



DCUSA Consultation		At what stage is this document in the process?
<h1>DCP 470:</h1> <h2>Independent Credit Assessments</h2> <p>Date raised: 14/01/2026</p> <p>Proposer Name: Peter Waymont</p> <p>Company Name: Eastern Power Networks</p> <p>Company Category: DNO</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p>Purpose of Change Proposal:</p> <p>The purpose of this Change Proposal is to allow the Company to apply an independent credit assessment where a User has not requested it.</p>		
	<p>This document is a Consultation issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 470</p> <p>Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by 13 March 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 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/ CVA Registrants</p>	
	<p>Impacted Clauses: DCUSA Schedule 1</p>	

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Timetable

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

Change Proposal timetable

Activity	Date
Initial Assessment Report	21 January 2026
Consultation Issued to Industry Participants	20 February 2026
Change Report Approved by Panel	20 May 2026
Change Report issued for Voting	21 May 2026
Party Voting Closes	11 June 2026
Change Declaration Issued to Parties	15 June 2026
Implemented	Within the next scheduled DC release.

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Any questions?

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1 Summary

What?

- 1.1 Allow the Company to procure and use an Independent Credit Assessment (possibly in certain circumstances only) where the user has not provided or requested one.

Why?

- 1.2 We review the credit cover position of Users frequently. We write to Users who are in “Cover Default” under the credit cover arrangements. Some Users do not respond. However, we can see from credit assessment companies that those Users are not of concern.
- 1.3 Similarly, the values may be immaterial. These Users are technically in Cover Default and we could suspend registrations. This seems a harsh sanction for immaterial values where we can see from independent assessments that the User is financially viable. Currently we can’t use this information unless the User requests us to do so. This results in us continuing to write to them, whilst they keep not responding.

How?

- 1.4 Amend Section 1 to add the ability for the Company to procure the assessment itself.

2 Governance

Justification for Part 1 and Part 2 Matter

- 2.1 Does not meet Part 1 criteria and is not urgent.

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 The Proposer stated they review the credit cover position of Users frequently and write to Users who are in “Cover Default” under the credit cover arrangements. Some Users do not respond. However, they can see from credit assessment companies that those Users are not of concern. Similarly, the values may be immaterial.

- 3.2 These Users are technically in Cover Default and Distributors could suspend registrations. This seems a harsh sanction for immaterial values where a company can see from independent assessments that the User is financially viable. Currently Distributors can't use this information unless the User requests us to do so. This results in Companies continuing to write to Users and whilst they keep not responding.

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

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

4 Working Group Assessment

Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess/develop DCP 470. This Working Group consists of representatives from DNOs, Suppliers and IDNOs. 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 developed this consultation document to gather information and feedback from market participants on this DCP.
- 4.3 The proposer explained that they run their credit cover calculations periodically and write to suppliers if necessary to explain they may be in breach of credit cover and went on to highlight that there's no immediacy in response from suppliers to these notices.
- 4.4 It was noted that these suppliers don't often hold large values, however the DCUSA states that if there is no response to the initial notice of the breach, the Distributor can suspend registrations.
- 4.5 The DCUSA also states that the supplier can request that that the Distributor procure an independent credit assessment on their behalf. The issue being if the Supplier doesn't respond to the initial notice of the breach from the Distributor, they may then never request that they that an independent credit assessment is procured/used by the Distributor.
- 4.6 The proposer went on to state that they can see often that the supplier in question has very good credit and as such, it seems to be wasting time sending emails to suppliers who aren't responding, possibly due to the fact that this is an issue that doesn't really exist in any case, because the Supplier has an independent credit assessment.
- 4.7 The proposer believed that the sanction of suspending registrations is harsh, given that they're able to see that the Supplier in question has an appropriate independent credit assessment, that they've not asked the Distributor to use and are relatively low risk.
- 4.8 The proposer stated that it seemed to them that when the above scenario occurs, Distributors should be able to use the independent credit assessment the supplier has (but has not requested the Distributor use) rather than sending the email notices and chasing for something that isn't really required or a priority.
- 4.9 The proposer went on to note that when they wrote the CP, they'd considered that the Distributor would use the payment record factor for 60 months for the supplier, and then if found in breach the Distributor could procure the credit assessment themselves.

- 4.10 They did however note that there may be other circumstances that caused a breach in advance of the 60 months, for instance, if a supplier grows faster than the payment record factor would have normally envisaged.
- 4.11 It was also highlighted that if a Supplier pays late, then the Distributor takes a percentage of the late payment and a percentage of a Suppliers good payment history away, which can sometimes cause a Supplier to be exposed.
- 4.12 It was agreed to seek out party views as to whether there are other scenarios that could cause a Supplier to be in breach where the Distributor may want to procure an independent credit assessment in recognition that the Supplier was of low risk
- 4.13 A Working Group member asked if there were any consequential impacts within the DCUSA, or any other codes, or if there were any other knock-on effects to Industry parties or customers if this change were to be approved.
- 4.14 The Working Group didn't believe that there would be any unintended consequences but felt it would be prudent to seek party views on this point.
- 4.15 It was queried by a Distribution Working Group member, if all Distributors have the facility to procure their own independent credit assessments as if not, the process for the Distributor to procure their own independent credit assessment would have to be optional, not mandatory.
- 4.16 The proposer stated that they wrote the legal text so procuring the independent credit assessment would be an optional process a Distributor could use and noted that their organisation has the ability to procure credit assessments, so this CP creates efficiencies for them and if other Distributors wanted to do the same they could.
- 4.17 As not all Distributors were not represented during the Working Group, the Working Group were unable to confirm if all Distributors had the ability to procure their own independent credit assessments, so it was agreed to ask DNOs a question on this point.

Question 3 - Are there any other scenarios that could cause a user to be in breach where a company may wish to apply an independent credit assessment to recognise that user is of a lower risk? If so, please elaborate.

Question 4 - Do you believe this change, if approved, would create any unintended consequences within the credit cover process or elsewhere? Please provide rationale

Question 5 - To Distributors-Are you able to procure an independent credit assessment?

5 Code Specific Matters

Reference Documents

- 5.1 N/A

6 Solution and Legal Text

- 6.1 Amend schedule 1, clause 2.5 as follows:

2.5 Where the User does not have a Credit Rating from an Approved Credit Referencing Agency that is Ba3 / BB or above, CAF shall be determined as follows:

- a) where there is, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months and the User has not requested that the Company use the User's Payment Record Factor, CAF shall be determined by reference to the Independent Credit Assessment provided pursuant to Paragraph 2.6 or procured pursuant to Paragraph 2.7 (and, in either case, in accordance with the table set out at Paragraph 2.10); ~~or~~
- b) where the User has requested that the Company use the User's Payment Record Factor or there is not, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months, CAF shall equal the Payment Record Factor (which shall be determined in accordance with the provisions of Paragraphs 2.12 to 2.14); ~~or~~
- c) where the Company has used the User's Payment Record Factor for 60 months and the User has not provided an Independent Credit Assessment pursuant to Paragraph 2.6 or requested the Company procure an Independent Credit Assessment pursuant to Paragraph 2.7, the Company may at its sole discretion procure an Independent Credit Assessment and notify the User it has done so, and Paragraphs 2.8 to 2.10 shall apply.

Text Commentary

6.2 The additional text will allow the Company to procure and use an Independent Credit Assessment.

Question 6: Do you have any comments on the drafted legal text, and do you believe it captures all the scenarios the CP is seeking to cater for?

7 Relevant Objectives

Assessment Against the DCUSA Objectives

7.1 The Working Group will seek industry views in relation to the DCUSA Objectives as part of this consultation.

	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 type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<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

7.2 This change better facilitates DCUSA General Objective 4 by promoting efficiency through the removal of administrative burdens.

Question 7: Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.

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 N/A

Impacts on other Industry Codes

8.2 The Proposer and Working Group agree that there are no potential impacts to other industry codes as a consequence of this change.

Consumer Impacts

8.3 There are no consumer impacts.

Environmental Impacts

8.4 In accordance with DCUSA Clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if this CP was implemented.

8.5 The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

Question 8: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

9 Implementation Date

9.1 The proposed implementation date of this change is the first release after approval. The Working Group would like views on whether the implementation date is suitable.

Question 9: What date do you believe this change proposal should be implemented? Please provide rationale.

Question 10: Do you have any other comments?

10 Consultation Questions

10.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	Do you understand the intent of the Change Proposal?
2	Are you supportive of the principles that support this Change Proposal?
3	Are there any other scenarios that could cause a user to be in breach where a company may wish to apply an independent credit assessment to recognise that user is of a lower risk? If so, please elaborate.
4	Do you believe this change, if approved, would create any unintended consequences within the credit cover process or elsewhere? Please provide rationale.
5	To Distributors -Are you able to procure an independent credit assessment?
6	Do you have any comments on the drafted legal text, and do you believe it captures all the scenarios the CP is seeking to cater for?
7	Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.
8	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?
9	What date do you believe this change proposal should be implemented? Please provide rationale.
10	Do you have any other comments?

10.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than, close of play on **13 March 2026**.

10.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

11 Attachments

- Attachment 1 – DCP 470 Consultation Response Form
- Attachment 2 – DCP 470 Change Proposal Form
- Attachment 3 – DCP 470 Draft Legal Text