









DCUSA Change Report		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 (ICA) where a User has not requested it.</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 470’.</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 08 May 2026.</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>	
	Impacted Parties: Suppliers/ DNOs/ IDNOs/ CVA Registrants	
	<p>Impacted Clauses:</p> <ul style="list-style-type: none">DCUSA Schedule 1	

Contents		 Any questions? Contact: Code Administrator  DCUSA@electralink.co.uk  02074323000 Proposer: Peter Waymont  Peter.waymont@ukpowernetworks.co.uk  01293 657 939
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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	15 April 2026	
Change Report issued for Voting	16 April 2026	
Party Voting Closes	08 May 2026	
Change Declaration Issued to Parties	11 May 2026	
Implemented	Within the next scheduled DCUSA release.	

1. Summary

What?

- 1.1 To 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 Distributors review the credit cover position of Users frequently. They write to Users who are in “Cover Default” under the credit cover arrangements. Some Users do not respond. However, Distributors 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 Distributors could suspend registrations. This seems a harsh sanction for immaterial values where Distributors can see from independent assessments that the User is financially viable. Currently Distributors can’t use this information unless the User requests them to do so. This results in Distributors continuing to write to them, whilst in some cases the User may keep on 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 2 Matter

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

Current Next Steps

- 2.2 This Change Proposal should.

- Be treated as a Part 2 Matter; and
- Be treated as a Standard Change.

3. Why Change?

Background of DCP 470

- 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 them to do so. This results in Companies continuing to write to Users whilst they keep not responding.

4. Working Group Assessment

Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess/develop DCP 470. This Working Group consisted 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.dcuda.co.uk.
- 4.2 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 not always immediacy in response from Suppliers to these notices.
- 4.3 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.
- 4.4 The DCUSA also states that the Supplier can request 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 an independent credit assessment is procured/used by the Distributor.
- 4.5 The proposer went on to state that they can often see 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.
- 4.6 The Working Group agreed with the proposer's belief 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.
- 4.7 The Working Group also agreed 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 a priority.

- 4.8 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.
- 4.9 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.
- 4.10 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.
- 4.11 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.
- 4.12 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.
- 4.13 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.
- 4.14 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 can procure credit assessments, so as such, this CP creates efficiencies for them and if other Distributors wanted to do the same they could.
- 4.15 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.

5. Consultation

- 5.1 The Working Group undertook one consultation during the development of the change proposal.
- 5.2 The consultation was issued to Parties on 20 February 2026. There were seven responses received to the consultation. Details of these and the Working Group's conclusions can be found in Attachment 3 DCP 470 Consolidated Consultation Responses, with a summary of each shown below.

Q1: Do you understand the intent of DCP 470?

- 5.3 Six respondents understood the intent of the change proposal.
- 5.4 One respondent believed that there had been no consideration for the increase for credit cover requirements as a consequence of the Distribution Party procuring their own credit assessment.
- 5.5 As a result of this oversight, they stated this made the intent incomplete.

Q2: Are you supportive of the principles of DCP 470?

5.6 All seven respondents were supportive of the change proposal with the main reason being that the proposal will improve efficiency within the process.

Q3: 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?

5.7 Five respondents offered no new scenarios.

5.8 One responder stated rapid growth/portfolio expansion causing temporary distortion of the PRF despite strong fundamentals, one-off late payments that reduce PRF disproportionately, even when the User is generally low risk. System or data issues where settlement data or payment records temporarily misrepresent risk and Supplier mergers or restructuring, creating temporary anomalies in performance metrics.

5.9 Another responder suggested that if a Letter of Credit (LoC) or Parent Company Guarantee (PCG) expired, it could leave the user potentially in Cover Default.

Q4: Do you believe this change, if approved, would create any unintended consequences within the credit cover process or elsewhere? Please provide rationale?

5.10 Four respondents stated no to this question.

5.11 One responder said no major consequences/risks but did highlight the below minor risks.

- Perceived loss of control by Users if an ICA is procured without their explicit request.
- DNOs could apply the ICA inconsistently unless guidance is harmonised across all operators.
- Additional cost impacts for DNOs (though costs are generally low and the ICA is optional).

5.12 Another response noted that it may take away Supplier's focus on Credit Cover, removing the onus from the Supplier to have sufficient cover in place.

5.13 And finally, another response stated that whilst they did not believe that there would be unintended consequences elsewhere within the requirements, they believed there is a consequence within the proposed legal text of increasing energy Suppliers cover requirements despite them having 60 months of good payment history.

Q5: To Distributors-Are you able to procure an independent credit assessment?

5.14 This question was relevant to six of the seven respondents with five of the six being DNOs and another being an IDNO.

5.15 All five DNOs stated that they were able to procure an independent credit assessment.

5.16 An IDNO respondent stated N/A in their consultation response however, during the Working Group meetings they did confirm verbally that they were able to obtain one if needed.

Q6: 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?

5.17 Five respondents believed the legal text captured all scenarios and was fit for purpose due to the below reasons.

- Maintains User choice (Payment record factor (PRF) vs Independent Credit Agreement.
- Introduces ICA procurement only after 60 months of PRF use.
- Provides clarity on when ICA vs PRF applies.
- Ensures ICA can only be used if carried out within the last 12 months.

5.18 One responder noted that within the Working Group, a DNO Party had raised concerns about the lack of a clear default CAF of zero if the various options concerning providing/obtaining/calculating CAF are not taken up.

5.19 It was noted that this Party did not raise these concerns in their consultation response.

5.20 A Supplier responder stated that the proposed legal text did not have provision for appeal or alteration, should the user be in anyway unsatisfied with the company's credit assessment.

5.21 They also asked if the intention of this CP was to punish disengaged energy Suppliers.

Q7: Do you consider the solution better facilitates the DCUSA objectives? Please give supporting reasons.

5.22 Five responses either stated that this CP better facilitates efficiency in the process or better facilitates objective 4 with reasons ranging from, but not exclusive to the below;

- Reduces unnecessary administrative interactions where Users aren't responding.
- Prevents disproportionate sanctions for low-risk Users.
- Allows DNOs to act on objective, externally validated credit data.

5.23 One respondent simply stated "Yes" and the final respondent offered no view.

Q8: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

5.24 All seven respondents believed there would be no wider impacts as a result of this CP being approved.

Q9: What date do you believe this change proposal should be implemented? Please provide rationale.

5.25 Two responders agreed with the CP that this should be implemented at the next scheduled DCUSA release if approved.

5.26 Three other responders stated that this could be delivered quickly or ASAP.

5.27 Another offered no view and the final responder stated 'Yes' which was taken as they agreed with the CPs proposed implementation date of the next scheduled DCUSA release upon approval.

Q10: Do you have any other comments?

5.28 Six responses stated that they had no additional comments.

5.29 One responder believed that the CP was likely to result in more Suppliers being covered by credit assessment scores and they have some concerns around the reliability and the review of independent credit assessments, the amount of cover provided and extent to which they reflect a Supplier's real credit risk.

6 Working Group Conclusions & Final Solution

6.1 After reviewing the Consultation responses, the Working Group had identified the following areas for consideration.

- Does the CP increase credit cover requirements for Suppliers as a consequence of the DNO party procuring their own credit assessment?
- Unintended consequences within the credit cover process.
- Suggested legal text considerations post consultation.

Does the CP increase credit cover requirements for Suppliers as a consequence of the DNO party procuring their own credit assessment?

6.2 The Working Group were of the view that credit cover would not increase as a result of this CP for Suppliers and noted that the intent of the CP, and subsequently the drafted legal text, meant if a Supplier wasn't happy with the ICA obtained by the Distributor, the Supplier would be entitled to obtain their own ICA which would supersede the Distributor's, so this risk was easily mitigated.

Unintended consequences within the credit cover process

6.3 In relation to the comments that this CP may take away Supplier's focus on Credit Cover, removing the onus from the Supplier to have sufficient cover in place. The Working Group noted this comment but believed that it would be a minor risk to manage as most Parties are engaged in the process and act in good faith.

6.4 In relation to the response stating that they believed there is a consequence within the proposed legal text of increasing energy Suppliers cover requirements, despite them having 60 months of good payment history. It was noted that once a User has 60 months of good payment history, they were considered mature enough to obtain an ICA and as such they would have to obtain an ICA or some other form of credit anyway, as per the DCUSA. This change was seeking to make it more likely that Suppliers have appropriate cover in place in the event of them not being engaged with the process.

Suggested legal text considerations post consultation.

6.5 One responder noted within the Working Group that a DNO party had raised concerns about the lack of a clear default CAF of zero if the various options concerning providing/obtaining/calculating CAF are not taken up.

6.6 It was noted that this Party did not raise these concerns in their consultation response however, the Working Group believed that this risk was tangible and so decided to update the legal text accordingly within paragraph 2.3 of Schedule 1 to create a clear default CAF of zero if the various options for providing/obtaining/calculating CAF are not taken up.

6.7 It was also noted that a housekeeping change had been raised during the March DCUSA open panel session in relation to changes brought forward by [DCP 429 'Independent Credit Assessment'](#) .

- 6.8 The housekeeping change had highlighted that as a result of DCP 429 being approved, the definition of 'Independent Credit Assessment' was not updated to cater for the scenario where a Supplier could instruct a Distributor to obtain an ICA on their behalf.
- 6.9 As this definition needed to be updated for this CP anyhow (to cater for a Distributor being able to obtain an ICA in certain circumstances in the event of a Supplier not having one), it was agreed that it would be sensible to include the housekeeping change in the legal text updates within DCP 470 as well.
- 6.10 As such the legal text drafting was updated accordingly to cater for all possible scenarios.
- 6.11 It was noted within the Working Group that all Parties who responded to the consultation supported this CP and that all legal text drafting consideration had been taken on board and resolved.

7. Relevant Objectives

- 7.1 For a DCUSA Change Proposal (CP) to be approved it must be demonstrated that it better facilitates the DCUSA Objectives.
- 7.2 It has been agreed that DPC 470 will be assessed against the DCUSA General Objectives.
- 7.3 There are five General Objectives. DCP 470 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 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

- 7.4 The Working Group concluded that this change better facilitates DCUSA General Objective 4 by promoting efficiency through the removal of administrative burdens and that this conclusion is supported by the responses to the consultation.

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.

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

9. Implementation

9.1 The proposed implementation date of this change is the first DCUSA release after approval.

10. Legal Text

10.1 The legal text amends schedule 1, clauses 2.3 and 2.5 as well as the definition of 'Independent Credit Assessment'.

10.2 The legal text amendments can be found in Attachment 4 – DCP 470 Draft Legal Text

Text Commentary

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

10.4 The amendment to the definition of Independent Credit Assessment to allow the Company to apply an independent credit assessment where a User has not requested it.

11. Code Specific Matters

11.1 N/A

12. Recommendations

- 12.1 The Panel approved this Change Report on 15 April 2026. The Panel considered that the Working Group has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 470.
- 12.2 The Panel have recommended that this report is issued for Voting for a period of 3 weeks (15 Working Days) and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

Attachments

- Attachment 1–DCP 470 Voting Response Form
- Attachment 2–DCP 470 Change Proposal Form
- Attachment 3–DCP 470 Consolidated Consultation Responses
- Attachment 4–DCP 470 Draft Legal Text