

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1 data-bbox="172 405 632 488">DCP 429:</h1> <h2 data-bbox="172 533 960 663">Obtaining an Independent Credit Assessment</h2> <p data-bbox="172 689 507 723">Date Raised: 12/09/2023</p> <p data-bbox="172 741 730 775">Proposer Name: Donna-Marie Butcher</p> <p data-bbox="172 792 874 826">Company Name: South Eastern Power Networks</p> <p data-bbox="172 844 496 878">Party Category: DNO</p>	01 – Change Proposal	
	02 – Consultation	
	03 – Change Report	
	04 – Change Declaration	
<p data-bbox="172 920 619 954">Purpose of Change Proposal:</p> <p data-bbox="172 981 1366 1088">The purpose of this change proposal seeks to update DCUSA Schedule 1 Clause 2.6 that refers to the Company obtaining an Independent Credit Assessment from a recognised Credit Assessment Agency chosen by the User.</p>		
	<p data-bbox="268 1126 464 1160">Governance:</p> <p data-bbox="268 1178 1193 1211">The Proposer recommends that this Change Proposal should be:</p> <ul data-bbox="292 1234 922 1379" style="list-style-type: none"> • Treated as a Part 2 Matter • Treated as a Standard Change • Progressed to the Working Group phase <p data-bbox="268 1397 1329 1469">The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p data-bbox="268 1507 536 1541">Impacted Parties:</p> <p data-bbox="268 1559 874 1592">Suppliers/ DNOs/ IDNOs/ CVA Registrants</p>	
	<p data-bbox="268 1637 911 1671">Impacted Clauses: DCUSA Schedule 1 Clause 2.6</p>	

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5	Code Specific Matters	4	 donna- marie.butcher@ukpowernetworks .co.uk
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Indicative Timeline			Other: Insert name
The Secretariat recommends the following timetable:			 email address.
Initial Assessment Report	20 September 2023		 telephone
Consultation Issued to Industry Participants	TBC		
Change Report Approved by Panel	20 March 2024		
Change Report issued for Voting	21 March 2024		
Party Voting Closes	11 April 2024		
Change Declaration Issued to Parties	15 April 2024		
Implemented	Within the next scheduled DCUSA release (27 June 2024)		

1 Summary

What?

1.1 Currently Suppliers can choose which credit rating agency they wish a DNO to obtain a credit assessment from. Notionally, each Supplier can ask each Distributor separately. Distributors tend to have relationship with their preferred credit rating agency, but Suppliers can insist on not using this one.

Why?

1.2 This creates inefficiency in the whole process and Distributors are having to make arrangements with every possible credit rating agency with potential costs.

How?

1.3 Either Suppliers provide their own credit assessment (with supporting evidence that is recently dated) or the Distributor chooses who they obtain it from.

2 Governance

Justification for Part 1 and Part 2 Matter

2.1 Does not meet Part 1 criteria and is not urgent.

Requested Next Steps

2.2 This Change Proposal should: *(delete as appropriate)*

- Be treated as a Part 2 Matter;
- Be treated as a Standard Change; and
- Proceed to the Working Group phase.

3 Why Change?

3.1 The current process is inefficient and approving it will avoid duplication.

4 Solution and Legal Text

Legal Text

4.1 Amend clause 2.6 as follows:

For the purposes of determining CAF pursuant to Paragraph 2.5(a), the User may, once a year, provide an request that the Company obtain an Independent Credit Assessment from a Recognised Credit Assessment Agency chosen by the User or accept the chosen Recognised Credit Assessment Agency by the Company.

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Text Commentary

4.2 Gives the option for the supplier to provide it and if not, the DNO can choose one of their choice.

5 Code Specific Matters

Reference Documents

5.1 N/A

6 Relevant Objectives

	DCUSA General Objectives Please tick the relevant boxes. (See Guidance Note 9)	Identified impact
<input type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	None
<input type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	None
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<input checked="" type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

6.1 We believe DCUSA General Objective 4 is better facilitated by this change as it would remove complexity and cost from the current arrangements for obtaining a credit assessment.

7 Impacts & Other Considerations

7.1 N/A

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

7.2 N/A

Does this Change Proposal Impact Other Codes?

BSC..... MRA.....

CUSC..... SEC.....
Grid Code..... REC.....
Distribution Code.. None.....

Consideration of Wider Industry Impacts

7.3 Not applicable

Confidentiality

7.4 Not applicable

8 Implementation

Proposed Implementation Date

8.1 First release after approval.

9 Recommendations

The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.