delivery of solutions.

**Responsibility:** DSO and DNO (depending on solution type).

**Timescale:** DSO notifies flexibility service provider and seeks to secure contracts within one month. NDP and DNOA updated and published annually.

### **11.10 Network assessment and solution optioneering summary**

Table 2 summarises the responsibilities and agreed timescales for the network assessment and solution optioneering process.

- A = accountable
- R = responsible
- I = input if requested by the other party (e.g. responding to queries, providing detail etc)

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<sup>1</sup> These could be a hybrid of flexibility services and other solutions.

<b>Task</b>	<b>DNO</b>	<b>DSO</b>	<b>SLA</b>	<b>Output</b>
1. Network capacity assessments	R		End-March	Every network capacity requirement
2. Identify non-flex counterfactual	R		End-April	Counterfactual (non-flex solution)
3. Prepare and run flexibility tender	I	R	One month	Tender for flexibility services
4. Process tender results		R	Two weeks	List of flexibility tender bids
5. Solution optioneering	R		N/A	Proposed optimised solution
6. Solution review, sign-off, audit		A	One month	Solution reviewed and signed off
7. Publish and deliver solution	R	R	See Section 11.9	Solution published for stakeholders and delivery commences

**Table 2: Responsibility and SLA matrix**

Timescales in Table 2 are for the annual process. This process is also done at any time in response to emerging network needs. Timescales in Table 2 are dependent on external stakeholder engagement and flexibility market participants, so are indicative and subject to change.

## **12. ESCALATION PROCESS**

The processes set out in this policy involve the DSO reviewing/auditing DNO outputs, and requires the DNO and DSO to agree on some outputs. There may be instances in which there is a difference of opinion between DNO and DSO.

### **12.1 Resolving disagreements**

The following process shall be used.

1. In the first instance, this should be resolved at a working level, i.e. at the level at which the dispute arose. If this cannot be resolved within eight working days, or sooner if it is clear agreement cannot be reached, it is escalated to step 2.
2. A meeting will be held between the relevant DSO head of department and DNO head of department within seven working days of being escalated from step 1. At least three working days before the meeting, each side shall prepare a statement of facts and identify on which point(s) the disagreement arises, and send this to the DSO head of department and DNO head of department. The DSO head of department and DNO head of department shall endeavour to resolve it within the meeting. If it cannot be resolved within eight working days after the meeting, or sooner if it is clear agreement cannot be reached, it is escalated to step 3.
3. A meeting will be held between the Head of DSO and Director of Network Planning and Regulation within seven working days of being escalated from step 2.
4. In the event of no resolution being agreed, executive-level escalation will take place to the SPEN Executive team and CEO.