




DCUSA Change Report		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>Date Raised: 13/12/2023</p> <p>Proposer Name: Andrew Sherry</p> <p>Company Name: Electricity North West</p> <p>Party Category: DNO</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p>Purpose of Change Proposal: 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>This document is issued in accordance with Clause 11.20 of the DCUSA. Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to dcusa@electralink.co.uk by 08 February 2024.</p>	
	<p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011.</p>	
	<p>Impacted Parties:</p> <p>Suppliers, CVA Registrants, DNOs and IDNOs</p>	
	<p>Impacted Clauses:</p> <p>Schedule 1 Cover – Paragraph 2.8</p>	

Contents

1 Executive Summary	3
2 Governance	3
3 Why Change?	3
4 Solution	4
5 Relevant Objectives	4
6 Impacts & Other Considerations	5
7 Implementation	6
8 Legal Text	6
9 Recommendations	7
10 Attachments	7



Any questions?

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
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

1 Executive 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 1 Or 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 The Panel recommends that this CP should be issued to Parties for Voting.

3 Why Change?






Background of DCP 432

- 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

- 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 The legal text to achieve the Proposer's solution is set out in more detail in Section 8 below:

5 Relevant Objectives

Assessment Against the DCUSA Objectives

- 5.1 For a DCUSA CP to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the CP form provided as Attachment 3.
- 5.2 The Proposer believes that the following DCUSA General Objectives are better facilitated by DCP 432:

	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	Neutral
<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	Neutral

<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Neutral
<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.	Neutral

- 5.3 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.
- 5.4 There is a neutral impact on the rest of the objectives.

6 Impacts & Other Considerations

Impacts on any Significant Code Review (SCR) or other significant industry change projects

- 6.1 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.

Impacts Other Codes

- 6.2 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..... ☒

Consumer Impacts

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

Environmental Impacts

- 6.4 In accordance with DCUSA Clause 11.20.5A(B), the Proposer assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

Confidentiality

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

7 Implementation

- 7.1 The proposed implementation date for this CP is the next applicable DCUSA release date following approval, which would mean that the change should be implemented on 29 February 2024.

8 Legal Text

- 8.1 The legal text for DCP 432 has been reviewed by the DCUSA legal advisors and is provided below for ease of reference but can also be found within Attachment 1 to the Change Report.

Amend the table under Paragraph 2.8 of Schedule 1 'Cover' as follows:

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) Credit Score Report	Dunn & Bradstreet / N2 Check Comprehensive Report	Equifax	Experian Bronze, Silver or Gold Report <u>Business Express (EBE) / Business IQ (BIQ)</u>	Graydons Level 1, Level 2, or Level 3 Report	<u>Creditsafe</u>
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

- 8.2 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.

9 Recommendations

Panel's Recommendation

- 9.1 The Panel approved this Change Report on 17 January 2024. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 432.
- 9.2 The Panel have recommended this report be issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal. The voting form acts as Attachment 2 to this Change Report or can be completed via the online voting form which will be available on the following page of the DCUSA website: [DCP 432 'Amend the Recognised Credit Assessment Agency table in Schedule 1'](#)

10 Attachments

- Attachment 1 - DCP 432 Legal Text
- Attachment 2 - DCP 432 Voting Form
- Attachment 3 - DCP 432 Change Proposal