









DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 432:</h1> <h2>Amend the Recognised Credit Assessment Agency table in Schedule 1</h2> <p><b>Date Raised:</b> 13/12/2023</p> <p><b>Proposer Name:</b> Andrew Sherry</p> <p><b>Company Name:</b> Electricity North West</p> <p><b>Party Category:</b> DNO</p>	<div>01 – Change Proposal</div>	
	<div>02 – Consultation</div>	
	<div>03 – Change Report</div>	
	<div>04 – Change Declaration</div>	
<p><b>Purpose of Change Proposal:</b> To bring into effect the change from Graydon to Creditsafe ratings and to reflect the fact that Experian no longer provides Bronze, Silver or Gold reports.</p>		
	<p><b>Governance:</b></p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> <li>• Treated as a Part 2 Matter;</li> <li>• Treated as a Standard Change; and</li> <li>• Progressed to the Change Report phase.</li> </ul> <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<p><b>Impacted Parties:</b> Suppliers, DNOs and IDNOs</p>	
	<p><b>Impacted Clauses:</b> Schedule 1 Cover – Paragraph 2.8</p>	

Contents		<div> Any questions?</div>
1	Summary	3
2	Governance	3
3	Why Change?	4
4	Solution and Legal Text	4
5	Code Specific Matters	5
6	Relevant Objectives	6
7	Impacts & Other Considerations	6
8	Implementation	7
9	Recommendations	7
Indicative Timeline		
The Secretariat recommends the following timetable:		
Initial Assessment Report	20 December 2023	
Consultation Issued to Industry Participants	N/A	
Change Report Approved by Panel	17 January 2024	
Change Report issued for Voting	17 January 2024	
Party Voting Closes	08 February 2024	
Change Declaration Issued to Parties	12 February 2024	
Implementation	29 February 2024	
		Contact: Code Administrator
		<div> DCUSA@electralink.co.uk</div>
		<div> 020 7432 3011</div>
		Proposer: Andrew Sherry
		<div> DCUSA@enwl.co.uk</div>
		<div> 07881 588793</div>

## 1 Summary

### What?

- 1.1 On 28 February 2022 Creditsafe Nederland BV acquired the portfolios of all the Graydon companies under Graydon Holding NV. Creditsafe has highlighted that access to Graydons portal will cease at the end of current contracts and new contacts to access the Creditsafe portal will be required.
- 1.2 On 6 October 2022 Experian advised that it no longer provides Bronze, Silver or Gold reports. The reports provided are Experian Business Express (EBE) or Business IQ (BIQ) which both use the Experian Delphi scorecards. However, depending on access rights the reports may result in different ratings due to differing data sets.

### Why?

- 1.3 As access to the Graydons Portal will be lost, this change is required to ensure Creditsafe is used for an Independent Credit Assessment instead of Graydons.
- 1.4 As the reports shown as available for Independent Credit Assessments from Experian have been discontinued, this change is required to ensure the current reports available from Experian are listed.

### How?

- 1.5 The table under Paragraph 2.8 of Schedule 1 needs to be updated with the credit ratings issued by Creditsafe and the reference to Graydons be removed as well as remove the reference to Bronze, Silver or Gold reports and replace with Experian Business Express (EBE) or Business IQ (BIQ).

## 2 Governance

### Justification for Part 2 Matter

- 2.1 The Proposer considers that this Change Proposal be progressed as a Part 2 Matter as the amendments detailed in this Change Proposal do not meet the criteria for it to be considered a Part 1 Matter.

### Requested Next Steps

- 2.2 This Proposer believes that this Change Proposal should:
  - Be treated as a Part 2 Matter;
  - Be treated as a Standard Change; and
  - Proceed to the Change Report phase.






### 3 Why Change?

- 3.1 As access to the Graydons Portal will be lost, this change is required to ensure Creditsafe is used for an Independent Credit Assessment instead of Graydons.
- 3.2 As the reports shown as available for Independent Credit Assessments from Experian have been discontinued, this change is required to ensure the current reports available from Experian are listed.

### 4 Solution and Legal Text

- 4.1 It is proposed to amend the current table within Paragraph 2.8 of Schedule 1, to remove Graydons, because Graydons will no longer be a Recognised Credit Assessment Agency and that Creditsafe has effectively replaced Graydons and so should be added. It is also proposed to amend the report names for Experian too, as the current listed reports are no longer available.
- 4.2 With respect to the updating of the table within Paragraph 2.8 of Schedule 1, the Proposer has noted that it has a scoring mechanism containing ten ratings, however, the Creditsafe scoring mechanism (see below) contains only 5 ratings:

#### Financials Filed / Established

	Score	Description
	71-100	Very Low Risk
	51-70	Low Risk
	30-50	Moderate Risk
	21-29	High Risk
	1-20	Very High Risk

- 4.3 It is therefore necessary to expand the 5 Creditsafe ratings, by taking the midway point within each, to fit within the current table.
- 4.4 Please find below the proposed amendments to the legal text:

Credit Assessment Score	Equivalence of the Credit Assessment Score to credit scores provided by Recognised Credit Assessment Agencies in their Independent Credit Assessments.					
	Check It (ICC)	Dunn & Bradstreet / N2 Check	Equifax	Experian	Graydons	Creditsafe
	Credit Score Report	Comprehensive Report		<del>Bronze, Silver or Gold Report</del> <u>Business Express (EBE) / Business IQ (BIQ)</u>	<del>Level 1, Level 2, or Level 3 Report</del>	
10	95-100	5A1/	A+	95-100	4A	<u>86-100</u>
9	90-94	5A2/4A1	A /A-	90-94	4B/2A	<u>71-85</u>
8	80-89	5A3/4A2/3A1	B+	80-89	4C/2B/3A	<u>61-70</u>
7	70-79	4A3/3A2/2A1	B/B-	70-79	2C/3B/4A	<u>51-60</u>
6	60-69	3A3/2A2/1A1	C+	60-69	3C/4B/5A	<u>41-50</u>
5	50-59	2A3/1A2/A1	C/C-	50-59	4C/5B/6A	<u>30-40</u>
4	40-49	1A3/A2/B1	D+	40-49	5C/6B/7A	<u>25-29</u>
3	30-39	A3/B2/C1	D/D-	30-39	6C/7B/8A	<u>21-24</u>
2	20-29	B3/C2/D1	E+	20-29	8B	<u>15-20</u>
1	10-19	C3/D2/E1	E/E-	10-19	8C	<u>10-14</u>
0	Below 10	Below E1	Below E-	Below 10	Below 8C	<u>Below 10</u>

## Text Commentary

- 4.5 The intent of the legal text is to ensure the table under Paragraph 2.8 of Schedule 1 contains current information for Users in respect of Recognised Credit Assessment Agencies providing Independent Credit Assessments.

## 5 Code Specific Matters

### Reference Documents

- 5.1 DCUSA Schedule 1 – Cover.
- 5.2 UNC827 Amending the Unsecured Credit Table in Transportation Principle Document (TPD) Section V to Reflect the Removal of Graydons and Insertion of Creditsafe.

## 6 Relevant Objectives

	DCUSA General Objectives	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 This change will ensure Users have up to date information in respect of Recognised Credit Assessment Agencies which will allow continued access to Independent Credit Assessments and therefore better facilitates General Objective Four.

## 7 Impacts & Other Considerations

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

- 7.1 The Proposer does not believe that this change will impact any SCR currently in progress and nor do any of the current SCRs impact upon this change.

### Consumer Impacts

- 7.2 The Proposer does not believe that this change will impact consumers.

### Environmental Impacts

- 7.3 In accordance with DCUSA Clause 10.4.5A, the Proposer does not believe that there would be a material impact on greenhouse gas emissions if it were implemented.

### Consideration of Wider Industry Impacts

- 7.4 The Proposer does not consider there to be any wider industry impacts as a result of this change and that there are no known impacts associated with the wider industry that will impact upon this change.

### Confidentiality

- 7.5 This Change Proposal can be treated as non-confidential.

## Does this Change Proposal Impact Other Codes?

- 7.6 The Proposer does not consider that there are any impacts to any other 'Industry Codes' as a result of the implementation of this CP. Although the Proposer notes that this change has been raised as a result of a modification raised under the Uniform Network Code - UNC827 'Amending the Unsecured Credit Table in TPD V3 to Reflect the Removal of Graydons and Insertion of Creditsafe'.

Grid Code..... ☐ SEC..... ☐ CUSC..... ☐  
 Distribution Code... ☒ REC..... ☐ BSC..... ☐  
 None..... ☒

## 8 Implementation

### Proposed Implementation Date

- 8.1 The proposed implementation date is the next scheduled release following approval, which is expected to be on 29 February 2024.

## 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.*