




DCUSA Consultation		At what stage is this document in the process?
<h1>DCP 451:</h1> <h2>Suspending Registrations</h2> <p>Date Raised: 10 February 2025</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 clarify the process for suspending registrations</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 451 'Suspending Registrations.</p> <p>Parties are invited to consider the proposed amendment (Attachment 2) and submit their votes using the Voting form (Attachment 1) to dcusa@electralink.co.uk by 12 June 2025.</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: Suppliers/DNOs/IDNOs</p>	
	<p>Impacted Clauses:</p> <ul style="list-style-type: none"> Section 2A 'Distributor to Supplier/Generator Relationships' – Clause 23.4 Section 3 'General Legal Provisions' – Clause 54.2 Schedule 1 'Cover' – Paragraph 3.5 	

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Timetable

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

Change Proposal timetable

Activity	Date
Initial Assessment Report	19 February 2025
Consultation Issued to Industry Participants	17 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	NA
Authority Decision	NA

1. Executive Summary

What?

1.1. Clarify the process used by a distributor for suspending registrations for a supplier.

Why?

1.2. When the proposer sought to suspend registrations, there was confusion on the REC side as to the approach that should be taken under DCUSA.

How?

1.3 Amend Clauses 23.4 and 54.2 and Schedule 1.

2. Governance

Justification for Part 2 Matter

2.1. It does not meet the requirements for Part 1 or urgency.

Current Next Steps

2.2 This Change Proposal should.

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

3. Why Change?

Background of DCP 451

3.1. The proposer wished to suspend registrations due to non-payment. DCUSA at Clause 23.4 states –

Material Breach

23.4 Failure by the [User](#) to remedy a [Payment Default](#) within four Working Days of receipt of a [Late Payment Notice](#) from the [Company](#) shall be a material breach of this [Agreement](#) by the [User](#) for the purposes of Clause 54.1.1, and the [Company](#) shall be entitled to take actions to suspend registration services in accordance with the provisions of the [Retail Energy Code](#). Where the [Company](#) takes such action, it shall send a copy of any notice that it is required to issue pursuant to those provisions to the [User](#) and the [Panel](#) (care of the [Secretariat](#)).

3.2. REC has two sections, within Schedule 24 that are relevant to suspending registrations -

Where a Regulatory Alliance between an Electricity Supplier and Distribution Network Operator is ended						
4.10.7	Following notification from Distribution Network Operator of an end to a Regulatory Alliance with an Energy Supplier .	Notify changed Regulatory Alliance .	Distribution Network Operator	CSS Provider	Market Participant Role Alliance	CSS API
4.10.8	Following 4.10.7 where the message has passed synchronous validation.	Update Regulatory Alliance data.	CSS Provider		Internal Process	

3.3.

Ref	When	Action	From	To	Information Required	Market Message Means
Where a Market Sanction is applied or removed from an Energy Supplier under this Code						
4.11.1	As soon as reasonably practicable following instruction from the REC Performance Assurance Board .	Update Registration Permission From Date or Registration Permission To Date.	Code Manager		Internal Process	
4.11.2	Following 4.11.1.	Notify new or removed Market Sanction .	Code Manager	CSS Provider	Market Participant Role	CSS API
4.11.3	In conjunction with 4.11.2.	Notify new or removed Market Sanction .	Code Manager	Energy Supplier	Sanction Notice	Not defined
4.11.4	Following 4.11.2 where the message passes synchronous validation.	Update Market Sanction data.	CSS Provider		Internal Process	

Market Sanction Definition

means that a Market Participant's right to make new Registrations is suspended (in accordance with Clause 16 of the main body of this Code), or is subject to similar restrictions under another Energy Code.

3.4. There was confusion as to which section of the REC should apply.

3.5. DCUSA goes on to say –

54.2.2 Clause 54.1.8, the [Panel](#) shall be entitled to instruct the [REC Code Manager](#) to procure suspension of [CSS](#) registration services for the [Breaching Party](#) under the [Retail Energy Code](#) and shall notify each [DNO/IDNO Party](#) and the [Authority](#) that the [Panel](#) has taken such action; and

3.6. In discussion with REC and DCUSA, it became apparent to the proposer that the LDSO may suspend registration by ending a Regulatory Alliance, whereas the DCUSA Panel may request that registrations are suspended using the Market Sanction Approach.

3.7. The proposer thought it would be good to amend DCUSA to clarify these points. Noting that distributors wish to enact these suspensions forthwith and so a hand off to DCUSA Secretariat and then another from them to REC is inefficient if the Market Sanction approach were used.

4. Working Group Assessment

Working Group Assessment

4.1. The DCUSA Panel established a Working Group to assess DCP 451. This Working Group consists of Supplier, DNO, IDNO representatives and other interested industry participants. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk

4.2. The proposer stated that the process for suspending registrations is currently unclear between DCUSA and REC. As the desire is to follow the process as per DCUSA, where a registration is suspended in SMRS and then DCUSA/REC are notified, whereas REC Code Manager stated that DCUSA must be notified in the first instance, and then REC is notified. The aim is to be able to take action quickly (as per the existing DCUSA process) and therefore they are suggesting amendments to Clauses 23.4 and 54.2 and Schedule 1.

4.3. A Working Group member from the REC Code Manager informed the Working Group that they currently have an equivalent change.

- 4.4. It was noted that this was discussed recently at the Cross Code Steering Group and that the consensus was that the DCUSA and REC changes were cross-code changes.
- 4.5. It was advised that the REC change ID is [REC Issue I0248](#).
- 4.6. The REC Code Manager representative noted that there may be a REC consultation required but for now they will promote the DCUSA consultation and review the responses with the DCUSA Secretariat ahead of the next Working Group.
- 4.7. It was also noted by the REC representative that the two changes would need to have their implementation dates aligned for the processes in both codes to operate correctly.
- 4.8. It was highlighted that this is likely the first time that this process has been used by a number of DNOs at the same time under REC, and all Working Group members agreed that the process itself should be as clear as possible with additional guidance if needed.
- 4.9. The Working Group agreed that seeking party views on their experiences of suspending registrations and if so, some context on what the experience was like would aid the development of the solution.
- 4.10. The process for reinstating registrations was also posed and the Working Group agreed that they believe that process is functioning as expected but wanted to seek insight from any party as to whether they have reinstated registrations previously and if so, some context on what the experience was like and if they had any concerns with the current process.

5. Consultation

- 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 17 March 2025. There were eight responses received to the consultation. The Working Group's conclusions can be found in **Attachment 4 DCP 451 Consolidated Consultation Responses**, with a summary of each shown below.

Q1: Do you understand the intent of the Change Proposal?

Q2: Are you supportive of the principles of this Change Proposal?

- 5.3. Seven respondents said they understood the intent of the CP and supported it, one respondent stated N/A to both questions.

Q3: For Distributors only – Have you had experience of the issue explained and what was that experience like?

- 5.4. Five respondents have experienced the issue, two replied N/A and the other said they hadn't experienced the issue. Proposal?
- 5.5. The responders who stated they had experienced the issue noted the new process is unclear and too long. This can lead to suppliers still being allowed to take on new customers creating potential customer debt.
- 5.6. Advice received was also unclear as the direction was that the request to end the regulatory alliance should come from the DCUSA however the industry codes suggest it should be from the DNO to the CSS.

Q4: For Distributors only – Do you have any concerns with the process for reinstating registrations? What are those concerns?

5.7. There were no concerns raised with the process for unsuspending registrations.

Q5: 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.

5.8. Seven responders all said general objectives three & four were better facilitated by this CP.

5.9. The reasons given were because it will improve the efficiency of the process, give DNOs more control over their licence conditions, make the process clearer and it will limit DNOs exposure to a supplier failing.

Q6: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

5.10 Five responders said this CP had no wider industry impacts, one stated that a REC change would be required which has already been raised, another stated the code review and the last responder stated N/A.

Q7: How are you impacted by the outcome of this CP?

5.11A number of responders noted they would be positively impacted by this CP as it would make the process clearer and improve efficiency.

5.12There were no negative impacts noted by all responders.

Q8: Do you agree with the Working Group's proposed implementation date? If not, please provide your rational.

5.13Of the seven responders who answered this question, all of them said they agreed with the implementation date.

Q9: Do you have any comments on the draft legal text?

5.14Six responders noted they had no comments on the legal text.

5.15The REC suggested adding into the DCUSA legal text a reference to the relevant REC schedules and clauses for this process (Schedule 24 Switch Data Management). This is consistent with the approach the REC are taking as their legal text does reference the relevant DCUSA Schedules and clauses.

5.16Another responder suggested slightly changing the legal text within Schedule 1, Clause 3.5 to state that *'the company shall be entitled to take the following actions as a result of a Cover Default'*, rather than *'following a cover default'*.

5.17 It was also noted by this responder that there was a superfluous ‘and’ following a comma and they also suggested amending the text to state that the process to reinstate the right to CSS registration services should be done *by* notifying the REC Performance Assurance Board.

Q10: Do you have any other comments on DCP 451?

5.18 There were no further comments that haven’t been raised previously or that were in scope for DCP 451.

6 Working Group Conclusions & Final Solution

6.10 After the consultation, as all responders were unanimous in their support for this CP, in agreeing with the view that general objectives three and four were better facilitated and as they were also unanimous in that the CP will only have a positive impact, the final area outstanding to be resolved was the suggested amendments to the legal text.

6.11 The Working Group initially believed that adding in to the DCUSA legal text, references to the relevant REC schedules was helpful as it would help anyone reviewing the process of where they would need to search within the REC to gain a full understanding of the process.

6.12 It was also agreed within the Working Group that amending the legal text to state, ‘*the company shall be entitled to take the following actions as a result of a Cover Default*’, rather than ‘*following a cover default*’ read better so this amendment was accepted.

6.13 The suggestion to amend the text to state that the process to reinstate the right to CSS registration services should be done *by* notifying the REC Performance Assurance Board was rejected.

6.14 This was due to the process for CSS registration services being reinstated is not completed ‘by’ notifying the REC Performance Assurance Board (PAB), it is an additional step that needs to be taken.

7 Relevant Objectives

Assessment Against the DCUSA Objectives

7.1 For a DCUSA Change Proposal (CP) to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives. DCP 451 will be measured against the DCUSA General Objectives, which are set out in the table below:

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

<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

7.1 The Working Groups view is that it is positive against Objective 3 as the Distributor is able to limit their exposure.

7.2 It has a positive impact on Objective 4 as it clarifies arrangements and hence aids efficient administration.

8 Impacts & Other Considerations

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

8.1 None.

Does this Change Proposal Impact Other Codes?

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

8.2 As noted earlier in paragraphs 4.3-4.7, there is a separate REC change tht has been raised which may be informed by the responses to this DCP.

8.3 To ensure the process works effectively across both codes, the REC and DCUSA changes will need to be aligned.

9 Implementation

9.1 The proposed implementation date for this CP is the first DCUSA release after approval.

10 Legal Text

10.1 Amend Clause 23.4 as follows –

Amend Clause 23.4 (Material Breach) as follows:

Material Breach

23.4 Failure by the User to remedy a Payment Default within four Working Days of receipt of a Late Payment Notice from the Company shall be a material breach of this Agreement by the User for the purposes of Clause 54.1.1, and the Company shall be entitled to ~~take actions to~~ suspend registration services in accordance with ~~Clause 54.2.1the provisions of the Retail~~

~~Energy Code. Where the Company takes such action, it shall send a copy of any notice that it is required to issue pursuant to those provisions to the User and the Panel (care of the Secretariat).~~

10.2 Amend Clause 54.2 as follows –

Suspension of Rights

- 54.2 For so long as an Event of Default is continuing, where a Supplier/CVA Registrant is a User under Section 2A, or where a DNO/IDNO/OTSO Party is a User under Section 2B, and, in either case, that Party is a Breaching Party pursuant to:
- 54.2.1 Clause 54.1.1 or 54.1.6, then any Party to whom the obligations in question were owed shall be entitled to suspend its performance of the services described in Section 2 to the Breaching Party by: (a) giving notice in writing to the Breaching Party and copying that notice to the Authority and the Panel (care of the Secretariat); and (b) (if the Breaching Party is a Supplier Party) ending the Regulatory Alliance with the Breaching Party and notifying reporting under the 'Switching Data Management Schedule' of the Retail Energy Code the end of amendment to the Regulatory Alliance with the Breaching Party;
- 54.2.2 Clause 54.1.8, then the Panel shall be entitled to instruct the REC Code Manager to procure suspension of CSS registration services for the Breaching Party by imposing a Market Sanction (as defined in the Retail Energy Code) under the 'Switching Data Management Schedule' of the Retail Energy Code and shall notify each DNO/IDNO Party and the Authority that the Panel has taken such action; and
- 54.2.3 any ~~other~~ provision of Clause 54.1 other than Clauses 54.1.1, 54.1.6 and 54.1.8, then, any Party shall be entitled to suspend its performance of the services described in Section 2 to the Breaching Party by: (a) giving notice in writing to the Breaching Party and copying that notice to the Authority and the Panel (care of the Secretariat); and (b) (if the Breaching Party is a Supplier) ending the Regulatory Alliance with the Breaching Party and notifying reporting under the 'Switching Data Management Schedule' of the Retail Energy Code the end of amendment to the Regulatory Alliance with the Breaching Party, and the Breaching Party shall pay to the suspending Party (in the case of Clauses 54.2.1 and 54.2.3) an amount equal to any reasonable costs incurred by such Party as a result of such suspension. ~~Any party serving a notice under this Clause 54.2 shall send a copy of the notice to the Panel.~~

Add a new heading (Ending of Suspension) and a new Clause 54.4B as follows:

Ending of Suspension

- 54.4A Where the Panel has instructed the REC Code Manager to procure suspension of CSS registration services for a Party in accordance with Clause 54.2.2 and that Party remedies the DCUSA Payment Default, then the Panel shall notify each DNO/IDNO Party and the Authority

that the DCUSA Payment Default has been remedied, and instruct the REC Code Manager to cease the suspension of registration services.

54.4B Where a Party has suspended its performance of the services under Section 2 to a Breaching Party in accordance with Clause 54.2 and where the Breaching Party remedies the relevant Event of Default, then the suspending Party shall end such suspension by: (a) giving notice in writing to the Breaching Party and copying that notice to the Authority and the Panel (care of the Secretariat); and (b) (if the Breaching Party is a Supplier Party) creating the Regulatory Alliance with the Breaching Party and notifying under the 'Switching Data Management Schedule' of the Retail Energy Code the new Regulatory Alliance created with the Breaching Party.

and

8.3 Amend Schedule 1, Para 3.5 as follows –

3.5 In addition to any other remedies available to it, the Company shall be entitled to take the following actions following a Cover Default (provided that, where the provision of ~~CSS~~ registration services or the right to make future connections under Section 2B (as applicable) has been suspended at any time after Day 0 + 5, then the Company must, as soon as the Cover Default has been remedied, reinstate the right to ~~CSS~~-registration services ~~(by updating the Regulatory Alliance under the REC)~~ or the right to make future connections under Section 2B (as applicable) in accordance with Clause 54.4B):

Working Days After Cover Default	Action Within the Company's Rights Under this Schedule
Day 0	Date of default
Day 0 + 1	Interest and administration fee start to apply.
Day 0 + 1	Issue notice of default to Contract Manager containing a statement of the Indebtedness Ratio and send a copy of such notice to the Authority.
Day 0 + 3	Formal User response required.
Section 2A	
Day 0 + 5	<u>An Event of Default under Clause 54.1.1 is deemed to have occurred, and the Company may suspend CSS-registration services in accordance with Clause 54.2. by updating the Regulatory Alliance under the Retail Energy Code, and notify the Authority.</u>
Section 2B	
Day 0 + 5	<u>An Event of Default under Clause 54.1.1 is deemed to have occurred, and the Company may</u>

	<p>Initiate action to suspend the right to make any further connections to the Company's Distribution System <u>in accordance with Clause 54.2.1.</u> under Section 2B, and notify both the User and the Authority.</p>
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Text Commentary

- 8.4 It means the DCUSA and REC PAB Are aware of the situation. It intends to give consistency of description across all registration suspensions activities.
- 8.5 If a supplier is likely to go into liquidation, as might be indicated by non-payment of charges, this will prevent more customers being able to switch and being impacted by SoLR arrangements in a timely manner.

11 . Code Specific Matters

9.1 N/A.

Attachments

- Attachment 1: DCP 451 Voting Response Form
- Attachment 2: DCP 451 Change Proposal Form
- Attachment 3: DCP 451 Legal Text
- Attachment 4: DCP 451 Consultation Responses