




DCUSA Consultation 2		At what stage is this document in the process?
<h2>DCP 463:</h2> <h3>Charging non-consuming De-energised CT-Metered sites</h3> <p>Date Raised: 05/09/2025</p> <p>Proposer Name: Peter Waymont</p> <p>Company Name: UK 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>The intent of the Change Proposal is to charge DUoS fixed and capacity charges to non-consuming CT-metered de-energised sites.</p>		
	<p>This document is a second Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 463</p> <p>Parties are invited to consider the questions set in section 6 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk 25 February 2026.</p> <p>The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP) to the Change Report phase.</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 1 Matter • Treated as a Standard Change • Progressed to the Working Group phase. 	
	<p>Impacted Parties:</p> <p>Suppliers/DNOs/IDNOs/CVA Registrants</p>	

**Impacted Clauses:**

Schedule 16, Clause 139

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Timetable

The Secretariat recommends the following timetable:

Initial Assessment Report	17 September 2025
Consultation Issued to Industry Participants	31 October 2025
Consultation 2 Issued to Industry Participants	04 February 2026
Change Report Approved by Panel	18 March 2026
Change Report issued for Voting	19 March 2026
Party Voting Closes	06 April 2026
Change Declaration Issued to Parties	08 April 2026
Change Declaration Issued to Authority	08 April 2026
Authority Decision	TBC

1 Summary

This is a second consultation on DCP463. The first consultation closed on 28 November 2025, and the Working Group's conclusions based on the consultation responses are set out in attachment 3 – 'DCP 463 Consultation 1 Document and Responses' and Section 4.

What?

- 1.1 Distributors have an obligation to maintain a connection. Associated to this is the maintenance of the capacity of the connection. DUoS is charged to recover the costs of maintaining the connection and the capacity but it is not charged for non-consuming de-energised sites on site-specific billing or aggregated billing.
- 1.2 The D0030 and REP-002 flows, which contain aggregated billing data for Whole Current sites, exclude non-consuming de-energised MPANs in their counts (despite attempts to improve this under MHHS).
- 1.3 This change therefore considers CT metered sites, which are billed DUoS on a site-specific basis and which currently have fixed and capacity charges only when energised or consuming, and where the impact of reserving capacity for free is most felt, due to the larger size of their supply.

Why?

- 1.4 De-energised sites, with site-specific billing, are able to retain capacity on the network without being charged for it under the current methodologies. The National Terms of Connection, at Section 3, do not allow DNOs to remove capacity except with the agreement of the customer. So other customers who are energised are faced with enduring capacity charges whereas any non-consuming de-energised customers can continue to "reserve" the capacity at no charge. This leads to inefficient cost signals being given.

How?

- 1.5 After taking onboard legal advice from the DCUSA legal advisors at Gowlings, the Working Group see four different solutions to tackle unused, reserved capacity on CT metered de-energised sites.

Option 1

- 1.6 By removing the carve-out for non-consuming de-energised site-specific billed sites in the methodologies, such that these are billed from a point in time (the proposer has proposed 1 April 2027).
- 1.7 The proposer is of the view that de-energised customers should be charged fixed and capacity charges in full, as their connection to the network is reserving their contracted capacity, preventing it being used by other customers. Moreover it ensures fairness across all customers who are reserving such higher levels of capacity.
- 1.8 The proposer notes that they recognise that there is a period after a connection is completed and before an MPAN is traded where a "not-yet-energised" site is not charged DUoS. This DCP does not intend to change that and is only intended to apply to "Traded" MPANs.

- 1.9 This change excludes Whole Current metered non-consuming customers. These are more dispersed and their individual impact on the network reduced. As part of MHHS Design we argued to add a field into the “supercustomer” data to count de-energised sites but this was subsequently used to count consuming de-energised sites only (which the proposer deems are not “de-energised”). When queried, the programme stated that they do not have access to the counts of non-consuming de-energised Whole Current sites. To include such sites would therefore require fundamental change to the data used in MHHS. This is not the right time to consider that.

Option 2

- 1.10 Creating process that provides a grace period for de-energised CT sites that are reserving capacity where there are no charges, and then after that period has expired, the fixed and capacity charges are applied.

Option 3

- 1.11 Creating a process which grants a grace period for de-energised CT sites that are reserving capacity and once that period has expired, to allow Distributors, Suppliers and other industry parties to contact the customer to inform them that if the capacity remained unused, the capacity would be reduced or removed.

Option 4

- 1.12 Amending the National Terms of Connection to grant Distributors more robust powers to physically disconnect de-energised sites, which are reserving capacity, after a set period of time.
- 1.13 Whilst there is currently a provision in the NCTs to allow Distributors to complete a full service removal of a supply to a de-energised site, the provision currently doesn't give any steer on how long a site must be de-energised for.
- 1.14 Furthermore, the provision is fairly vague on when a Distributor can carry out a service removal and the reasons a customer can give to stop a service removal from happening, so it is considered that making these provisions clearer would be helpful for all parties.
- 1.15 The relevant section in the DCUSA for the above provision can be found within Section 2B, National Terms Of Connection and in paragraphs 6.1 to 6.3.

2 Governance

Justification for Part 1 Matter

- 2.1 Methodology changes are Part 1 matters.

Current Next Steps

- 2.2 Based on the answers provided by the Proposer to the above questions the Code Administrator believes that this Change Proposal should:

- Be treated as a Part 1 Matter;
- Be treated as a Standard Change; and
- Proceed to the Definition phase via a Working Group for further development.

3 Why Change?

Background

- 3.1 In 2022, UK Power Networks raised [DCP 411-"Charging De-energised Sites"](#), in order to facilitate charging DUoS for de-energised sites. Ofgem rejected DCP411. In their decision, Ofgem highlighted [DCP 115 - NTC Amendments - Capacity Management \(Under Utilisation\)](#) as a solution (p1, p7), Supplier difficulty in passing on charges, leading to distortions (p5), the DCP411 solution encouraging more disconnections that are temporary in nature (p6), Unresponsive customers causing other customers to bear costs (p6), and Cross-subsidy (p8).
- 3.2 In practice there is already a cross subsidy as non-consuming de-energised customers are permitted to retain a connection for free while everyone else pays for their own connection and for the costs of maintaining those de-energised ones.
- 3.3 This is further complicated with new connection requests needing to assess the network capability where customers are not currently using their capacity but could do so at any future date. This can lead to a need to reinforce the network, the costs of which will be borne by all other customers.
- 3.4 However, if the de-energised customer had to make commercial decisions about whether to continue to pay for a connection they do not currently use, they might reduce capacity or disconnect and save those other customers bearing the reinforcement costs.
- 3.5 DCP115, as referred to by Ofgem, 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. Following the rejection of DCP411 the proposer has written to a number of customers pursuant to the DCP115 process.
- 3.6 The reasonableness test is very difficult. Customers often cite planning permission on the site or business plans for redevelopment etc. The proposer has also seen evidence of customers being charged capacity charges by their supplier (despite Ofgem's view in their DCP411 decision that this could pose a difficulty) and saying it is therefore unreasonable for the distributor to disconnect capacity that they are paying for (even though the distributor is not receiving any revenue in respect of these customers).
- 3.7 In 2025 Ofgem approved [DCP 440-'Consuming "de-energised" sites"](#). They stated that it is consistent with their principal objective and statutory duties, as it promotes fairness in charging, supports cost recovery for network operators, and encourages timely correction of data inaccuracies that could otherwise lead to unbilled consumption
- 3.8 The proposer believes that under the current arrangements the full costs to operate the network are not being recovered from those customers driving those costs and instead are being borne by all other customers. This change seeks to implement further fairness in charging.
- 3.9 It should also be 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, Objective 9: Network performance and connections

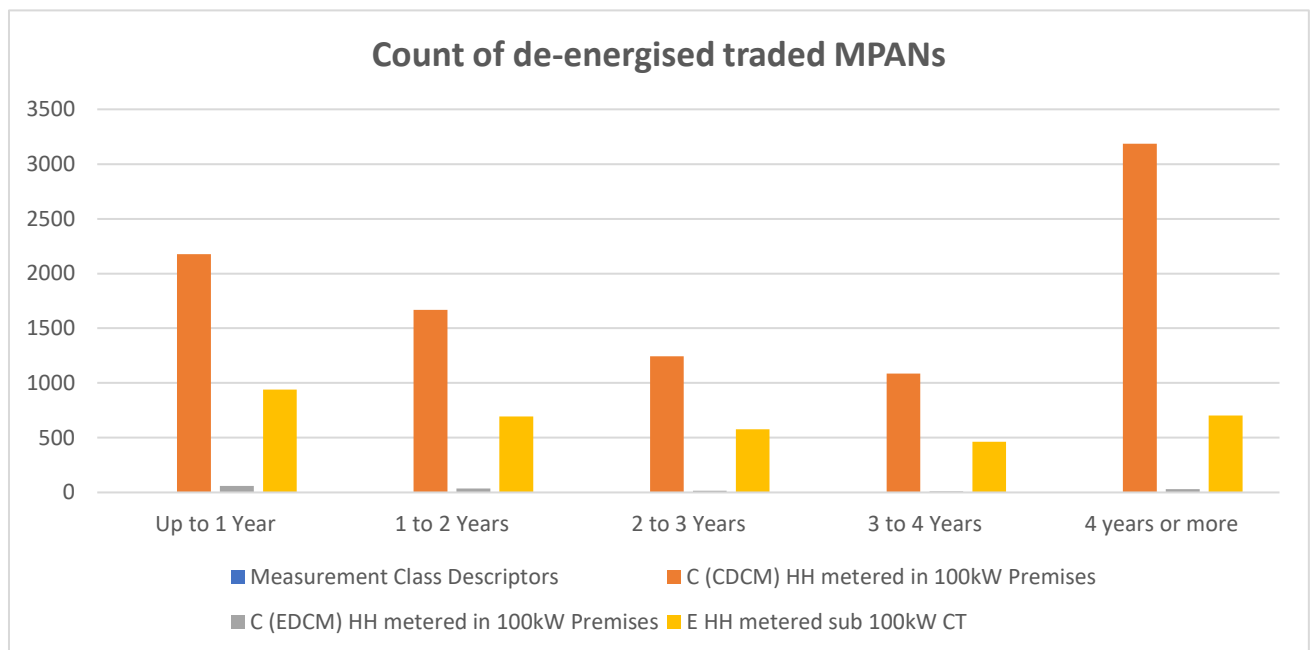
4 Working Group Assessment

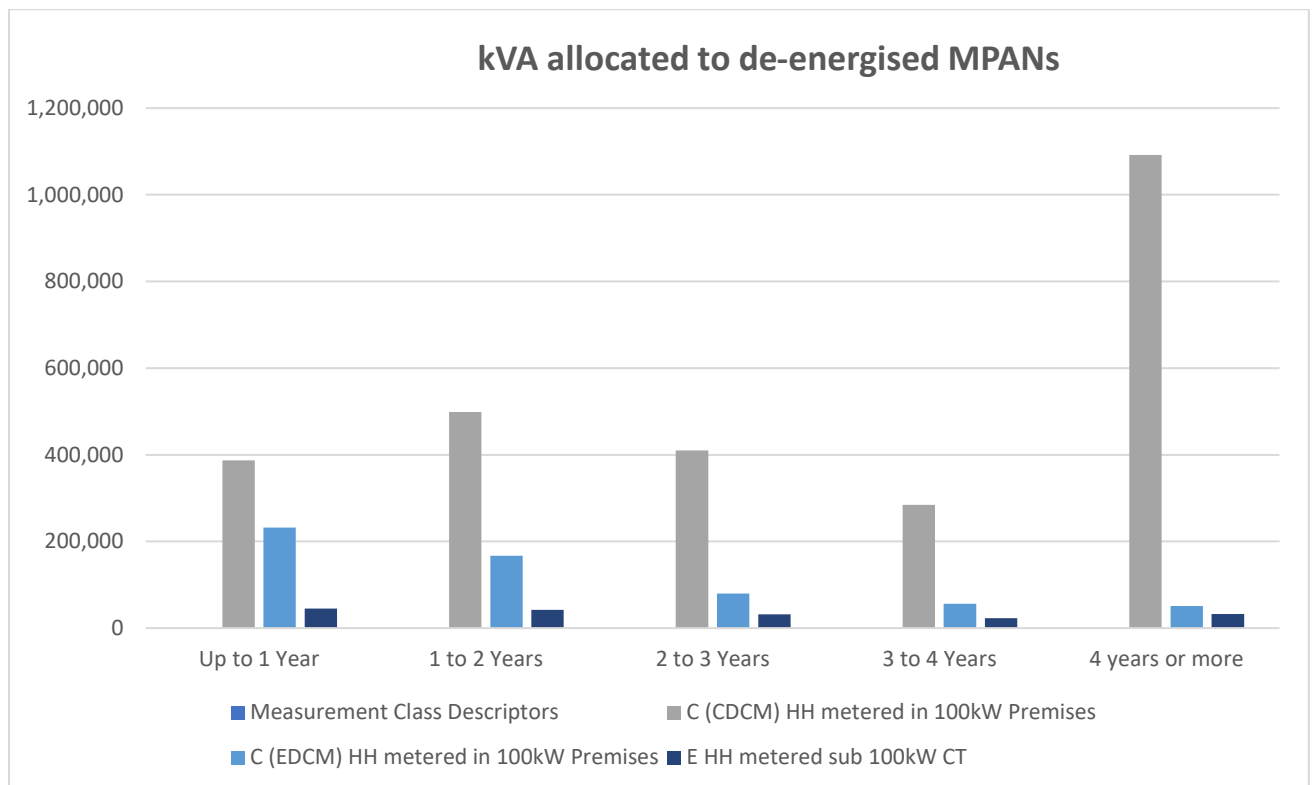
Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess DCP 463. 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 Working Group issued a first consultation in November 2025. The Working Group's considerations on the eleven responses are set out in **Attachment 3 – 'DCP 463 Consultation 1 Document and Responses**, with some key points set out below.
- Legal provisions**
- 4.3 After consulting on this change initially in November 2025, the Working Group reviewed the responses and decided it would be helpful to invite a legal advisor from Gowlings to a Working Group meeting so they could provide steer on the some of the points raised in the first consultation.
- 4.1 Specific areas the Working Group were seeking advice on was, what is meant in the Electricity Act in section 16 when it says Distributors have an obligation to maintain a connection, as there were mixed views on whether this meant the physical elements of the connection, or if this also included the contractual elements of the connection, for example ensuring any agreed capacity was maintained.
- 4.2 The advice was that section 16 of the Electricity Act imposed obligations on Distribution licensees to make and maintain a connection when required by the owner or occupier of a premises.
- 4.3 Whilst there isn't anything specific referencing capacity within the act, the legal advisor stated that it was his opinion that making and maintaining a connection, as required, would include the maintain the capacity required. So, in essence, of the technical characteristics required by the person requiring the connection to be made, which also covered the capacity of that connection.
- 4.4 This meant that when a customer first makes a connection, e.g. if someone asks for a five MW connection, the distributor absolutely must deliver a 5 MW connection and they must maintain it for some amount of time thereafter, it seemed clear that distributors would have to keep maintaining that connection at 5 megawatts.
- 4.5 The legal advice however did then go on to state that the act also gave detail on the ability of the Distribution licensee to impose terms and conditions around connections, and it was noted that this is where the NTCs may come into play.
- 4.6 It was noted that there is a general policy approach in industry that it's not efficient or helpful for people to be sitting on capacity they're not using and that it may be possible to look at strengthening the NTCs to look at taking away capacity where it's not being used.
- 4.7 The advice stated that ultimately, whilst maintaining a connection is a statutory obligation on Distribution licensees, these do come with terms and conditions which have rules behind them so it is possible that something could be put in place to look at dealing with the issue of unused capacity, especially when it's not being paid for or used due to a De-energisation.

Count of de-energised sites by period

- 4.8 As part of the initial consultation, data was provided by DNOs that showed the volume of de-energised sites that had capacity reserved as well as the kVA that had been allocated to these sites at a national level.
- 4.9 The data for this can be found within **Attachment 4– DCP 463 De-energised Site Data** and below are charts that provide a visual representation of the data.
- 4.10 The Working Group concluded that the Charts helped to present a visual representation of the issue, they also concluded that the Charts would be useful in guiding the Working Group on any grace period. It was highlighted that the graphs show between 20%-30% of the sterilised capacity was in year 1 and year 2.
- 4.11 It was also noted that bill payers at site which had been de-energised in the last 2 years would likely have a better chance of being traced by suppliers and other parties than those at sites that have been de-energised for 4 years and more.





4.12 Based on this advice the Working Group believed there are 4 possible solutions to tackle the issue of unused, reserved capacity on CT metered de-energised sites which are detailed in Section 1 of this consultation.

Q1: What are your thoughts on the benefits and challenges to a process whereby the Distributors charged customers the fixed and capacity charges directly for the reserved capacity?

Q2: What are your thoughts on the benefits and challenges to a process that provides a grace period to these customers without charges, and then after an amount of time the fixed and capacity charges are applied. What should this grace be i.e. 28 days, 6 months, 12 months etc.

Q3: What are your thoughts on the benefits and challenges to a process that amends the National Terms of Connection to allow a Distributors to remove the capacity after a site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.

Q4: What are your thoughts on the benefits and challenges to a process that amends the national terms of connection to allow a Distributors to disconnect a site after that site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.

4.13 If the process to allow for a grace period for these sites and then grant powers to the Distributor to reduce/remove the capacity was adopted, a risk was raised as to whether customers going through the process would re-energise their sites just before the grace period elapsed and then De-Energise the site again to reset the clock.

- 4.14 The Working Group acknowledged that this would be something that they would need to consider further, but they were keen to seek industry views on if there were any other potential gaming opportunities that they would need to mitigate against for any of the 4 potential solutions.

Q5: Do any of the above process allow customer an opportunity for gaming? Please provide rationale.

- 4.15 It was noted that one of the key areas the consultation responses and other Working Group members had raised in relation to this change was what happens if the site is vacant and the responsible customer is unknown?
- 4.16 The legal advice stated that whilst not knowing who is responsible at a site may lead to a different process, than it would to a site where the customer is known, the outcomes for each would need to be consistent to prevent a deviation in outcomes to both sites.
- 4.17 The Working Group agreed that sites with unknown customers could have a different process to sites where the occupier was known and were keen for views on any potential issues or challenges sending sites with unknown occupiers through a different process could have. They were also keen to get views on what this alternative process could look like, or if these sites should have a separate process at all.

Q6: Should sites with unknown occupiers have a separate process to those where a customer is known. Please provide rationale

Q7: What challenges do you foresee on the above process where the occupier of a site is unknown?

Q8: What could the process for unknown occupiers look like?

Further considerations

Customer bankruptcy/payment default

- 4.18 The Working Group also discussed sites where the customer had become bankrupt and noted that if the owner of a site, or the administrators were trying to sell said site to raise funds, it would be unlikely that the site owner would want to reduce the site's capacity as it could have a detrimental impact on the value of the property.
- 4.19 It was also raised that it did not make sense for these sites to continue to accrue debt when it was clear that there were no means for them to pay and that the de-energised route was likely taken as a way by the administrators to reduce ongoing costs.
- 4.20 A similar issue to the above was raised for sites that had been de-energised for bad debt and it was noted that if capacity charges were to apply, these sites would be accruing more debt for suppliers to manage but with limited means to do anything about it.
- 4.21 Based on the above the Working Group agreed that a carve out/exceptions could be created for sites of a certain criteria where the capacity charges would not be applied, should this be the approach that the Working Group wanted to take.

P402 reporting

4.22 It was queried if there would be any impacts to transmission charges if the approach to apply the capacity charges to these sites was taken, particularly in relation to the P402 report.

4.23 The P402 report provides the granular site-count data required by the National Energy System Operator (NESO) to accurately set and bill TNUoS residual charges under the Targeted Charging Review (TCR) framework. It ensures that customers on embedded networks are correctly categorized into charging bands for transparent and compliant network billing.

4.24 It was noted that the obligation for the P402 report sat with the BSC and the obligation for this is as stated below.

12.1.1 Within 5 Working Days of receipt of the DUoS Report for the Initial Volume Allocation Run for the last Settlement Day of each calendar month, each Licensed Distribution System Operator shall provide **Billing Data** to NETSO

"Billing Data":	<p>means:</p> <ol style="list-style-type: none"> the count of Final Demand Sites on each Settlement Day reported by Charging Band, GSP Group and Registrant of each Lead Metering System (excluding de-energised Lead Metering Systems); and <p>the total Import on each Settlement Day to SVA Metering Systems associated with Measurement Classes "B" and "D".</p>
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4.25 The Working Group concluded that as this CP wasn't seeking to change the statuses of these sites from de-energised, making these sites eligible for capacity and fixed charges would not mean they would appear on the P402 report, as their status would still be de-energised.

4.26 This meant that no transmission charges would be applied to these sites if the option of making these sites eligible for capacity and fixed charges was taken forwards.

4.27 Furthermore, to the BSC definition of 'billing data', St Clements have been consulted and that they confirmed that de-energised sites would not appear in the P402 report regardless of if they were billed for DUoS.

Q9: Do you have any other comments.

5 Implementation

Proposed Implementation Date

5.1 1 April 2027. To allow Suppliers time to communicate with affected customers and prepare for the change. To allow time for de-energised customers to apply to the distributor to reduce capacity they may no longer require.

6 Consultation Questions

6.1 In this second consultation, the Working Group is seeking industry views on the following questions:

Number	Questions
1	What are your thoughts on the benefits and challenges to a process whereby the Distributors charged customers the fixed and capacity charges directly for the reserved capacity?
2	What are your thoughts on the benefits and challenges to a process that provides a grace period to these customers why there are no charges, and then after an amount of time the fixed and capacity charges are applied. What should this grace be i.e. 28 days, 6 months, 12 months etc.
3	What are your thoughts on the benefits and challenges to a process that amends the national terms of connection to allow a Distributors to remove the capacity after a site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.
4	What are your thoughts on the benefits and challenges to a process that amends the national terms of connection to allow a Distributors to disconnect a site after that site is de energised for a set period of time. What should this period be i.e. 28 days, 6 months, 12 months etc.
5	Do any of the above process allow customer an opportunity for gaming? Please provide rationale.
6	What challenges do you foresee on the above process where the occupier of a site is unknown?
7	What could the process for unknown occupiers look like?
8	Should sites with unknown occupiers have a separate process to those where a customer is known? Please provide rationale.
9	Do you have any other comments?

7 Attachments

- Attachment 1 – DCP 463 Consultation 2 Response Form
- Attachment 2 – DCP 463 Change Proposal Form
- Attachment 3 – DCP 463 Consultation 1 Document and Responses
- Attachment 4– DCP 463 De-energised Site Data