DCUSA Change Proposal (DCP)	At what stage is this document in the process?
# DCP: 473 ## Non-consuming De-energised CT-Metered sites **Date Raised:** 31 March 2026 **Proposer Name:** Peter Waymont **Company Name:** Eastern Power Networks **Party Category:** DNO	**01 – Change Proposal** 02 – Consultation 03 – Change Report 04 – Change Declaration

Purpose of Change Proposal:

To provide mechanisms for distributors to deal effectively with long term non-consuming CT-metered de-energised sites

Governance:

The Proposer recommends that this Change Proposal should be:

- Treated as a Part 1 Matter
- Treated as a Standard Change
- Progressed to the Change Report phase

The Panel will consider the proposer's recommendation and determine the appropriate route.

Impacted Parties:

Suppliers/DNOs/IDNOs/CVA Registrants

Impacted Clauses:

Schedule 16, Paragraph 139

Contents

Indicative Timeline

The Secretariat recommends the following timetable:

Initial Assessment Report	15 April 2026
Consultation Issued to Industry Participants	June/ July 2026
Change Report Approved by Panel	21 October 2026
Change Report issued for Voting	22 October 2026
Party Voting Closes	12 November 2026
Change Declaration Issued to Parties and Authority	16 November 2026

Any questions?

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1 Summary

What?

1.1 Distributors are obliged to run an efficient network. But they also have an obligation to maintain a connection. Associated to this is the maintenance of the capacity of the connection. Long term de-energised customers do not pay Distribution Use of System (DUoS) charges and often resist attempts to disconnect them on the grounds of it being "unreasonable" to maintain the capacity. This causes situations where a customer effectively reserves capacity on the network without paying for it, potentially causing reinforcement costs if other customers wish to connect.

1.2 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 or aggregated billing. This causes the CDCM to not be cost reflective.

1.3 There is no restriction within Schedule 17 or 18 of DCUSA for EDCM Customers, and as a result DNOs can already charge a non-consuming, de-energised site which is connected at EHV or HV Sub.

1.4 This change only considers CT metered sites, which are billed DUoS on a site-specific basis, and where the impact of reserving capacity for free is most felt, due to the larger size of their supply.

Why?

1.5 De-energised sites, with site-specific billing, are able to retain capacity on the network without being charged for it under the CDCM. 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?

1.6 DCP463 was raised to remove the carve-out for non-consuming de-energised site-specific billed sites in the methodologies, such that these would be billed from a point in time. However, during the Working Group's assessment, a number of alternative solutions were identified, largely around the National Terms of Connection. These would not have met the intent of DCP463. This DCP is raised to take forward the work of the DCP463 Working Group, while permitting alternative solutions to be tabled. If this change is accepted into the process, we will withdraw DCP463. In doing so we expect the work of the DCP463 Working Group and its consultations to form part of the development of this proposal with no need for any of that to be repeated. We therefore request that the DCP463 working group and its papers is realigned to this DCP.

1.7 We remain 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 Note that we 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. We also recognise that suppliers have claimed difficulty in identifying customers to pass charges on, even if we don’t fully understand that as there is always a registered property owner.

1.9 This change excludes Whole Current metered non-consuming customers. These are more dispersed and their individual impact on the network reduced. To include such sites would require fundamental change to the data used in MHHS. This is not the right time to consider that.

2 Governance

Justification for Part 1 and Part 2 Matter

2.1 Methodology changes are Part 1 matters.

Requested Next Steps

2.2 This Change Proposal should:

- Be treated as a Part 1 Matter;
- Be treated as a Standard Change; and
- Proceed to the Working Group phase.

3 Why Change?

3.1 In 2022, UK Power Networks raised DCP411 “Charging De-energised sites”, in order to facilitate charging DUoS for de-energised sites. Ofgem rejected DCP411. In their decision, Ofgem highlighted DCP115 “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), 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 that are de-energised.

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. 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 and cross subsidising the de-energised customer’s connection.

3.4 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 we have written to a number of customers pursuant to the DCP115 process. The reasonableness test is very difficult. Customers often cite planning permission on the site or business plans for redevelopment etc. We have 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).

3.5 In 2025 Ofgem approved DCP440 "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 revery for network operators, and encourages timely correction of data inaccuracies that could otherwise lead to unbilled consumption.

3.6 We believe 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. However, its scope is broader than that to allow other solutions to be identified.

3.7 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 Solution and Legal Text

Legal Text

4.1 Revise Paragraph 139 from Schedule 16 (I believe Schedules 17 and 18 cross reference Schedule 16 for the application of the tariffs but if not anything similar should also be revised in those).

139 There will be no charges applied to MPANs which have yet to be Traded in MPAS Registration Systems or to non-consuming Whole Current metered sites ~~correctly de-energised HH MPANs/sites as determined by the de-energisation status in MPAS~~

Text Commentary

4.2 Revision of Paragraph 139 removes the differentiation between energised and de-energised sites for CT metered customers.

5 Relevant Objectives

	DCUSA Charging Objectives	Identified impact
☑	1. That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence	Positive
☑	2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)	Positive
☑	3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	Positive
☐	4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	None
☐	5. That compliance by each DNO Party with the Charging Methodologies facilitates 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; and	None
☐	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	None

5.1 We have used the charging objectives as those are relevant to our initial proposal but some solutions may not be charging related and the working Group should consider this.

5.2 Objective 1 is better facilitated as the License requires Distributors to work towards efficient and economic operations by ensuring that charges are applied to all Customers connected to the Networks. Objective 2 is better facilitated as capacity is on the system is fairly charged such that connection decisions are optimised for both generation and supply connections. Objective 3 is better facilitated as the different treatment of costs of the network, between energised customers who pay DUoS and de-energised customers who don't pay DUoS is removed.

6 Impacts & Other Considerations

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

6.1 This change could be impacted by the DUoS SCR, but that is unclear. On 22 April 2025, Ofgem issued an update titled 'Distribution Use of System Charges: Significant Code Review update' within which they stated:

> *"We remain committed to addressing urgent issues as they arise in a pragmatic and proportionate manner, whether via the industry-led code modification process or other means, while leaving design-led enduring solutions for later work under the SCR when more is known on wider arrangements."*

6.2 Whilst this change is not necessarily urgent, the above would seem to suggest that changes such as this one, that is not a "design-led enduring solution" and is a relatively minor adjustment to the way the DUoS charges are managed and changes that Ofgem should be comfortable with the proposal.

6.3 As noted, some options for dealing with the issue may not be charging related in any case.

Consumer Impacts

6.4 It is not believed that that this change will impact consumers in a significant way. There may of course be impacts for customers who are not currently receiving DUoS charges but who are retaining capacity, and they may feel this is a negative impact. Then there is the rest of the customer base, who it is assumed would feel this is likely to be a positive impact, however small it is per customer.

Environmental Impacts

6.5 In accordance with DCUSA Clause 10.4.5A, it is not believed that there would be a material impact on greenhouse gas emissions if this change were implemented.

Consideration of Wider Industry Impacts

6.6 It is not believed that there are any wider industry impacts as a result of this change and that there are no known impacts associated with the wider industry that will impact upon this change.

Confidentiality

6.7 This Change Proposal can be treated as non-confidential.

Does this Change Proposal Impact Other Codes?

6.8 It is not believed that there are any impacts to any other 'Industry Codes' as a result of the implementation of this CP.

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

7 Implementation

Proposed Implementation Date

7.1 1 April 2028. 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.

8 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.