








DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h2>DCP 451:</h2> <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>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> • Treated as a Part 2 Matter • Treated as a Standard Change • Progressed to the Working Group phase <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>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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Indicative Timeline		 DCUSA@electralink.co.uk
The Secretariat recommends the following timetable:		 020 7432 3011
Initial Assessment Report	19 February 2025	Proposer:
Consultation Issued to Industry Participants	TBC	Peter Waymont
Change Report Approved by Panel	18 June 2025	 peter.waymont@ukpowernetw orks.co.uk
Change Report issued for Voting	19 June 2025	
Party Voting Closes	10 July 2025	
Change Declaration Issued to Parties	14 July 2025	
Change Declaration Issued to Authority	N/A	
Authority Decision	N/A	

1 Summary

What?

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

Why?

1.2 REC have been difficult in taking action (if any action is required) due to the process being unclear for them as between DCUSA and REC. While our desire is to follow the process as per DCUSA, where we suspend registrations in SMRS and then notify DCUSA/REC, REC are insisting that we must first notify DCUSA and then they must notify REC. We wish to be able to take action quickly (as per the existing DCUSA process) and so need to accommodate the REC's unnecessary requirements while ensuring action is timely.

How?

1.3 Amend Clauses 23.4 and 54.2 and Schedule 1.

2 Governance

Justification for Part 1 and Part 2 Matter

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

Requested 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?

3.1 In November 2024, following a supplier's behaviours, I identified that I may need to suspend registrations due to non-payment. I read DCUSA which 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 I eMailed REC Service Desk to ask what the provisions were that I had to act in accordance with. I was advised –

UKPN would need to follow the process in the Switching Data Management Schedule Interface table at 4.10) to end their Regulatory Alliance with the Party, but I believe that would have to be following reporting the breach to the DCUSA Panel, and they would need to report the breach to the REC PAB.

3.3 I did not read beyond 4.10 as I had been pointed towards that Section. I could find no reference in DCUSA or in this 4.10 to telling the Panel in advance nor to them reporting it to the REC PAB as per the REC email.

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	

3.4 In February 2025 we took action in SMRS to end a Regulatory Alliance in accordance with Section 4.10 of Schedule 24 of the REC, pursuant to Clause 23.4 of DCUSA, and in compliance with Clause 54.2.1 of DCUSA. We notified the DCUSA Secretariat pursuant to DCUSA Clause 23.4 and notified REC PAB to comply with DCUSA Clause 54.2.1 part (b) and because the REC Service Desk had mentioned their involvement.

3.5 Note that the DCUSA Clause 23.4 requires me to copy to the Secretariat any notice required under the REC but the REC is silent on any such notice being required to be sent to them by myself, so far as I can tell, and nothing in DCUSA indicates that DCUSA should in turn notify the REC.

3.6 REC PAB responded to say that we needed to email DCUSA who would then email the REC Code Manager and that REC PAB have no involvement.

3.7 REC PAB subsequently stated that the process for suspending registrations should be as follows –

- REC Schedule 24, paragraph 4.5 (h) ii allows Market Sanctions to be applied by the Authority, REC, BSC or DCUSA.
- The interface table in REC Schedule 24, paragraph 4.11 further sets out the process to apply or remove such sanctions.
- Paragraphs 4.11.5 to 4.11.9 specifically cover sanctions applied by other Codes, i.e. BSC or DCUSA. It would help to clarify the following points:
- The request to apply the sanction must come to the REC Code Manager from **DCUSA Secretariat** rather than directly from the DNO/IDNO. The DNO/IDNO must follow the processes set out under DCUSA to ensure appropriate governance is followed.
- REC PAB are not involved in decisions regarding sanctions applied by other Codes.

3.8 The REC differentiates between “Market Sanctions” and “Regulatory Alliance”.

In The REC, Schedule 24 states at 4.5 -

- (h) Registration Service Request Permission – identifies whether a Registration Service Requests shall be accepted by the CSS Provider for a Market Participant Role. The Code Manager is the Data Master for this Data Item. The Code Manager shall apply the Registration Service Request Permission to accept if;
- i. the Energy Supplier associated with the Market Participant Role is Qualified as required by this Code; and
 - ii. a Market Sanction has not been applied. A Market Sanction can be applied in accordance with an instruction from the Authority, this Code, the BSC or in accordance with the DCUSA.
- (k) Regulatory Alliance – identifies whether the necessary regulatory arrangements exist between two Market Participants. A Regulatory Alliance is confidential in nature and only the CSS Provider, those Market Participants subject to the specific association, and (for Gas Transporter and Shipper Regulatory Alliances) any Gas Supplier who has a Commercial Alliance with the Shipper, shall be notified when associations are created or terminated. Such Regulatory Alliances comprise:
- i. Gas Transporter and Shipper Regulatory Alliance: which Shipper is

permitted to be included within a Pending Registration for an RMP on the network of the Gas Transporter. The CDSP shall be the Data Master for Gas Transporter and Shipper Regulatory Alliance Data Items.

- ii. Distribution Network Operator and Electricity Supplier Regulatory Alliance: which Electricity Supplier is permitted to make a Registration for an RMP on the network of the Distribution Network Operator. Each Distribution Network Operator, within its Electricity Retail Data Service, shall be the Data Master for Distribution Network Operator and Electricity Supplier Regulatory Alliance Data Items.

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.

Interestingly, at Clause 54.2, DCUSA states -

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, 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 (b) reporting under the [Retail Energy Code](#) the amendment to the [Regulatory Alliance](#);

Where -

54.1.1 the [Breaching Party](#) is in material breach of any of its material obligations under this [Agreement](#) and, if the breach is or was capable of remedy, the [Breaching Party](#) has failed to remedy the breach within 20 Working Days of receipt of a notice from any [Party](#) to whom that obligation was owed giving full details of the breach, requiring the [Breaching Party](#) to remedy the breach, and stating that a failure to remedy the breach may give rise to the

54.1.6 without prejudice to Clause 55, a circumstance of [Force Majeure](#) that affects the performance by the [Breaching Party](#) of substantially all of its obligations under this [Agreement](#) continues for more than 180 days and any [Party](#) to whom any such obligation was owed serves a notice on the [Breaching Party](#) referring to this Clause 54;

And REC Schedule 24 states -

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	

Which REC helpdesk had advised us in November - that the process to follow was Schedule 24, 4.10.

There is nothing in any of this that states any request must come from DCUSA.

In any case, if a Market Sanction applied rather than ending a Regulatory Alliance, REC PAB should act under 4.11.1, i.e. presumably where the distributor has acted under Schedule 24, 4.5(h) (in accordance with the DCUSA - Clause 23.4) as Schedule 24 Clause 4.5 is under "this Code" (ie, the REC) -

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	

REC PAB were insisting 4.11.5-9 is the relevant part of their Schedule 24 but DCUSA Secretariat advised that this is only relevant to this next part of DCUSA –

- 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
- 54.1.8 the [Breaching Party](#) fails to remedy a [DCUSA Payment Default](#) within 5 Working Days after receipt of a [DCUSA Late Payment Notice](#).

Section 4.11.5- 4.11.9 states -

Where a Market Sanction is applied or removed from an Electricity Supplier under the BSC or DCUSA						
4.11.5	As soon as reasonably practicable following a change to an Electricity Supplier's Market Sanction status ⁴ .	Notify new or removed Market Sanction .	BSCCo or DCUSA Secretariat	Code Manager	Not defined	Secure means agreed bilaterally
4.11.6	Following 4.11.5.	Update Registration Permission From Date or Registration Permission To Date.	Code Manager		Internal Process	
4.11.7	Following 4.11.6 and within 1 WD .	Send updated Registration Permission To Date or Registration Permission From Date.	Code Manager	CSS Provider	Market Participant Role	CSS API
4.11.8	Following 4.11. 7 where the message passes synchronous validation.	Update Registration Permission data.	CSS Provider		Internal Process	
4.11.9	By the next Working Day following 4.11.8.	Send confirmation that CSS updated with updated Registration Permission.	Code Manager	BSCCo or DCUSA Secretariat	Not defined	Secure means agreed bilaterally

- 3.9 DCUSA Secretariat's position makes sense in that distributors are a Party to the REC whereas DCUSA is not and so the process would need to be different. The distributor's SMRS system will send the CSS API message (4.10.7) whereas DCUSA would need a third party - the REC - to do so (4.11.7).
- 3.10 Thanks to communications from the DCUSA secretariat, that supported our position, the REC PAB conceded that the correct process was that described in their Section 4.10.
- 3.11 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.

4 Solution and Legal Text

4.1 Amend Clause 23.4 as follows –

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 Clause 54.2.1. Where the Company takes such action, it shall send a copy of any notice that it is required to issue pursuant to these provisions to the User and the Panel (care of the Secretariat).~~

4.2 Amend Clause 54.2 as follows –

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, 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) ~~reporting under the Retail Energy Code the amendment to the Regulatory Alliance ending the Regulatory Alliance under the Retail Energy Code with the Breaching Party and copying the notice given under (a) to the REC Performance Assurance Board;~~

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 ~~by imposing a Market Sanction~~ under the Retail Energy Code and shall notify each DNO/IDNO Party and the Authority that the Panel has taken such action; and

4.3 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, ~~notify the User, and copying that notice to the Authority and the Panel (care of the Secretariat), and~~ reinstate the right to CSS registration services (by updating the Regulatory Alliance under the REC) ~~and notifying the REC Performance Assurance Board, or reinstating~~ the right to make future connections under Section 2B (as applicable)):

Section 2A	
Day 0 + 5	Suspend CSS registration services in accordance with the provisions of Clause 54.2.1 by updating the Regulatory Alliance under the Retail Energy Code, and notify the Authority

Text Commentary

4.4 It means the DCUSA and REC PAB Are aware of the situation. It intends to give consistency of description across all registration suspensions activities.

- 4.5 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.

5 Code Specific Matters

Reference Documents

- 5.1 REC Schedule 24, available in the REC Portal.

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 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

- 6.1 It is positive against Objective 3 as the Distributor is able to limit their exposure.
- 6.2 It has a positive impact on Objective 4 as it clarifies arrangements and hence aids efficient administration.

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 None.

Does this Change Proposal Impact Other Codes?

BSC..... ☐ SEC..... ☐

CUSC..... ☐ REC..... ☐

Grid Code..... ☐ None..... ☒

Distribution Code.. ☐

7.2 As written, this change does not directly impact any other codes but the REC could be improved in this area.

Consideration of Wider Industry Impacts

7.3 None.

Confidentiality

7.4 None.

8 Implementation

Proposed Implementation Date

8.1 First release after approval

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.