





DCUSA Change Declaration 2		At what stage is this document in the process?
<h2>DCP 440:</h2> <h2>Consuming “De-energised” sites</h2> <p>Date Raised: 15 April 2024</p> <p>Proposer Name: Peter Waymont</p> <p>Company Name: Eastern Power Networks</p> <p>Party Category: DNO</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p>Purpose of Change Proposal:</p> <p>To ensure all consuming “De-energised” sites are charged DUoS .</p>		
	<p>DCUSA Parties have voted on DCUSA Change Proposals (DCP) 440 with the outcome being a recommendation to the Authority as to whether or not the Change Proposal (CP) should be accepted. As DCP 440 is considered to be a Part 1 Matters, the recommendation will be issued to the Authority for their final decision.</p> <p>The DCUSA Parties consolidated votes are provided as Attachment 1.</p>	
	<p>For DCP 440, DCUSA Parties have voted to:</p> <ul style="list-style-type: none"> • Accept the proposed variation (solution); and • Accept the implementation date. 	
	<p>Impacted Parties:</p> <p>Suppliers/DNOs/IDNOs/CVA Registrants.</p>	
	<p>Impacted Clauses:</p> <p>Schedule 16, Clause 140</p>	

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 **Any questions?**

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Timeline

Activity	Date
Initial Assessment Report	15 May 2024
Consultation Issued to Industry Participants	12 June 2024
RFI Issued to DNO/IDNO parties	24 October 2024
Change Report Approved by Panel	18 December 2024
Change Report issued for Voting	19 December 2024
Party Voting Closes	16 January 2025
Change Declaration Issued to Parties	17 January 2025
Change Declaration Issued to Authority	17 January 2025
Ofgem Send Back Letter	13 March 2025
Change Report Approved by Panel	21 May 2025
Change Report issued for Voting	22 May 2025

Party Voting Closes	12 June 2025
Change Declaration Issued to Parties	16 June 2025
Change Declaration Issued to Authority	16 June 2025
Authority Decision	TBC

1 Summary

Authority Send Back Letter

- 1.1 This is the second Change Report for DCP 440. The first was issued for voting on 19 December 2024 and submitted to Ofgem on 17 January 2025.
- 1.2 On 13 March 2025, Ofgem issued a send back letter outlining that they could not properly form an opinion on DCP 440 as submitted and were therefore sending the Proposal back for further work.
- 1.3 This letter can be found within Attachment 5 DCP 440 Authority Send Back Letter.
- 1.4 The letter directed that further detail should be provided within a revised Change Report detailing the Working Groups conclusions on the impact to consumers following the resumption of DUoS charges immediately upon detection of consumption and if a notification or investigation period is required and the benefits this may bring.
- 1.5 The letter also stated that consideration to the specifics on the back dating of DUoS charges following the correction of the energisation status was required, including where possible a definition of the recovery period.
- 1.6 The Working Group met on 30 April 2025 to discuss the send back letter and establish next steps. Further information on this additional work can be found in section 8.

What?

- 1.7 Where an MPAN is marked as “De-energised” in the registration system but there are actual meter readings, it is clear that the MPAN is not actually De-energised. For NHH/Supercustomer/Aggregated DUoS charges, settlements include actual consumption recorded against De-energised MPANs and counts the MPAN. However, the incorrect flagging of an MPAN means that site-specific charges are avoided, under the CDCM, unless the supplier corrects the status.

Why?

- 1.8 To reflect the true status of an MPAN and to ensure consistency between Site-specific and NHH/Supercustomer/Aggregated billed MPANs.

- 1.9 To give use of system charging consistency with settlements. The MHHS Programme have confirmed that actual data is accepted into settlements if it is on a De-energised MPAN. They stated that in this case a IF-014 will be sent, using event code (ConsumptionOnDEenergisedMPAN) as a warning to the Data Service/ Supplier that they may want to investigate why the MPAN is showing as De-energised.

How?

- 1.10 By amending Schedule 16 to detail how instances of De-energised sites with non-zero consumption are charged DUoS. It was decided to implement this change for MHHS migrated MPANs only due to potential system changes. For further details please see section 7. It should be noted that this change is intending to only apply to HH settled/site specific billed MPANs.

2 Governance

Justification for Part 1 Matter

- 2.1 If approved, this would result in a change to Schedule 16 and the methodology for charging site specific sites incorrectly marked as “De-energised” in the registration system.
- 2.1 This Change Proposal should:
- Be treated as a Part 1 Matter;
 - Be treated as a Standard Change; and

Requested Next Steps

- 2.2 DCUSA Parties have voted and the outcome of the Party vote acts as a recommendation to the Authority as to whether this CP should be accepted or not. The outcome of the Party voting will now be issued to the Authority for their final decision.

3 Why Change?

Background of DCP 440

- 3.1 To reflect the true status of an MPAN and to ensure consistency between Site-specific and NHH/Supercustomer/Aggregated billed MPANs.
- 3.2 The intent is to charge DUoS to those who are using the system in the scenario where the MPRS system says a site is De-energised but actual, advancing meter readings are being received.

4 Working Group Assessment

Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess this CP. This Working Group consists of Supplier, DNO, IDNO and Generator representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.

Monitoring of de-energised sites

- 4.2 It was queried if there were currently any reports that identified where a De-energised site was consuming energy. It was noted that within the BSC there were obligations on suppliers to investigate instances where consumption is detected on De-energised MPANs.
- 4.3 The obligations are captured within the exception reporting procedures within BSCP503¹ where there is a specific exception report created when non-zero consumption data is received for a De-energised SVA Metering System. Further information on these exceptions can be found on the Elexon website [Exception Reporting in the Half Hourly Market - Elexon Digital BSC](#).
- 4.4 It was highlighted that the above reporting obligation for suppliers is audited annually by Elexon to ensure compliance with this obligation. For further information on these obligations and the Working Groups views on these, please see paragraphs 6.5-6.8.
- 4.5 If there are non-compliances identified within the above audit's actions are set and improvements agreed between the party with the non-compliance and the code manager/administrator.
- 4.6 The Working Group recognises that under MHHS these processes will change.
- 4.7 The Working Group were unclear on other reporting processes that existed between distributors and suppliers that identified if an MPANs Energisation status was set as incorrectly De-energised. With this in mind the Working Group agreed to seek views on any other reports that exist in industry to identify such instances.
- 4.8 The Working Group were also unsure if there were any other industry codes that obligated Parties to take action where consumption was detected on a De-energised MPAN, and as such, agreed to gain Party views on what other processes/obligations exist in industry to identify incorrect energisation statuses within other industry codes.

Reasons for incorrect de-energisation status records

- 4.9 The Working Group discussed how a De-energised MPAN could be consuming energy. One Working Group member noted that usually theft would be a scenario where an MPAN could get energised without the industry being informed. It was noted by the Working Group that this change is unlikely to reduce instances of theft.
- 4.10 It was highlighted that it is not uncommon for these cases to be picked up after a change of tenancy has occurred, meaning the issue is inherited by the new occupier.
- 4.11 The Working Group were keen to understand what other scenarios exist where De-energised sites are Re-energised without the correct industry parties being made aware and so agreed to ask a consultation question on this.
- 4.12 A Working Group member also raised that sometimes it can be difficult to identify the right parties to investigate where consumption has been identified on a De-energised MPAN or to get the correct industry flows to update the MPAN to an energised state.
- 4.13 The Working Group wanted to understand if there are any challenges/barriers in the industry that can cause an MPAN to not get updated from De-energised to energised and agreed that this would be another area the consultation would explore.

¹ [BSCP503: Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS - Elexon Digital BSC](#)

Potential impacts of the proposal

- 4.14 A Supplier Working Group member noted that if this change was to be accepted, it could have an impact on resources and training due to new processes being implemented.
- 4.15 It was also noted that it could lead to increased bad debt as it would result in MPANs that were previously receiving zero charges to be back billed. Other Working Group members mentioned that it could also lead to changes to billing systems if the change was to be approved.
- 4.16 The Working Group agreed to gain industry views on what impacts to their organisation this change could have if it were to be approved as well as other potential impacts to customers.

Further considerations

- 4.17 A supplier Working Group member noted that there are also situations in which the site is listed as energised, however is De-energised, and questioned whether the Supplier in this situation would get a credit. The member noted that there are a number of changes being introduced that involve passing charges down to the Supplier, and these costs will ultimately need to be passed to customers where possible.
- 4.18 The Working Group questioned how it would be possible to identify when a site is energised but not consuming, as it could be that there is a reason the site was not consuming for a period of time, such as an outage.
- 4.19 The Chair highlighted that within the BSCP there are processes for long term vacant sites that stop settlements and billing if a site has been identified as vacant so there are genuine examples of energised sites that report back zero consumption.
- 4.20 The Working Group concluded that the above situation was out of scope as there was no method to identify if an MPANs status was incorrectly Energised by receiving zero readings alone.

5 Consultations

- 5.1 The Working Group undertook one consultation during the development of the change proposal.

Consultation

- 5.2 The consultation was issued to parties on 12 June 2024. There were twelve responses received to the consultation. The Working Group's conclusions can be found in **Attachment 4 DCP 440 Consolidated Consultation Responses**, with a summary of each shown below.

Question 1: Do you understand the intent of the Change Proposal?

- 5.3 All respondents understood the intent of the change proposal.

Question 2: Are you supportive of the principles of this Change Proposal?

- 5.4 Of the twelve parties who responded to the consultation, ten supported the change and two did not.
- 5.5 It was noted that there are already processes in place that should lead to investigations for De-energised sites that have recorded non-zero consumption.
- 5.6 One of the responders who said they supported the principles of the change but also drew attention to the fact that at the time of the consultation, the analysis/data identifying the size of the issue had not yet been provided.

- 5.7 Reasons for not supporting the change were that this change would require parties to bill De-energised sites. The principles of this change align closely with that of DCP411 which was rejected by the Authority.
- 5.8 The same responder also believes there are existing processes within other codes which identify where an MPAN has been De-energised incorrectly and should lead to Suppliers investigating and correcting this status and that if current processes are not working, these should be addressed.
- 5.9 Another responder stated that as the proposal stands, suppliers may become liable for network charges without first having had the opportunity to investigate and rectify the reason for the mislabelling of an MPAN.
- 5.10 The same responder noted that without the opportunity to investigate and establish who is responsible for the site, this could have an adverse effect on suppliers' bad debt.
- 5.11 For those who supported the change, reasons given were that it is appropriate that all sites are billed on the basis that they are using energy, and that there should be no reason for a site not to be billed due to a failure to update a status flag when there is evidence that energy is being used.
- 5.12 A supplier responder stated that this change would ensure that DUoS is appropriately charged and Suppliers can recover these costs from the consumer.
- 5.13 A DNO responder stated that they were supportive of this change as long as it only relates to actual data on a de-energised MPAN.

Question 3 – For measurement class C and E MPANs only-What current reporting exist between DNOs/Suppliers that identify if an MPANs Energisation status is incorrectly De-energised?

- 5.14 The distributors who responded all said that they have an internal report built into the current systems which identifies when consumption is detected on a De-energised MPAN.
- 5.15 These reports are sent to the relevant suppliers via email informing them that consumption has been detected on a De-energised MPAN.
- 5.16 It was noted that the process can be quite manual and not all suppliers are as responsive as others when it comes to updating their records.
- 5.17 For the suppliers who responded, it was noted that there is no industry wide reporting other than the HHDA, who create a D0235 '999' exception which suppliers should investigate.
- 5.18 One IDNO who responded stated that this lack of mandatory reporting seems to be a significant factor, as the responsibility for taking actions lies with Suppliers & DNOs and impacts time taken for a possible resolution.

Question 4 What existing process across the industry are in place to identify incorrect energisation statuses within other industry codes? Can you please be specific to the processes and codes that are already in place.

- 5.19 The following obligations for an incorrect De-energisation status were identified. REC Schedule 14 – Metering Operations details the processes which the Supplier, DNO and MEM (Meter Equipment Manager) need to follow in order to ensure the correct energisation status is held.

- 5.20 Also, BSCP 503 4.3(d) was noted which covers Consumption Data Received for a De-energised Meter. These anomalies are reported via a D0235 dataflow from HHDA to Supplier.
- 5.21 It was also noted that the BSC obligation is audited annually by Elexon, and formal action plans can be put in place for parties if there are serious non compliances.
- 5.22 Four respondents also noted the D0235 reporting from the HHDA is another process that can be used to identify if an MPAN is set up on an incorrect energisation status.

Question 5 For measurement class C and E MPANs only-In what instances would a De-energised site be consuming energy i.e. theft, COT/COS.

- 5.23 The majority of respondents noted that the below scenarios were the main drivers that could cause a previously De-energised site to become energised again:
- Incomplete desktop process such as failure to send a valid D0205 to update MPAS after a Meter Installation or Energisation;
 - Incorrect data carried over from previous Supplier's supply period;
 - Theft;
 - Failure of DNO to inform Meter Operator (MOP) of Energisation change;
 - Undetected work undertaken by a party other than MOP or DNO i.e. a private electrician;
 - Incorrect conclusions during Supplier's processes for demolished sites.
- 5.24 A supplier party noted that it is not always known who the occupiers are for these type of sites which can cause issues with debt collection if the occupier of the site isn't known.

Question 6 What causes the energisation status to not get updated?

- 5.25 One respondent noted suppliers not getting information back from a welcome pack to allocate someone for billing when an occupier moves out of a property.
- 5.26 The correct flows not being sent or none or some of the relevant flows not being sent at all.
- 5.27 Automated processes not working correctly when the flows to Re-energise an MPAN are received.
- 5.28 Another respondent stated that these instances could occur because of a breakdown in operational processes or lack of information to suppliers.
- 5.29 One supplier respondent noted that there is a defined process within the REC for changing the status of an MPAN and that they believed there needs to be tighter controls in place for when this has not happened.
- 5.30 They went on to suggest that a process within the Secure Data Exchange Portal (SDEP) could be developed which would require a consequential change within the REC to be raised.

Question 7 In instances where the energisation status is not updated, what are challenges to getting the relevant information to confirm if the status is incorrect and resolve the status?

- 5.31 Several distributors noted that it can be difficult to contact the correct person at a supplier, and maintaining up to date and relevant contact information is challenging.
- 5.32 It was also noted that the REC and BSC obligations are not clear when defining who is ultimately accountable for leading on updating energisation statuses, which can lead to a lack of ownership.

- 5.33 Lack of evidence can also be a driver, particularly when the customer is unknown so the energisation can't be discussed or can't arrange site visits.

Question 8 If this change was to be approved, what would the impact to your organisation be? I.e. additional resource, training, changes to billing systems, additional bad debt etc?

- 5.34 The majority of distributors who responded stated that billing systems would need to be updated and highlighted that these have a minimum of 6 months lead time.
- 5.35 One supplier respondent stated that they have processes in place to investigate inconsistencies reported by the HHDA relating to energisation status for the current HH population.
- 5.36 Another supplier responded by stating that this change would require a significant change to current systems to enable continuation of charges after the property has been De-energised.
- 5.37 They also went on to say that they don't always have the correct customer listed for charges to be passed on to due to COS/COT events or where there are instances of theft. Suppliers' debt will increase, with charges being passed on by the DNO where there is no customer to bill. They went on to say that these costs will need to be recovered and, ultimately, those customers who already pay will likely see an increase in their charges to cover this shortfall.
- 5.38 One DNO noted that they had spoken to the billing system provider who advised the below

Current billing system (Durabill) design for MHHS Site Specific billing does not currently bill de-energised sites and would therefore need to be changed to accommodate this. St Clements have provided a High-Level Impact Analysis - these changes (provided by St Clements) have an estimated cost in the region of £25k - £30k, which would be split between all Durabill customers. This is based on the following assumptions –

- *This DCP will only impact MHHS Site Specific billing and therefore no changes are required to HH billing.*
- *No changes are required to the REP900 to report separately the number of days billed for de-energised sites and energised sites. DCUSA Consultation DCP 440 Page 3 of 5 1.0*
- *The consultation highlights that the change to DCUSA specifically addresses CDCM sites but does not address generation sites, LDNO Charges or EDCM sites. However, the consultation states that it expects the outcome of this change should mean these will be charged as well as CDCM sites. There would be an increase to the estimated costs for distinguishing CDCM sites only.*

- 5.39 The below clarifications have also been requested from St Clements –

- *The implementation date of the change is given as 1 April 2026. The consultation is unclear if billing of de-energised sites with non-zero consumption would be back dated with rebill functionality or only effective for settlement dates from 1 April 2026. If back dating is required, rules around when to cancel and rebill those sites would be necessary.*
- *If the DCP is approved, the rules are unclear for billing an MPAN on a multi MPAN site which has one de-energised MPAN but where the other MPAN on the site is energised. Costs are likely to be significantly higher if changes to legacy processing is required. Also, if any changes are required to the P402 billing data reports (see question 11), this will increase the cost. Dependant on what new processes need to be implemented, this could require additional resource/training.*

Question 9 If this change was to be approved, what are the potential impact to customers?

- 5.40 Several respondents noted that suppliers would be passing through the charges for De-energised periods so the end customer would be paying for electricity used.
- 5.41 One DNO party responded by saying that they agreed with Ofgem in the DCP411 decision that 'consumer bills would likely increase to recover legal and administrative cost of Suppliers and DNOs as well as covering unpaid DUoS charges levied against non-responsive parties'.
- 5.42 Another DNO responded by saying that this change would result in all customers being treated equitably as everyone will be paying for actual usage recorded, subject to the exclusion of erroneous reads referred below.
- 5.43 A supplier party noted that the impacts on consumers should be minimal if Suppliers are currently investigating incorrectly De-energised HH sites and have processes in place to rectify these. They went on to say that the DNO will start to charge DUoS for these sites but that should not have any material impact on customers.
- 5.44 Another supplier party highlighted that to be able to effectively charge a customer, suppliers will need to know who the customer is. This is not always the case for De-energised sites in their portfolio due to various factors (COT/COS etc).
- 5.45 They also noted that there are issues charging known customers who are currently under debt collection activity or are undergoing theft investigation and that Suppliers would need to implement additional risk premia to cover these instances.
- 5.46 The same supplier party also advised that there is a potential for financial impact on suppliers in an already volatile market with the added complexity of the cost-of-living crisis.

Question 10: Do you consider that the proposal better facilitates the DCUSA General Objectives?

- If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons.
- If not, please provide supporting reasons.

- 5.47 Eight responders agreed with the proposal that charging objective 2 would be better facilitated by this change
- 5.48 Two responders agreed that general objective 3 was also better facilitated.
- 5.49 Two responders offered no view.
- 5.50 A DNO responder stated that they believed that charging objective 2 would not be better facilitated and highlighted that this view is in line with Ofgem's decision on DCP411, as Suppliers may not be able to identify customers for these sites and therefore may not be able to recover the DUoS charges for De-energised sites.

Question 11: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

- 5.51 Nine respondents provided no comments to this question.
- 5.52 Two respondents stated that the P402 billing data reports would require an update and as a consequence, so would the BSC obligation that drives the P402 report.

- 5.53 An IDNO respondent stated that as this information is typically received via a D0205, should any changes be identified that could impact this flow, this may then be subject to the MHHS code freeze.

Question 12: What are the system impacts for this change and should it be limited to MHHS MPANs only?

- 5.54 Seven responders stated that the change should apply to HH MPANs only.
- 5.55 Two respondents believed the change should apply to both NHH and HH MPANs.
- 5.56 One responder didn't state a preference but did go on to highlight that if this change was extending to NHH MPANs, it would raise the costs of the system changes substantially.

Question 13: Do you agree with the proposed implementation date? If not, please provide rationale.

- 5.57 Nine respondents agreed with the proposers view that the implementation date should be 01 April 2026.
- 5.58 A supplier respondent stated that they did not understand the rationale for proposing to implement this change in the middle of MHHS migration. If this change is restricted to MHHS migrated MPANs only, then it would seem sensible to wait until after migration in October 2026.
- 5.59 Another respondent stated that they believed the underlying problem of incorrect status application needs to be addressed as opposed to pursuing this solution at this time.
- 5.60 One of the responders who answered that they agreed with the proposed implementation date also stated they would prefer earlier, if possible, to allow for earlier consumer benefit.
- 5.61 One respondent offered no comment on this question.

Question 14: Do you have any comments on the proposed legal text?

- 5.62 Seven respondents offered no comment on the proposed legal text.
- 5.63 One responder stated that would be in favour of adding an SLA (service level agreement) for the status to be corrected upon identification of an energisation status mismatch.
- 5.64 A DNO responder stated that the legal text makes no distinction between non-zero estimates and non-zero actual reads. They also highlighted that they do not agree with billing a De-energised site, particularly on the basis of non-zero estimates received by the supplier's agent.
- 5.65 They also believed the verbiage of the legal text as it currently stands is sufficient to ensure that UoS charges for any incorrectly De-energised sites will be collected once the status has been corrected by the Supplier.
- 5.66 One supplier responder suggested making some changes to the legal text regarding the term 'incorrectly De-energised site', which they considered to be ambiguous and provided some amendments to the draft legal text

Question 15: Do you have any comments on the proposed legal text?

- 5.67 It was noted by two responders that the process for how far back the De-energisation update would be made was unclear.

- 5.68 Two responders also stated that the process for multi MPAN sites wasn't clearly defined in the solution on offer.
- 5.69 There were other comments ranging from the P402 report and impacts to customers and billing that had already been raised earlier in the consultation.

6 RFI

- 6.1 It was initially asked within the Working Group if there were any data/volumes that highlighted how many De-energised MPANs were reporting actual non-zero consumption. A Working Group member suggested that this information should be obtained from the central settlement source as this would give the Working Group an anonymised view of how many De-energised MPANs have non-zero consumption.
- 6.2 A parallel request for this data was raised to Elexon regarding the Balancing and Settlement Code (BSC) and Genserv regarding the Retail Energy Code (REC). Elexon were able to provide the Working Group with some data however, after review, the Working Group concluded that the data wasn't providing them with the confidence that they could make an assessment on how widespread the issue was.
- 6.3 With this in mind the Working Group issued an RFI to DNOs and IDNOs asking them to provide their 'De energised data report' for each of their areas from their DUoS billing systems, in pivot table format showing the count of unique MPANs with actual non-zero advancing reads, total actual consumption and count of settlement dates with actual non-zero advancing reads in each year.
- 6.4 The Working Group requested Distributors to confirm the following to ensure all data received was on the same basis:
- the data does not include CVA MPANs.
 - the data only includes De-energised MPANs with actual non-zero advancing reads and the days for which they have recorded an actual non-zero advancing reading during a De-energised period.
 - the data does not include any MPANs which have been manually De-energised for billing purposes, outside of the settlements process e.g. for difference metering.
- 6.5 The RFI was issued on 24 October 2024, and seven responses were received.
- 6.6 Only one IDNO responded, and they stated that they do not hold this data so were unable to provide it.
- 6.7 For the DNO community, the Working Group received responses from six different DNOs for all fourteen licence areas. Five DNOs provided their data disaggregated for each year, with the sixth providing an aggregated total of the 14 months from 01 August 2023 to 31 October 2024.
- 6.8 The aggregated data per year from the five DNOs who provided disaggregated data is provided in the following table:

Year	Unique MPANs	Days	Total Units (kWh)	DNOs with data in this year
2008	97	1287	3,001,040	1
2009	89	1,219	3,599,434	2
2010	74	935	660,548	3

2011	155	1,401	1,946,385	3
2012	155	1,526	2,725,567	3
2013	150	1,434	13,457,000	4
2014	117	936	1,174,824	4
2015	138	1,772	16,767,553	5
2016	552	6,491	40,175,498	5
2017	909	21,274	39,747,596	5
2018	466	7,161	19,472,264	5
2019	518	7,749	16,638,736	5
2020	306	6,092	8,721,897	5
2021	342	8,080	2,400,032	5
2022	413	8,908	10,893,046	5
2023	521	10,172	19,237,899	5
2024	514	10,336	22,514,990	5
Total		96,773	223,134,309	5

6.9 The aggregated data for the sixth DNO, whose data covered 14 months from 01 August 2023 to 31 October 2024. is as follows:

Unique MPANs	Days	Total Units (kWh)
439	11,412	44,492,780

6.10 It was noted that the data contained both import and export MPANs and both CDCM and EDCM MPANs which have different tariff structures.

6.11 The Working Group reviewed the data and concluded that the confidence levels in it were high and that it did suggest that a change to the billing process was required due to the large volumes of unbilled consumption (based on units) and fixed/capacity charges (based on MPAN days).

7 Working Group Conclusion and Final solution

7.1 After reviewing the Consultation responses, the Working Group agreed that the below areas required further consideration:

Utilisation of existing processes and code

7.2 The Working Group explored the existing processes and obligations and agreed that these processes could be improved but it was acknowledged that any process improvements or tightening up of existing obligations fell outside the scope of this change.

7.3 The Working Group discussed the suggestion of using the REC's Secure Data Exchange Portal (SDEP) and including some obligations within REC schedule 14. It was noted that SDEP has formal processes and structures for gathering contact information from parties, including for escalations and these processes are auditable.

7.4 It was again agreed that these processes sat outside the scope of DCP 440 but there was no harm in the industry raising changes with the relevant codes to tighten up the processes for investigating instances where consumption is detected on a De-energised site, as well as implementing this change as well.

7.5 The Working Group also discussed the P402 report that had been raised in the consultation responses and concluded that whilst DCP 440 would mean a consequential change to the P402 obligation in the BSCP, this would need to be raised outside of this change.

7.6 It was also noted that DCP 440 was not reliant on any other obligations being updated before it could proceed so the obligations within other industry codes that the Working Group had discussed were not barriers to this change being implemented first.

7.7 One member of the Working Group also made the point that they believed that only the most recent energisation status can be changed in the registration system and that this can only be done by the suppliers. So, if an MPAN was erroneously flagged as “de-energised” but then becomes flagged “energised” at a later date, the period of de-energisation could not be corrected, as the latest status would be correct.

7.8 It was noted that this can be changed by an MPRS super user in agreement with the supplier and LDSO (this process can be found at [BSCP501](#) and [BSCP601](#)). It was noted that this is a very manual and time-consuming process and is rarely used.

Impact to customers

7.9 Several suppliers had raised concerns around some customer impacts.

7.10 A respondent stated that it is not always known who is responsible for these incorrectly De-energised sites which can create problems in knowing who to bill. It was agreed that this is an existing issue wider than just De-energised sites and that organisations should have their own existing processes for investigating who is responsible for a site.

7.11 Concerns were also raised around this change pushing some customers into debt, or even further into debt if this change was accepted. It was acknowledged that if consumption has been detected via remote readings, then it is clear the site is consuming energy and so any DUoS passed on to the customer would be valid.

7.12 Ultimately the Working Group understood that additional charges would be potentially passed on to customers, but these customers would be correctly charged for sites that had been marked De-energised in error or not correctly updated.

7.13 The DNO could then recover DUoS income that is due for actual usage, before Electricity Enquiry Service (EES), also known as ECOES, has been updated by the supplier.

Should the change be extended to non MHHS sites also?

7.14 The Working Group discussed if this change should be extended to non MHHS MPANs.

7.15 It was noted that due to the MHHS programme, it wouldn't be efficient to extend this change to non-migrated MPANs as these would be diminishing in numbers so making changes to what would soon become legacy systems wouldn't be cost effective.

Legal text

- 7.16 In response to the comments made by a DNO that the legal text makes no distinction between non-zero estimates and non-zero actual reads. The Working Group reviewed the legal text and agreed that it does specifically refer to actual non-zero readings being the trigger for this process.
- 7.17 In relation to the suggested amendments to the legal text due to the term ‘incorrectly De-energised site’ being ambiguous, the Working Group agreed to these suggestions and the suggestions can be found in Attachment 2: DCP 440 Draft Legal Text.
- 7.18 In response to the comments made from an IDNO that they would be in favour of adding an SLA for the status to be corrected, the Working Group concluded that this was not in the scope of this change and that the intent for this change was just to ensure that De-energised sites that had consumption detected would be charged DUoS moving forwards.

Process clarifications.

- 7.19 In response to the comments stating that it was unclear how far back the De-energisation update would be made, the Working Group agreed that the backdating would go as far back as the point that consumption was detected. If suppliers wanted to then investigate further to clarify exactly when the site became energised, this is in their gift to do so as this change is mainly seeking to ensure that DUoS would be billed moving forwards initially.
- 7.20 In relation to the two responders who requested clarity on how multi MPAN sites would be treated, the Working Group agreed that each MPAN would be viewed in isolation of any related/multi MPANs and as such, if one MPAN was De-energised on a multi MPAN site, the consumption on the legitimately energised MPANs would not lead to the De-energised site getting updated and charged DUoS.
- 7.21 It was noted that in relation to the comment around changes to the D0205 flow being impacted by the MHHS change freeze, the Working Group concluded that no changes to the D0205 flow were envisaged.

8 Authority Send Back Letter and Further Working Group Assessment

- 8.1 As mentioned in Section 1, on 13 March 2025, Ofgem issued a send back letter outlining that they could not properly form an opinion on DCP 440 as submitted and were therefore sending the Proposal back for further work.
- 8.2 The letter directed that further detail should be provided on the consumer impacts and requested submission of a revised Change Report.
- 8.3 The Working Group met on 30 April 2025 to discuss the send back letter and establish next steps.
- 8.4 One point in the send back letter expressed *“the sudden application of DUoS charges for these MPANs could result in a significant financial impact for these consumers without prior notification. There is a risk that these consumers may not be aware of their incorrect de-energisation status prior to DUoS charges resuming. We do not believe the Working Group has sufficiently addressed the risk to consumers where charges resuming following migration to MHHS. There also exists a risk that DUoS charges may be applied incorrectly following the detection of consumption on a de-energised*

MPAN. Without further understanding of the impact to this group of consumers we do not believe it possible to make an informed decision of this modification”

- 8.5 The Working Group considered the differing impact on customers who had migrated under MHHS, and those who had not, and the impact on them of being charged where they had not been charged previously.
- 8.6 The Working Group had focussed on introducing these charges on MHHS migrated customers only so that any system changes would not need to be made to legacy systems and processes, which would only bill non-migrated sites. The Working Group agreed to move the implementation date from 1 April 2026 to 1 April 2027 such that most customers should have migrated by then and these charges can be applied more uniformly. This would also allow suppliers time to communicate with de-energised customers to explain these charges prior to them coming into force.
- 8.7 The letter expressed concerns around the impact on correcting energisation statuses, *“We are concerned that this may lead to the incorrect energisation status not being corrected and only acting as a work around to possible inaction by suppliers or lengthy investigations before the status is updated”*. However the majority of Working Group members believed that as consumption has been detected, setting the sites up to be eligible for DUoS charges as quickly as possible was the best approach to take as it was a proactive step in charging rather than waiting for the supplier to take action. This matches the approach taken by settlement. Moreover, with energised customers, consumption is charged for as it occurs and, as these “incorrectly de-energised” customers know they are consuming energy, they should be expecting a bill such that the current back-billing approach (up to 14 months) may have more of a negative impact than pro-actively charging as energy is used.
- 8.8 Ofgem’s letter also stated *“The MHHS programme once implemented will bring with it changes to final settlement run timescales. These will move from 14 months to four months. With the introduction of this new shorter settlement timeframe and the introduction of two categories for recovering DUoS charges with this modification there is a risk that the recovery of DUoS charges could be applied differently to consumers across the market”*.
- 8.9 The Working Group considered the impact of the settlement period moving from 14 months to 4 months. The Working Group pointed out that this did not introduce any difference in treatment of customers as all customers will migrate under MHHS while there is a 14-month settlement period, and a short time after the migration is completed the settlement period will be transitioned to 4 months for all customers.
- 8.10 In addition, the operating model under MHHS is to fix forward and so the change to the settlement timetable is expected to have no impact if this change is made, as the different settlement period won’t apply if status changes cannot be backdated at all.
- 8.11 This means that without this change customers would get free use of system until such time as the energisation status is corrected.
- 8.12 The Working Group also discussed processes around energisation described in the industry codes.

- 8.13 It was noted that this charging for use of system was the end part of the process, and that there were a number of other processes in other codes that a consuming De-Energised site would have been put through.
- 8.14 REC Schedule 14 section 15 requires the MOP or DNO to send D0139 flows to the supplier within 5 days of making a physical change. BSCP501 section 3.3 requires the supplier to update MPRS using D0205 within 5 days of notification
- 8.15 As noted earlier in the change report, one supplier member of the Working Group highlighted that some of these additional processes didn't appear to be working as effectively as they should be, but another supplier member felt that this was not an issue for their organisation. With this in mind the proposer offered to support suppliers in looking at the cross-code processes in order to close any gaps.
- 8.16 It was noted that amending the implementation date from 01 April 2026 to 01 April 2027, would also allow parties to review any cross-code processes and raise changes if appropriate.
- 8.17 Ofgem's letter referenced "*Under the current Schedule 16 arrangements DNOs can recover DUoS charges from incorrectly de-energised sites once they have notified a supplier and the supplier has corrected the energisation status. However, this modification will for sites which have been migrated to MHHS allow DNOs to recover these costs immediately without the need for suppliers to correct the data first. We are concerned that this may lead to the incorrect energisation status not being corrected and only acting as a work around to possible inaction by suppliers or lengthy investigations before the status is updated.*"
- 8.18 The Working Group acknowledged that updating a sites energisation status could lead to customers receiving bills immediately however, as the MHHS operating model is to fix forward there will be no backdating of changes to energisation status. Therefore, without this change, no use of system charges will apply until such time as the energisation status is corrected and any consumption in the period until then will be free of charge. The data obtained by the Working Group suggests these corrections can take a significant period of time.
- 8.19 It was also noted that the proactive approach would lead to sites getting billed quicker, and as such highlighting if there were any issues with customers sooner rather than waiting for an investigation to take place
- 8.20 The view of the majority of the Working Group was that if non-zero consumption is detected on a De-energised site, the process should be proactive as ultimately energy is being consumed and the earlier it is billed, the sooner the customer is aware they need to pay for their consumption. This is a net benefit to all parties involved i.e. debt management mitigation due to earlier billing and would mean consumers would be paying for their use of system charges rather than this being recovered across all consumers annually.

9 Relevant Objectives

Assessment Against the DCUSA Objectives

9.1 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. DCP 440 will be measured against the DCUSA Charging Objectives, which are set out in the table below.

	DCUSA Charging Objectives	Identified impact
<input type="checkbox"/>	1. That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence	None
<input type="checkbox"/>	2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)	None
<input checked="" type="checkbox"/>	3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	Positive
<input type="checkbox"/>	4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	None
<input type="checkbox"/>	5. That compliance by each DNO Party with the Charging Methodologies facilitates 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; and	None
<input type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None

9.2 The majority of the Working Group believe that charging objective 3 was better facilitated as this change ensures that specific usage is charged for and creates consistency with NHH DUoS charges and with Settlements.

9.3 A minority also believed that charging objective 2 was better facilitated due to suppliers having appropriate/different processes in place to identify where Non-Zero consumption has been received on a De-Energised MPAN meaning they can charge customers correctly.

10 Impacts & Other Considerations

Impacts on other Industry Codes

10.1 No impacts.

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

Significant Code Review Impacts?

10.2 N/A.

Consideration of Wider Industry Impacts

10.3 The Working Group considers that there are no direct impacts to other codes but recognises that there is other work within wider codes alongside this change proposal.

10.4 This wider work does not impact the progression of DCP 440.

Consumer Impacts

10.5 The Working Group acknowledges that consumers will be billed for DUoS if non-zero advancing readings are received on a De-Energised site, however it is also acknowledged that if these sites are consuming energy then it is correct that they should be receiving charges.

Environmental Impacts

10.6 In accordance with DCUSA Clause 11.20.6(D), the Working Group assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

11 Implementation Date

11.1 01 April 2027 is the proposed implementation. This would allow sufficient lead time for any system changes and is consistent with methodology changes needing to be made in April.

12 Legal Text

Legal Text

12.1 The amended legal text can be found within Attachment 2: DCP 440 Draft Legal Text

Text Commentary

12.2 It is believed that merging the current paragraphs 139 and 140 into a single paragraph and having the difference in treatment for MHHS and non-MHHS sites as bullet points makes the legal text clearer and also easier for a reader to digest.

12.3 The change to Clause 139 ensures consistency and the correct treatment of incorrectly flagged customers. It should be noted that contacting suppliers does not “ensure” anything is corrected. Further, in MHHS it may be that the supplier’s agent is responsible for this data item so the supplier may have to act through a third party. Note also that no similar wording exists for generation sites, LDNO Charges or EDCM sites but it is expected that these are currently treated in the same way as

demand sites i.e. not charged. The outcome of this change should mean these will be charged but it is believed there is nothing in the DCUSA to prevent that at present.

- 12.4 Bullet points a) and b) created to cater for a scenario where a site is migrated to MHHS and is then migrated back to non-MHHS.

13 Code Specific Matters

Reference Documents

- 13.1 Note that this change differs to DCP411, which considered “correctly” flagged De-energised MPANs whereas this change focusses on incorrectly flagged MPANs.

14 Voting

- 14.1 The DCP 440 Change Report was issued to DCUSA Parties for Voting on 22 May 2025 for a period of 3 weeks.

DCP 440 Solution – Recommendation

Part 1 Matter: Authority Decision Required

DCP 440 Solution – Accept

- 14.2 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed variation be Accepted.

Implementation

DCP 440 Implementation Date – Accept

- 14.3 For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed implementation date was more than 50%, and therefore, in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that the proposed implementation date be Accepted.

- 14.4 The table below sets out the outcome of the votes that were received in respect of the DCP 440 Change Report that was issued on 22 May 2025 for a period of 15 working days.

DCP 440	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	Accept	Accept	n/a	n/a
IMPLEMENTATION DATE	Accept	Accept	Accept	n/a	n/a

- 14.5 Of the thirteen DNO Parties that voted eleven were in favour of the solution and implementation date and two were not in favour of the solution and implementation date.

- 14.6 Of the three supplier Parties who voted, two were in favour of both the solution and the implementation date and one was not in favour of the solution and implementation date.
- 14.7 Of the Three IDNO party who voted, all were in favour of the DCP 440 Solution and implementation date.
- 14.8 The Authority is invited to note the recommendation put forward by Parties in respect of DCP 440.

15 Recommendation

Panel's Recommendation

- 15.1 DCUSA Parties have voted on DCP 440 and in accordance with Clause 13.5, the Parties have been deemed to recommend to the Authority that DCP 440 be accepted.

16 Attachments

- Attachment 1: DCP 440 Consolidated Party Votes
- Attachment 2: DCP 440 Draft Legal Text
- Attachment 3: DCP 440 Change Proposal Form
- Attachment 4: DCP 440 Collated Consultation Responses
- Attachment 5 DCP 440 Authority Send Back Letter