

Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2025_0416_09_SIG Headline Report
Action	For Information

SIG Headline Report

1. Synopsis

- 1.1 This report sets out the key decisions made at a DCUSA Standing Issues Group (SIG) meeting on 28 March 2025. The minutes of the meeting are available [here](#) on the DCUSA website.

2. DIFs 80 ‘De-energised sites’

- 2.1 The proposer of the issue noted that [DCP 411 ‘Charging De-energised sites’](#), was raised in order to facilitate charging DUoS for de-energised sites. He stated that a working group was formed that consulted and accommodated the wishes of a number of parties, which resulted in the solution incorporating a long-winded process of customer engagement and prioritisation, and moving away from the original proposal, which was to charge all de-energised customers.
- 2.2 They also referred to the Ofgem rejection letter (see Attachment 2), which provided their rationale for the decision. In their decision, Ofgem highlighted:
1. DCP115 as a solution (p1, p7)
 2. The complexity of the engagement process (p4)
 3. Supplier difficulty in passing on charges, leading to distortions (p5)
 4. The solution encouraging more disconnections that are temporary in nature (p6)
 5. Unresponsive customers causing other customers to bear costs (p6)
 6. Cross-subsidy (p8)
- 2.3 They noted that DCP115 gives a process that can lead to disconnection of de-energised customers if the company reasonably considers that it is not required to maintain the connection under the Electricity Act i.e. where it is not reasonable in all the circumstances to maintain the connection. They noted that the reasonableness test is very difficult, and customers often cite planning permission on the site or business plans for redevelopment etc. They have also seen customers being charged capacity charges by their supplier and saying it is unreasonable for the distributor to disconnect capacity that they are paying for (despite the distributor not receiving any revenue from these customers).
- 2.4 They also noted that Ofgem’s draft Strategic Direction Statement includes objectives which may be relevant, such as:
- Objective 1: Ensure fair prices;
 - Objective 6: Expand electricity networks; and
 - Objective 9: Network performance and connections.

- 2.5 Fundamentally, this issue is around the approach to customers who sit on large capacities for free, causing other customers to bear higher use of system charges and potentially reinforcement costs, and if necessary, determining in what circumstances it may be considered not “reasonable to maintain in all the circumstances”, under the Electricity Act.
- 2.6 Three potential solutions were presented as below:
- Continue with the cross-subsidy of de-energised sites by other connected users.
 - Amend National Terms of Connection to set import/export capacity to zero after three (?) years of de-energisation or 36 months of de-energisation within the last 60 months (trying to avoid gaming). However, this feels much more draconian than making de-energised customers pay their fair share of network costs to retain the capacity.
 - Re-raise original charge but with no leeway to result in anything other than charging DUoS to all de-energised customers.
- 2.7 After discussion, it was noted that this issue was mainly regarding CT metering.
- 2.8 One member noted that they believe there is an interaction with REC and the processes that sit in there. It may be that the processes in REC need to be stricter on how suppliers manage de-energisation status before it gets to the stage of passing charges on. It was noted that some of the processes that sat in the MRA were lost when transferred to REC and it may be worth a review of this.

3. Next SIG Meeting – 25 April 2025

- 3.1 This issue will be discussed further at the next SIG meeting.

4. Recommendations

- 4.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this paper.

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