DCUSA Issues Form (DIF)

This form should be used by parties to submit matters for consideration to DCUSA Standing Issues Group (SIG).

The completed form should be issued to DCUSA@electralink.co.uk

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Attachments:	

**Assigned by DCUSA Secretariat*

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Nature of Issue

Where a housing developer chooses to use an IDNO rather than the DNO for the electricity distribution network on a new development this currently has a detrimental effect on the Local Authority's (LA) street lighting budget due to Supplier charges applied to separate MPANs.

1. An additional MPAN must be obtained to account for the unmetered energy consumed on the IDNO network and therefore a standing charge for each MPAN is applied by the Supplier (typically this is £26.25 per calendar month - £315 PA). Where there are less than ten lamps (as is often the case on IDNO networks) this standing charge is likely to exceed the energy cost.
2. A Meter Administrator (for Pseudo HH) must be appointed to produce detailed energy consumption of the unmetered equipment for each IDNO MPAN – typically £2000 pa. Again for inventories of less than 10 lamps, this is not acceptable.
3. Additional MPAN means additional LA admin required to process Supplier invoices and maintain separate inventories etc.
4. When LA appoints Supplier to IDNO MPAN, the cost of the electricity is charged at 'today's rates' as it is considered a new connection – whereas if the IDNO inventory was added to the DNO MPAN, the agreed contract rates would be applied.

These costs are not under the control, or can be influenced by, the IDNO. The costs are part of the commercial relationship between the Supplier and the LA.

These issues have been raised and discussed at a recent Elexon UMS workshop and a workable solution to the above problem has been offered up for consideration. The IDNOs and LAs present at the meeting considered it a quick and easy fix to the problem.

The intent is not to hand over all responsibility of the UMS to the DNO – the IDNOs would still continue to respond to UMS faults on their own networks and maintain inventories of the equipment connected etc. It is purely the billing arrangements between parties that is being considered.

Elexon are currently looking at potential impact that the proposed solution may have on registrations (and the MRA) as well as the BSC and issues such as liability and responsibilities etc.

ESPE took an action to raise the issue at the next DCUSA SIG and if agreed by all as a workable solution, Schedule 19 – Portfolio Billing – would need to be amended to incorporate UMS reporting similar to the current HH reporting requirements.

Solution Overview – if known	
Solution description:	The solution currently being considered is for the IDNO to set up and maintain its own UMS Inventory with the LA but **NOT** to register an MPAN for the LA. Instead, the IDNO (with confirmation by the LA to the DNO) will send a copy of the Inventory and UMS

	Certificate and estimated consumption to the DNO. The DNO will then add the IDNO inventory on to the DNO's own MPAN for the LA. Normal processes are then followed – DNO sends EACs to DC (for NHH) who then sends to DA. The Settlements process is followed and the resulting D0030 is sent to the DNO only (which will include the IDNOs consumption). The DNO then bills the Supplier under its own MPAN and the Supplier sends one bill to the LA. This will cancel out issue 1, 3 and 4 above. A similar process can also be used for the Pseudo HH UMS with the LA's chosen Meter Administrator being involved and only dealing with the DNO MPAN (which will include the IDNO inventory). This will cancel out issue 2 identified above. Regarding the IDNO sending an invoice to the DNO – the NHH EACs calculation could be used for this purpose as the levels of consumption on IDNOs networks should be very small. Once a month (or other period to be agreed), the IDNO then sends the DNO an invoice for the margin they would have received if they had billed the Supplier for the EACs and then paid the DNO for the upstream charges. Like Schedule 21 (Nested Networks) Clause 1.1, a clause could be included to allow the IDNO to notify the DNO that they are not proposing to invoice for the IDNO UMS consumption e.g. if there are only 3 streetlights in the IDNO inventory, the costs for calculating and administering an IDNO invoice to the DNO could far outweigh the margin expected to be recovered. **BENEFITS** LA retains 'single' DNO MPAN and therefore no additional Supplier charges incurred. Customer on has one MA cost instead of one for each DNO and IDNO MPAN (Pseudo-HH). As process is invisible to Supplier, they would not have to make system changes due to the current restraints on some Supplier systems that cannot support IDNO MPANs (nor the Supplier's agents such as DC). Removes the issue of IDNO MPANs being set up as new connections and contracted at 'todays prices'. Fewer flows being sent between parties means less chance of errors.
Lead time for Implementation:	As the Supplier's systems will not be affected by the proposed change and there is already a precedent for the exchange of information for charging purposes between DNO and IDNO parties in the DCUSA (Portfolio Billing and Nested Networks) – we believe the lead time for implementation could be achieved quite quickly –

	and therefore propose for the October 2012 release of the DCUSA.