DCUSA DCP 173 Consultation Responses – Collated Comments

Question One	Do you agree with the approach as set out for Option 1? Provide supporting comments.
ABF and British Sugar	Yes we agree with Option 1, because we believe that the maximum time period possible should be applied, and that the time period applied should be in line with existing law. This will ensure that the appropriate tariff has been applied as far back as legally possible and therefore this will ensure that the charges reflect the costs incurred by the DNO.
B&Q plc	Yes. This would then mean that the DNO-supplier relationship came under the same limitation as the supplier-customer relationship. Customers have a right under the statute of limitation to go back 6 years on a “common contract” and this should not be frustrated by suppliers claiming they can’t go beyond a shorter period (eg 14 months), due to ‘industry arrangements’. Suppliers may well continue to review other charges for the full six years, leaving distribution charges at odds with other parts of the bill, which is not desirable either.
Bernard Matthews Farms Limited	We agree with the approach for Option 1. We agree that standardisation is a good idea and this matches up with the DCUSA objectives. We agree that it is also important for any change to match up with the 'bigger picture' of the industry and we feel that the 1980 Limitation Act is appropriate in this sense.
Brakes	Yes. Option 1 is the only feasible option presented as it aligns with the legal limitation (statute of limitations) and therefore clearly documents the current limitation period that applies within law. This is the limitation period used by suppliers to invoice customers and it should also be the period used by the DNOs in relation to charges that are ultimately paid by customers.
British Gas	Yes, for the reasons the consultation document sets out, although we believe this to be the status quo.
BT	We agree with the approach set out for Option 1 which refers to a 6 (or 5) year limitation period as per the Statute of Limitations, as this provides standardisation, consistency and documentation of the existing legal requirement.
Capita /North Tyneside Council	We agree with Option 1. It aligns with the legal precedent of the Limitation Act 1980. We believe that this is the only valid or important precedent in cases of under and overcharging, we also are aware that it is standard practice in the industry, as stated within the consultation document.
Diageo	We agree - the statute of limitations is the standard period used by the suppliers and using any other

	period would create a disconnect between suppliers and distributors. We think that the best thing to do is to align suppliers and distributors otherwise this is likely to create confusion amongst customers in addition to potential legal disputes.
DTZ	We agree with the approach as set out for Option 1 because it best meets with the interests of the customers, the DNOs and the suppliers. At the same time it aligns with the existing practice in the DCUSA (the Statute of Limitations), so in real terms there are no changes or disruption that will happen. Similarly it aligns with supplier standard practice which customers are used to and agree to contractually on a regular basis.
EDF Energy	Yes. This approach enables the customer to recover any additional costs they should not have been charged. It provides a standard procedure for all DNOs with the only inequality being the 6 yr / 5yr England & Wales to Scotland divide but this isn't a major issue.
ENWL	We do not support Option 1 – A maximum of 6 years, as it is likely to involve multiple suppliers and considerable workload to resolve the payment due back to each customer. Given the long timeframe and number of suppliers it is also unlikely that the customer would benefit from this option as we believe it is not guaranteed that previous suppliers would return any rebate to the customer. This option would also create different reconciliation periods between HH and NHH customers where the reconciliation period is 14 months.
GTC	Yes, this is our preferred option and the advantages and disadvantages have been captured accurately. However we have provided further comments in question 3 regarding the legal drafting which we believe to be flawed.
KCOM Group	Yes we agree. We see this as being in the interest of the customer, the supplier and the DNO as it means that supply contracts and the DCUSA mirror each other. When a customer signs a supply contract, they do this on the understanding that the 6 year statute applies for historical over/underpayments, option 1 would ensure that this is clearly documented as a requirement.
Moto Hospitality	After considering the pros and cons, we agreed with the Option 1 approach. We thought it was important that the chosen solution aligned with legal precedents, and industry precedents e.g. Limitation periods adhered to by suppliers. We also thought it was important that customers who have been over charged should be refunded for the maximum period possible, particularly because being charged on the wrong LLFC is not necessarily something immediately evident to the customer and therefore the customer is unlikely to pick up on an error immediately

Northern Powergrid	Northern Powergrid does not support Option 1 - A maximum of 6 years in line with the Statute of Limitation Act 1980 (five years in Scotland). Whilst this option may be better in terms of refunds for customers the downside has to be the volatility and potential risk to customers who may not be aware they have been undercharged and may be levied additional charges which they have not been able to budget for. It is also important to note that the DCUSA is a contact between the distributors and the suppliers not between the distributors and the end customers. As a distributor we do not bill end customers directly for use of system and any over or undercharge would be handled under contract with the supplier. If billing corrections have the potential to stretch back for 6 years the possibility for significant movements in under/over-recovery is greatly increased by option 1 over option 2. We believe customers and suppliers want to see more stable, predictable and less volatile charges. This option increases the likelihood of material changes in recovery levels which would make charges more volatile. In addition, increasing the period beyond 14 months increases the likelihood that a refund/recharge would impact multiple supplier registration periods making the process for ensuring the refund gets back to the end consumer much more complex. It may also be reasonable to expect a customer to quickly question their charges if they felt that they were on the wrong tariff, so you would not expect refunds to be over a long period, hence the 14 month option appears to be a reasonable compromise. Despite recent activity, historically there weren't a large number of these and suppliers always paid - no formal manifest error disputes have been raised under DCUSA.
NWL	We agree. Option 1 is the approach that ensures that the DCUSA matches with the legal precedent - the Limitations Act 1980 -which his currently accepted across the industry as the standard time period for the recovery of overcharges and undercharges. We do not believe that Option 1 would have any adverse impact because in practice there would be no change to the current situation. It is important that customers who have been overcharged are able to claim their money back, particularly when it is within DUoS charges, an area that is complex and not necessarily understood in detail by all customers.
PCMG	Yes, I agree with the approach as set out for Option 1. I have listed the reasons for this below: 1. The 5 or 6 year period aligns with the standard practice commonly used by suppliers with regards to

	errors in the following costs: - Energy Units - Energy Rates - Available Capacity - DUoS Rates - Meter Operator charges - Data Collector / Data Aggregator charges - Renewable Obligation - BSUoS charges - FIT charges 2. The 5 or 6 year period aligns with the legal precedent set by the Statute of Limitations. The majority of contracts held by customers (within utilities or otherwise) align with this legal precedent. Consistency for customers ensures that they are able to deal with historical errors efficiently and without confusion. 3. As noted in the consultation document, most of the time incorrect LLFCs result in overcharges to the customer i.e. the customer has paid too much and is owed money back. A 5 or 6 year limitation period in line with the Statute of Limitations allows the customer the same right to receive a refund if they have been overcharged as if they have been overcharged in any other area of their expenditure. 4. A 5 or 6 year period in line with the statute of limitations allows the customer a reasonable period of time to review their LLFCs and re-claim overcharges. Allowing a reasonable period of time is necessary as customers do not necessarily have the knowledge or wherewithal to investigate their LLFCs within a 14 month period, and identify if, where and when they have been charged incorrectly. 5. As the Statute of Limitations applies in other areas of billing, customers commonly carry out reviews of their charges every 5 or 6 years. The 5 or 6 year period allows customers to review their LLFCs and the related charges on the same cycle as their other cost, which is efficient and avoids wasteful additional exercises being carried out. 6. Some of the definitions used to set LLFCs in the UK have changed over the past 5 or 6 years. This means that there are some customers who were charged on the incorrect LLF at some point in the past, but are

	now charged on the correct LLFC due to a change in the definition. A 5 or 6 year limitation would allow for incorrect LLFCs applied under previous definitions to be amended. 7. Not only does the Statute of Limitations apply to all other areas of billing, it also applies to all other areas of DUoS billing i.e. available capacity, standing charges, unbilled DUoS. Applying a limitation to incorrect LLFCs would be out of step with the methodology used by DNOs in other areas of charging. 8. Every single customer I have spoken to has agreed with Option 1. I believe that the customer's opinion is critical as the customer is ultimately responsible for paying the DUoS charges.
Reckon LLP	Option 1 is said to be "A maximum of 6 years in line with the Statute of Limitation Act 1980 (five years in Scotland)". Allowing the Prescription and Limitation (Scotland) Act 1973, the Limitation Act 1980 or other applicable laws to govern backdating is the right approach in cases where the distributor had allocated an incorrect tariff. See responses to the Working Group's first consultation by Aggregate Industries, Anglian Water, Bernard Matthews, Associated British Foods plc (including British Sugar), BT, Diageo, EDF Energy, First Group, GTC, Haven Power, Imperial College, Leeds and York Partnership NHS FT, Livingston Precision, Moto Hospitality Limited, Northumbian Water, PCMG, Ripon Select Foods, Sheffield Teaching Hospital, South Tyneside Council, Virgin Active and Wm Morrison Supermarkets plc. GTC's response was particularly helpful. In the first consultation, the only responses against what is now option 1 were from the six DNO groups (ENWL, Northern Powergrid, Scottish Power Distribution, SSE Distribution, UKPN and Western Power Distribution) and two suppliers (GDF Suez and SSE Energy Supply). Option 1 might be inappropriate and/or unfeasible in cases where the change reflects a change in circumstances or a change in tariff structure or in tariff rules. Again, see GTC's response to the first consultation. The proposed legal drafting seems imprecise: • The legal text included in the consultation fails to distinguish a correction from change. • The legal text does not recognise the extensions to limitation periods that applies in some cases, for

	example negligence actions where facts relevant to cause of action are not known at date of accrual (for example if a distributor had made a negligent error in calculating an EDCM tariff and if the User or customer did not have knowledge of the data used by the distributor). • “the date from which the change would otherwise have applied” is not defined and could conceivably be interpreted as referring to the natural backdating date, five or six years before the error became discoverable. • The legal text might be trying to apply the wrong limitation period in the case of some Connection Points in England serving premises in Scotland, or vice versa, and in the case of Connection Points or premises that are in Scotland but on the ENWL or Northern Powergrid networks.
Safestyle UK	Yes…for the following reasons: a) Currently, the Statute of Limitations is the accepted legal requirement for historical over/undercharging for DNOs. Option 1 ensures that this is clearly communicated in the DCUSA, which ensures that all DNOs adhere to it. B) …also, the Statute of Limitations is the current accepted standard across the entire energy industry. When a customer signs a supply contract with a supplier, it is on the understanding that the statute of limitation applies, so it only makes sense for this to be stated clearly in the DCUSA so that DNOs adhere to the statute of limitations, c)There are some LLFCs where the definitions of them has changed over the years. In these cases, a customer could have been overcharged 6 years ago but not in the current or previous year, a 6 year period of limitations would allow for these historical differences to be addressed sufficiently.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No. Backdating corrections (charges/credits) upto 6 years could result in significant under/over recoveries to be recovered in following year charges for other customers. This option does not align with electricity settlements reconciliation period. This would also Increase DNO system and processing costs to facilitate automatic backdating, in many cases across multiple suppliers, over a prolonged period. The purpose of this CP is to define an absolute time period over which DNOs can retrospectively apply changes in tariffs/LLFCs. However the variations in the reconciliation periods which would apply under Limitations legislation would result in a situation where there was no single and universal reconciliation period applicable to all cases. This cannot be an appropriate and helpful position and would surely lead to errors and disputes. Option 2 provides a much better basis for clarity and consistency of application.
SP Distribution/SP Manweb	No. This option is not consistent, 6 years in England and Wales but only 5 years in Scotland. It is not consistent with NHH, which is 14 months. It increases the possibility of multiple suppliers.

UK Power Networks	No, we do not believe that option 1, backdating in line with the statute on limitations, is in line with the existing industry rules relating to Settlements, as NHH settlements cannot normally be corrected beyond fourteen months. We believe that this option could also result in a Customer receiving a significant additional charge from their Supplier(s) where the DNO has revised the LLFC (although equally this could also be a credit). However where contracts are in place with a Customer for them to receive their DUoS charges on a 'non-Pass Through' or 'Fixed' basis then it could be that a Supplier(s) will receive a credit from a DNO and not be able to pass any money through to the Customer. The impact of a significant charge (or credit) being applied could also impact upon the recovery position of a DNO, especially where a number of retrospective changes are applied within a short period of time. This could have a significant impact on the volatility for future DUoS charges, as this additional (or short fall) with regards to the Allowed Revenue would be picked up in a future charging year. Although not a specific issue for a DNO, any change in LLFC could have an impact upon Loss Adjustment Factors (LAFs) assigned to a site.
Virgin Active	Agree with the approach as set out for Option 1. This is on the basis that the 6 year period specified in the statute of limitations is the standard industry approach to over and undercharging, and in our own experience, overcharges relating to incorrect LLFCs stretch over much longer time periods than 14 months. If customers were signing up to supply contracts containing 14 month limitations then we believe there would be a precedent to impose such a limitation on incorrect LLFCs - as it stands we understand that customers are not doing this.
Western Power Distribution	No, as this is out of line with the existing time limits imposed by the Settlement Run timetable impose on NHH billing.
WM Morrison Supermarkets plc	We agree with the approach. We agree that Option 1 "Aligns with general practice in the majority of Supplier billing for other dispute types" and that it "Aligns with the legal precedents". We do not agree with the 'disadvantage' that the statute of limitations is different in Scotland... we think it is appropriate that local legislation is taken into account.
Question Two	**Do you agree with the approach as set out for Option 2? Provide supporting comments.**
ABF and British Sugar	No we don't agree with Option 2. As we have said in the previous consultation on this issue, there is no basis for a maximum of 14 months to be used.

	The settlement period relates to consumption and not directly to charges. We see no justification to limit customer rights or liabilities by creating special rules for the Distribution Network Operators or for the energy supply industry as a whole.
B&Q Plc	NO. For the reasons above, 14 months is simply incompatible with the other part of a supplier's commercial dealings with a customer. It may align with current NHH arrangements, but I would argue that the NHH arrangements are currently wrong. If the regulator engineered the same 14 month disciplines over commercial relationships with ALL sizes of customer (domestic & non-domestic), the whole vertical chain would have the same cut-off deadlines. This could be quite workable and would answer many of the problems of going back as far as 6 years. If all cut-offs throughout the 'supply chain' were the same, I feel that customers would actually prefer 14 months, but that's out of scope for this DCP. As it is, the industry cannot have incompatible timetables in different parts of the same 'supply chain'.
Bernard Matthews Farms Limited	We do not agree with the approach for Option 2. Whilst we agree that standardisation is a good idea, we do not think that setting an arbitrary time limitation that is significantly shorter than the 1980 Limitation Act is appropriate.
Brakes	No. We do not believe any of the 'advantages' are valid... 1. Limits the liability of customers but an incorrect LLFC is more likely to lead to an overcharge, as such in practice it limits the amount of overcharge that the customers are able to claim back. This is unfair for customers, 2. Aligns with NHH energy settlements timeline however we understand that this timeline is only set at 14 months due to the limitations of the super customer billing methodology, and there is no reason to apply this technical limitation elsewhere, 3. The impact on over/under recovery should be no more or less forecastable than any of the other myriad factors that DNOs have to take into account.
British Gas	No, looking at each of the 'advantages' set out in the consultation: A timescale that limits the liability of customers: Whilst a 14 month limit would limit the liability of customers, we consider that referencing the settlement calendar for an arbitrary choice of period is inappropriate. It would make more sense to align the limitations on the liability of customers to those that suppliers have for backbilling. Aligns with NHH energy settlements timeframe:

	We consider that the energy settlement calendar is irrelevant in circumstances where customers have been placed on an incorrect DUoS tariff. We would also note that in some instances the settlement calendar extends to 28 months. Limits impact upon over/under recovery: We do not consider the impact on over/under recovery to be a concern in relation to retrospective changes of tariff. These should be isolated incidents, small in number and although potentially significant in value for an individual customer, we would be worried if DNOs consider that the problem could be significant enough to materially affect the volatility of general DUoS charges.
BT	We do not agree with the approach as set out for Option 2, which refers to the settlement period of 14 months for two reasons: Firstly, as we stated in our original response the DCUSA cannot take precedence over the Statute of Limitations. It is therefore almost academic to be discussing any period less than that specified by the stature. Secondly, at a technical level, the settlement period relates to the settlement mechanism for NHH billing, and is completely unrelated to half hourly DUOS billing where the LLFC issues arise. From our experience, LLFC over charges are relatively commonplace and tend to span a period of between 4 and 6 years. 14 months would dramatically cut the recoverable value for the customer and essentially penalise the customer for the DNO's error, which is unacceptable.
Capita /North Tyneside Council	We disagree with Option 2. It does not align with the legal precedent of the Limitation Act 1980. The proposed limitation period of 14 months has no basis in law and we struggle to understand how this type of limitation is legal without the consent of the customer.
Diageo	We disagree - we do not think Option 2 is in the best interests of customers. The statute of limitations is the standard period used by suppliers and a 14 month period would create a disconnected and confusing situation for customers. Whilst limiting the liability of customers is a positive goal, there is no actual evidence to prove that this 'liability' exists or is a widespread problem so we do not see why there is a need to address this. We also think this would create problems for suppliers particularly within their customer relationships. Also, we do not agree that functional or process limitations are a valid argument to support a 14 month limitation (see answer to next question)

DTZ	We disagree with the approach set out for Option 2 because it limits the amount that overcharged customers can claim. This is not in the customer's interest. Option 2 would also involve significant levels of disruption as DNOs and suppliers would have to change their existing contracts and processes, and they would have to communicate the change to customers which would likely result in extensive disputes and queries, particularly as it would be clearly at odds with the standard supplier practice of refunding/charging over/undercharged costs going back 6 years.
EDF Energy	Yes. Our preferred approach is option1 but we agree that this option although the limit of 14 months restricts a customers ability to recover full additional costs it also protects them in the situation where an additional costs are required, it also creates full equality as it aligns with NHH settlements process.
ENWL	Yes, we agree with the approach set out in option 2 as the 14 month settlement period currently tallies with the NHH energy settlements timeframe. Our systems allow us to modify the LLFC for a customer within this timescale and the suppliers bills will be adjusted automatically. However, any change beyond this 14 month time period will require a manual process which could potentially impact our business costs depending on the number of changes required.
GTC	We disagree with the settlement period being described as 14 months. Extra settlement determinations actually extend this period to 28 months. Whilst there may be practical implications to limiting changes to 14 months due to the retrospective change period. Limiting the change to 14 months where there may be exceptional circumstances which will require a change beyond this time frame seems prohibitive. With option 1, there is nothing to restrict a distribution business from making a change within this time period but option 2 does not.
KCOM Group	We do not believe that Option 2 is a fair option in the context of the customer. When a customer signs an electricity supply contract with a supplier, it is on the basis that the 6 year statute applies in terms of historical over/underpayments. The biggest impact of a 14 month limitation is the customer... however the customer may not wish to sign in to this limitation. It is not appropriate to apply this limitation to the DCUSA as this does not give the customer a choice in the matter.
Moto Hospitality	After considering the pros and cons, we disagreed with the Option 2 approach. We thought that the pros were not strong enough to support this Option. We did not believe that the limitation of liability to the customer was something that was necessarily an issue as we did not think this situation would be commonplace. We did not think that 'aligns with NHH energy settlements timeline' was an appropriate pro because we believed that incorrect LLFCs were primarily an issue with HH sites rather than NHH sites. We were unsure of the validity of a 14 month limitation period 'limiting impact on over/under recovery' as we

	were not aware nor were we aware of any data showing that over/under recovery was an issue within the current practice which is based on the statute of limitations as per Option 1
Northern Powergrid	Northern Powergrid supports option 2 - A maximum of 14 months (the settlement period) back from the date of a valid enquiry. We believe it allows for the correction of LLFCs over a period that underpins the normal electricity trading arrangements 14 month reconciliation period. Having a defined period will also ensure that retrospective changes do not overly distort the over/under-recovery mechanism. This is a significant issue for both DNOs and suppliers. DNOs are entitled to recover the allowances that have been agreed with Ofgem at the start of each price review. Suppliers are affected by DNO's over/under-recovery mechanisms as they need as much information when it comes to setting their charges. Therefore, limiting the length of time changes will help in managing the volatility. We believe the advantages detailed below outweigh the disadvantages and should, ensure that customers are not exposed to any shocks that may involve additional charges which they will not have been able to budget for. We recognise that this option could potentially disadvantage some customers who have been over charged but we believe that protecting consumers from significant backdated charges to be an important consideration. You would also expect a customer to raise any concerns in a timely fashion. 14 months provides a sizable period to allow suppliers and customers to ensure they are allocated the correct tariff. Advantages * A timescale that limits the liability of customers; * Aligns with the normal 14 month reconciliation process impacting the larger NHH market; and * Limits volatility in DNO's over/under-recovery. Disadvantages * Potential settlement dispute runs occur post the 14 month reconciliation final run; and * A timescale that limits the opportunity of customers
NWL	We disagree- option 2 is an unfair approach that is biased in favour of the suppliers, the DNOs and a very small minority of customers. Whilst option 2 supposedly limits the impact on over/under recovery, there is

	no evidence that incorrect LLFCs have in the past impacted over/under recovery. We think this evidence is necessary for this to be considered as an advantage. As it stands we don't believe that incorrect LLFCs have a significant impact, and we believe that any impact they do have could easily be predicted.
PCMG	No, I do not agree with the approach as set out for Option 2. I have listed the reasons for this below: 1. As noted in the consultation document, most of the time incorrect LLFCs result in overcharges to the customer i.e. the customer has paid too much and is owed money back. From PCMG's own in-house study, we believe that incorrect LLFCs are overcharges 99.6% of the time and undercharges 0.4% of the time. As such we do not believe there is any significant amount of customer liability in the area of incorrect LLFCs, except for a few select customers. Therefore we do not believe there is any basis or need for protecting customers from any liability by applying a 14 month limitation period. 2. I do not believe that there is any need to align the NHH energy settlements timeline with the timeline for retrospective LLFC changes. Incorrect LLFCs are far more common with HH sites as HH sites are far more likely to be connected at LV Substation, HV or HV Substation/EHV whereas 99.99% of NHH sites are standard LV network connections. 3. I do not believe that there is any need to align the NHH energy settlements timeline because the NHH energy settlements timeline exists purely as a result of the 'Super Customer' billing methodology which is distinct from the site specific billing employed for HH sites. With such different billing methodologies applied to HH and NHH, we do not believe that a common approach based on the archaic and technically limited 'Super Customer' system is in any way appropriate. I understand that long term the 'Super Customer' system is likely to be changed to a site specific system and we believe that it is backward looking to set a policy based on the limitations of an outdated system (particularly when these limitations will barely impact the practical implementation of the policy as mentioned in point 2). 4. I do not believe that there is any significant quantifiable impact on over/under recovery that will be 'limited' by implementing a 14 month limitation. The current situation, as acknowledged within the consultation document, is that a 6 year limitation applies. There is no evidence that I have seen that demonstrates any sizeable impact in over/under recovery as a result of incorrect LLFCs.
Reckon LLP	No.

	Option 2 is said to be "A maximum of 14 months (the settlement period) back from the date of a valid enquiry". In cases where the tariff had been incorrectly allocated by the distributor, option 2 is wrong since it tries to entrench, beyond what the law provides through limitation periods, an error in charges. Option 2 as presented also fails to meet its own objective of processing refunds to non-half-hourly settled sites within the normal settlement system, since 14 months after the date of a valid enquiry may well be more than 14 months in the past by the time the enquiry has been processed and resolved. In any event, where a material error in allocating tariffs has been made by a distributor, it is right that the error should be corrected to the extent provided for by law. This might in some cases require some additional administrative steps e.g. special settlement runs or payments outside the usual billing system, but the requirement for these steps is just a consequence of the original error and provides no valid basis for not making the correction in full.
Safestyle UK	No… When a customer signs a supply contract with a supplier, it is on the understanding that the statute of limitations applies… A 14 month limitation contradicts this and will lead to confusing disputes, particularly as the customer does not get an opportunity to sign off on DCUSA and may not be aware that they are agreeing to 14 month limitation.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes. This approach allows corrections to be aligned with the current 14 month electricity NHH settlement arrangements. The consequential financial and processing costs are also minimised. This approach also limits the extent of charges which may be passed to customers. We believe it is very important to note that backdating of tariff changes does not only go one way and result in payments to customers. Large cost 'shocks' may result from implementation of Option 1.
SP Distribution/SP Manweb	Yes. This option is consistent to all customers. It is consistent with NHH. It reduces the possibility of multiple suppliers. It reduces the scale of risk to all parties (DNO, Supplier and customer).
UK Power Networks	We support this option, to backdate no more than 14 months. We believe that a change which is retrospective and applied for no more than fourteen months aligns with existing settlement arrangements as well as limiting the impact to a Customer of a large additional charge. This option allows charges in respect of all customers to be treated the same,

Virgin Active	We do not agree with the approach as set out for Option 2. This is on the basis that we believe that this would be an unfair and harmful approach as at least from our own experience, incorrect LLFCs resulting in overcharges are commonplace and can cost companies £00,000s, often over a 6 year period. A 14 month limitation would dramatically reduce the amount of overcharge that can be claimed by customers, despite the fact that the customers have not signed up to this in any way and supplier contracts operate within the bounds of the statute of limitations.
Western Power Distribution	Yes, as this is more practical and is line with the NHH
WM Morrison Supermarkets plc	We disagree with the approach. In particular, we disagree with the main advantage quoted which is that this option 'limits the liability' of customers. There is no evidence or data provided to support the idea that customers are facing a 'liability' in terms of incorrect LLFCs so we do not understand how this can be the principal argument used to support this option.
Question Three	**Do you have any specific concerns with either proposed approach which you believe the working group need to consider?**
ABF and British Sugar	We would be concerned with the ramifications of applying a 14 month limitation period and the discord this would create between the DCUSA and supply contracts held by customers. We believe that in some cases customers will be able to claim for 6 years of overcharges in line with the Statute of Limitations whereas suppliers will only be able to recover 14 months from the DNO. Equally, suppliers may be able to invoice customers for 6 years of historical charges but would only have to reimburse 14 months to the DNO. This would be highly profitable for the supplier and therefore is likely to be pursued, eliminating any perceived benefits of Option 2 limiting customer liability.
B&Q Plc	As a bill-paying customer, I see the possibility that a supplier might still pursue customers for charges going back 6 years but would only engage a DNO over a 14 month history, creating windfall revenue: This is NOT a situation I would want to see made possible by adopting option 2. I would also ask Ofgem to carefully consider what supplier might do with terms & conditions, if 14 months were adopted: My concern is that T&Cs could be cleverly altered to protect suppliers from customer claims with a limit of 14 months, but allowing a more flexible 6 years for suppliers making claims to

	customers. This would not be fair or equitable to customers.
Bernard Matthews Farms Limited	We are concerned that this would create a 14 month limitation for Distribution Companies while suppliers still have to operate within the bounds of the statute of limitations i.e. 5 years or 6 years. This will mean that in some cases a supplier has overcharged the customer, but the supplier cannot claim back the overcharge from the Distribution Company. The end result would be that the supplier would have to pay the customer back due to levying incorrect charges, but they would not be able to recoup the costs. NB from 5 below: 'the allocation of an incorrect LLFC is most likely to result in an over charge to the Supplier' it is clear from this that a shorter limitation than currently applied would be unbalanced and to the substantial disadvantage of the end user and/or the supplier.
Brakes	None that are not already stated in the 'disadvantages' list for Option 2. We do not believe that the 'disadvantages' for Option 1 are valid... 1. The difference in timescales between Scotland and England/Wales is not a disadvantage but an advantage as it means that Option 1 aligns with the law. 2. We do not believe that the NHH/HH discrepancy is a disadvantage because this change would primarily impact HH supplies and is not really aimed at NHH. 3. We believe that having multiple suppliers involved may be a necessity if the customer has overpaid their DUoS charges to multiple suppliers. 4. We believe that this will not be a problem, as DNOs should be able to roughly forecast the impact on volatility of charges by estimating how many incorrect LLFCs they are likely to have and how many queries they receive. This will be less of an problem over time as there are less incorrect LLFCs and the amount of over/under recovery decreases.
British Gas	N/A
BT	We think the working group needs to consider where the fault lies when an incorrect LLFC is applied. The DNO is the only party with the full information about how electricity distribution assets and how they are connected and so it is the DNOs fault when an incorrect LLFC should be applied. It is not reasonable for the DNOs to keep hold of customers' money and limit their own liability for their own faults, which have resulted from inadequate administration and systems, by applying a 14 month limitation period. Instead the problem should be tackled at source - how can DNO systems be improved to stop these issues occurring in the first place. If incorrect LLFCs were not so common, over / undercharging would not be an issue.
Capita /North Tyneside Council	We understand that limiting the liability of customers is beneficial to the customer in theory. However we do not think that an arbitrary limitation period is the solution to this. It would be a better idea for suppliers and DNOs to make more of an effort to charge customers correctly as the problem is the industry. These

	issues do not exist in most European countries, and it is not because of arbitrary limitation periods, it is because they have more robust systems and practices when it comes to charging.
Diageo	We are concerned with the points raised as disadvantages of Option 1 - relating to the settlements system having functional limitations, multiple suppliers being involved and impact on over/under recovery. These are all system and process limitations within DNOs that could be solved with some effort / development of systems. Very few businesses have the privileged position of the DNOs that they can potentially avoid having to repay customers that they have overcharged due to these types of limitations. DNOs should have to pay customer back (via the supplier) in line with the statute as any other business would have to.
DTZ	We believe that the working group needs to consider the amount of disruption that would be caused by Option 2, implementing a 14 month limitation period, in terms of customer complaints to suppliers, contractual disputes and other related issues.
EDF Energy	No. all concerns appear to be detailed in the consultation paper.
ENWL	We agree with option 2 but believe the retrospective amendment to the tariff should be for a maximum of 14 months from the date the amendment is implemented rather than the date of enquiry. Amending the tariff from the date of the enquiry will mean that a manual intervention is required unless the enquiry can be processed within the settlement month. We are concerned that under option 1 a manual process will need to be undertaken to calculate the under/over charge due and the credit/charge applied to each applicable Supplier across the 6 year period. If there are a significant number of customers who are due a credit/charge this could require significant resources from DNOs process and potentially an additional cost for the industry to bear.
GTC	We believe that the drafting is confused. 1. The stated intent of the change proposal “To define within clause 19 of DCUSA an absolute time period within which a change of Tariff (LLFC / Unique Identifier) is allowed to be retrospectively applied by a DNO party. This time period would overrule any previous retrospective periods whether laid out within previous Charging Statements, the DCUSA, Use Of System Agreements, any other such documents or not previously specified

| | DCUSA defines a DNO Party as meaning:
"…a Party that holds a Distribution Licence in which Section B of the standard distribution licence conditions has effect…"; and,

an IDNO Party as meaning
"…a Party that holds a Distribution Licence in which Section B of the standard distribution licence conditions does not have effect

i.e. a DNO part is not an IDNO party. Therefore the intent specifically excludes IDNOs and as a consequence the legal drafting of both option 1 and option 2 for clause 19 does not reflect the intent since it includes IDNOs (IDNOs fall into the description of Company under Clause 15.1).

2. Legal drafting of Clause 19.12 and 19.13. In making such request:

• In making a request there should be a duty on the User to demonstrate why the tariff previously levied was incorrect (and for what period)
• The circumstances where the Company is mandated to change the tariff should be prescribed. (e.g. voltage of connection incorrectly stated, invalid LLFC/PC/SSC combination, incorrect PC registered,)
• There may be other circumstances where the decision to change tariff is optional on the Company (for e.g. Did the customer overstate maximum capacity?)
• Retrospective changes of measurement class (e.g. HH to NHH)
• The User can only request a change to a tariff that was in force for the period the amendment is requested.

• It would appear reasonable that the same limitations apply to the Company and the User changing tariffs. This change proposal only limits the DNO exposure. It does not limit the Users exposure where the DNO wants to back charge

• Limitation dates are backstop dates. The drafting sets the backstop date User from asking more than the 5/6 years/ 14 months; it does not prevent Companies offering shorter periods. It only requires that they are not unreasonable. It would be for the User to demonstrate such unreasonableness To that end the proposed drafting does not appear to address the concern raised in the first paragraph of the |

	change proposal's Business Justification and Market Benefits: "…there remains an inconsistency in the time periods agreed by a DNO Party when requested by either the Customer or Supplier to consider backdating an Tariff change. This change proposal seeks to align the approaches of all DNO companies…" Whilst the legal drafting says (in paragraph 19.13) "Where the Company does not agree to backdate the change it shall notify the User and explain its reasons". The drafting does not explicitly set out the circumstances under which the company may refuse the request from the Supplier, or permit the application of such request to a shorter time period. Irrespective of what is provided to limit the DNOs maximum exposure, the period over which a DNO retrospectively applies a different tariff will depend on the particular circumstances. We do not think that the supplier is entitled to claim for tariffs changes to be applied retrospectively for a period prior to their appointment. This is because prior to that date the supplier was not contracted with the distributor in respect of the particular meeting point.
KCOM Group	Yes -We do not see any of the arguments in support of Option 2 to be in the interest of anybody but the DNO, except for the limitation of liability, however no effort has been made to quantify the risk that is being limited. We do not believe that such a decision should be made without the data to back it up.
Moto Hospitality	We believed that Option 2 has the potential to create an uproar amongst major energy using customers. Most suppliers employ revenue assurance companies or departments to identify consumption and DUOS underpayments and invoice customers for them historically in line with the Statute of Limitations. In recent years many energy users have been hit by rising industry costs such as Feed In Tariffs that have been passed through directly to them. We thought that incorrect LLFCs are an area where many customers have been over charged and to apply a 14 month limitation would create a big, obvious double standard in the industry where suppliers are more than happy to invoice customers but are not happy to repay customers when they have been overcharged
Northern Powergrid	We have been fully involved in this working group and are supportive of an industry standard that all DCUSA signatories can follow. We do not believe that incorrect LLFCs are allocated intentionally as they are often as a result of changes to methodology. We would expect that, in the majority of cases they are corrected to the end-customers satisfaction well within either of the proposed timescales.

	We believe that the debate has covered most of the concerns raised by the various parties. We wish to stress the fact that this change will result not only in retrospective credits but could also result in additional charges for suppliers and end-customers. Option 2 provides a pragmatic and manageable timeframe and should encourage both DNOs and suppliers to ensure customers are billed on the correct tariff. Option 1, whilst it may be beneficial to some customers it should be noted that this is a maximum and will not always apply unless satisfactory evidence is provided. This longer timeframe also increases the possibility of having multiple parties (many suppliers) involved which could lead to a lengthy resolution time frame.
NWL	No- except that we don't believe that the NHH settlement period is a sufficient or appropriate argument to support option 2. We believe that incorrect LLFCs are a HH issue mainly, and that NHH issues should not be factored in.
PCMG	I am concerned primarily with the knock-on effect of a 14 month limitation on the rest of the Energy industry. A 14 month limitation would not match up with the standard limitation periods used by suppliers, DNOs and other 3rd parties in the energy industry in other areas of DUoS charging. I have detailed some scenarios below where this could have an impact: 1. The incorrect LLFC is applied by the DNO and the supplier is being overcharged. However, the correct DUoS charges are applied by the supplier, so the customer is paying the correct charges based on their connection. In this case, even though the customer had been paying the correct charges consistently, the DNO would only be able to backdate the charges by 14 months therefore the customer would be liable to pay the supplier a historical payment covering 58 months, as the 6 year statute of limitations applies with the supplier. 2. Suppliers would be able to build into their terms and conditions a provision to claim 6 years of charges even if a 14 month limitation was in place. This would mean that if there was an undercharge situation, customers would still be liable for it due to their contractual arrangement, unfairly creating windfall revenue for the suppliers. This clause could be added into the contract in a way that potentially smaller customers may not realise the impact of it. 3. I am aware of some cases where an incorrect LLFC has previously resulted in an overcharge but has changed to an undercharge from a certain point, e.g. since the implementation of the EDCM. In these cases, a 14 month limitation would result in the customer paying additional charges despite being significantly overcharged for 10 – 15 years previously. This is not a fair or reasonable

	approach. 4. Many suppliers have a revenue assurance department which involves identifying and invoicing unbilled consumption going back over a 6 year period. Some suppliers employ consultants who specifically help them to do this for example http://teccura.com/electricity-lead-types, http://www.evolve-analytics.com/services.html?filter=revenue-recovery-and-settlement-solution, http://www.engage-consulting.co.uk/Revenue-Margin-Assurance/Revenue-Margin-Assurance-Maximising-Profit/. Supplier contracts typically allow for up to 6 years of unbilled consumption to be retrospectively charged regardless of settled data. This could be caused by unbilled meters, incorrect CT ratios, under-recording meters, misread meters and a range of other issues that the customer is unlikely to be able to identify. Applying a 14 month limitation to LLFC changes (which are mainly overcharges to customers) would limit the ability of customers to recover overpaid costs whilst retaining their exposure to significant undercharges due to unbilled consumption. I am concerned that setting a 14 month limitation in one part of the Energy industry is inappropriate and a more appropriate course of action - if a limitation were to be put in place and if this were to be deemed necessary - would be to set an industry-wide limitation covering all areas of Energy costs.
Reckon LLP	N/A
Safestyle UK	If any form of shortened limitation period were to be introduced (e.g 14 months), customers would need to be provided with notice before this is implemented, as they may only review their DUoS charges on a 3/6 year basis, and may have not had a chance to review their charges yet. Otherwise customers could be locked out of claiming back overcharges that they haven't yet had a chance to investigate.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No.
SP Distribution/SP Manweb	Not at this time.
UK Power Networks	Nothing further to those listed in our response to Q1.
Virgin Active	We do have concerns about Option 2, as specified in the previous question, we think this would result in a lot of customers being locked out from claiming historical overcharges. Supplier billing does not make these overcharges apparent, as such we do not believe it is fair to penalise the customer by only providing a highly limited time period within which they can make a claim.

Western Power Distribution	Option 1 may prove impractical especially given that billing systems have changed during the period.
WM Morrison Supermarkets plc	We are concerned that the consultation implies that option 2 is supported as it protects customers from 'price shocks' and that it could have 'unexpected volatility' on prices, but there is no evidence or data provided to support this argument. We do not understand how such a major decision that has a potentially wide ranging impact on UK electricity users could have no data whatsoever used to back it up.
Question Four	**Following legal advice it has been confirmed that should a defined notice period NOT exist within DCUSA then the Statue of Limitations would apply. Considering this, do you believe that a change to DCUSA is necessary should option 1 be the preferred option?**
ABF and British Sugar	Yes - a change in the DCUSA would help to clear up uncertainty about which limitation period should apply and it would guarantee that DNOs would comply without a legal challenge being raised.
B&Q Plc	YES. There is clearly ambiguity as this issue has arisen. I would want that eliminated.
Bernard Matthews Farms Limited	A change is necessary as in our experience Distribution Companies have not always been forthcoming in applying the statute of limitations.
Brakes	We do not believe that a change would be necessary although it would be useful for the legal advice mentioned in this question to be provided for reference.
British Gas	We agree with the legal advice. Option 1 is the status quo and would require no DCUSA change.
BT	Considering this, we do not think that a change in DCUSA is necessary should option 1 be preferred.
Capita /North Tyneside Council	Option 1 is preferable, as it ensures that there is clarity on the situation for all parties involved.
Diageo	If this is the legal advice that all DNOs will adhere to then no, a change isn't necessary.
DTZ	Based on this advice we do not believe that a change to DCUSA is necessary. This outcome would involve no disruption and would be the best option for all parties.
EDF Energy	Yes. By stating a time frame in DCUSA it ensures that each DNO will use the same criteria, without a set time frame it is still open to interpretation leaving the customer to rely on legal challenges for equality.
ENWL	We agree that a defined notice should exist in DCUSA with either option.
GTC	If this were the case then the only benefit to making the change would be that it would be clearly defined rather than being an interpretation. It depends then if parties would prefer greater clarity in the code

	rather than ambiguity. In addition if the change is not made it would leave the code open to any potential change made to the statute of limitations.
KCOM Group	We do not think a change would be necessary, as long as the distributors comply with the 6 year statute – although a change would help to ensure that they do comply with this.
Moto Hospitality	We considered this and thought that based on this legal advice, a change in DCUSA would not be necessary
Northern Powergrid	We do not believe there needs to be any change to DCUSA if option 1 is the preferred option but the inclusion of additional legal text to that effect would remove any ambiguity and ensure a consistent approach is applied across the industry.
NWL	No- we don't believe a change to DCUSA is necessary should option 1 be the preferred option.
PCMG	Yes... I think that a change to the DCUSA is necessary to ensure that there is fully documented transparency of the fact that the Statute of Limitations applies.
Reckon LLP	I agree that there is no need for additional obligations to be included in DCUSA in order to give effect to laws about limitation. But the fact that this DCP has been raised and pursued by the Working Group suggests that some distributors might not have fully accepted these laws. It might be helpful for each distributor to make a clear statement confirming their acceptance that customers have a right to have mistakes corrected with retrospective effect to the extent provided for by law. But the natural vehicle for such a statement might be the distributor's statement of charges, rather than DCUSA. Overall, there is probably no need to change DCUSA.
Safestyle UK	On the basis of legal advice confirming that the statute of limitations applies without any change to DCUSA being needed, no.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	If Option1 is adopted then specific reference in DCUSA would aid transparency and consistency of application.
SP Distribution/SP Manweb	Yes. By changing the DCUSA would capture and clarify the time period for HH amendments and would clearly identify that this is ONLY for HH sites and NOT NHH.

UK Power Networks	Although we do not believe that option 1 should be progressed, should this be the chosen option of the WG then we do not believe that changes to DCUSA would be necessary.
Virgin Active	No... If this is the legal advice received by the DNOs and they are willing to work within this advice, no change of the DCUSA should be necessary.
Western Power Distribution	Yes, for the avoidance of doubt.
WM Morrison Supermarkets plc	We do not believe a change is necessary.
Question Five	**Although the allocation of an incorrect LLFC is most likely to result in an over charge to the Supplier, in the instances where this is an under charge do you foresee any issues should the invoice be for a significant value? How could / should this be best managed?**
ABF and British Sugar	No, N/A
B&Q Plc	In the instance of an undercharge I feel that costs would still find their way down the chain to the customer. If a DNO's right to re-bill had timed out, recovery may be attempted through some other means, This might include future DUOS rates even if this meant going back to Ofgem to seek an adjustment to or even fully re-open agreed DUOS revenie. I would prefer the networks to accept any mistake, learn from it and move on. However I feel an attempt to recover missing revenue though other means is more likely.
Bernard Matthews Farms Limited	We think that the best way this can be managed is through communication between the Distribution Company, the Supplier and the Customer. If a Customer has been put on the wrong LLFC and under charged this is likely to be due to a Distribution Company error... so it should be the Distribution Company's responsibility to give the Supplier and the Customer prior notice before raising any charges. The Distribution Company should also provide the Supplier and the Customer with a chance to validate the charges before they are raised, just as the Distribution Company has a chance to validate over charge claims when they are raised the other way.
Brakes	We do not believe that there will be any major problems in the rare case that an under charge invoice is raised for a significant value and this will be dealt with as it always has been. The statute of limitations has been in existence since 1980 and 6 year under charge invoices have been possible throughout that time. We do not believe that under charges resulting from allocation of incorrect LLFC have ever been a problem that has needed to be addressed. We believe there are more likely to be issues if customers discover they have been overcharged for 6+ years and are told they can only claim for 14 months.

British Gas	If a DNO has assigned an incorrect tariff to a customer, it should be rectified in a manner that acknowledges that the customer is the innocent party. Whilst it is appropriate for any over charges to be refunded in line with the statute of limitations, we consider that where customers have been undercharged, through no fault of their own, then any backbilling should be limited. Aligning the limitation with the restrictions on supplier backbilling would seem sensible.
BT	We do not see any issues arising from undercharge invoices. If Option 1 were to be approved, it would merely formalise the current legal situation, and we do not think there are currently any major issues in this area. Regarding the management of these situations, we think the DNO has an obligation to clearly communicate with the supplier and the customer about the undercharge, and provide the same level of evidence that would be expected if the customer was claiming for an overcharge.
Capita /North Tyneside Council	We do not foresee any issues if Option 1 is selected, as we do not foresee any changes to the current practice (Statute of Limitations).
Diageo	No. If there is an under charge this should be paid by the supplier who should then be able to invoice the customer depending on the specific contract they have in place. Any issues of this type should then be dealt with between customer and supplier... if the contract prohibits the passing on of these costs then this is the risk taken by the supplier/customer in signing such an agreement.
DTZ	Our understanding, based on the legal advice referenced in this consultation, is that the current situation is that the Statute of Limitations applies. If Option 1 were selected, the Statute of Limitations would continue to apply. Therefore we do not foresee any issues arising of this nature as the current situation would not be changing in practice.
EDF Energy	No as long as each case is reasonably dealt with regards to the crcumstances of the customer allowing if necessary a period over which the additional charges should be recovered.
ENWL	Any undercharge should be treated in the same way as an overcharge. The relevant Supplier can seek to recover this cost from the end customer in the same way a rebate would be given if an over-charge had occurred. Suppliers must ensure that the contractual agreements they have with end customers covers such a situation and allows them to recover the cost if they decide to pursue the debt.
GTC	We do not believe this to be true for IDNO's and that charges are either likely to be no different or an under-charge, not an over charge.
KCOM Group	This should be best managed with communication. The suppliers, distributors and customers should

	communicate to ensure that the customer understands the liability that exists, what this is based on and how it is calculated. The customer should be given an opportunity to validate the under charge.
Moto Hospitality	We did not think that any significant issues would arise from this situation. As the current DCUSA/legal situation allows for under charges to be raised, we thought that if this was a major issue then it would have already arisen. We thought that the best way to manage such a situation would involve keeping all parties in the loop about what was happening, and for the DNO to provide full detail and transparency about the under charge
Northern Powergrid	Adopting the approach under option 2 would minimise this potential. The only analysis that has been provided is where customers or their agents are expected to get a credit. Analysis on additional charges is not easily quantifiable, but some DNOs do have examples which confirm that there is a significant risk to suppliers and customers for additional billing for 5 or 6 years. As DNOs are not party to the contracts between suppliers and end-customers, we would expect suppliers to bill in line with their end-customer contracts.
NWL	Most electricity supply contracts include terms which allow suppliers to pass on additional costs- so ultimately the customer is likely to be liable for this cost. In this case the key to managing these types of situations is by ensuring the supplier and customer are fully aware of what they are being charged and why. If this info is presented clearly it will ensure that all parties involved have a full understanding of the situation and their own liabilities within it.
PCMG	This is a matter to be dealt with between the supplier and the customer. As such it falls within the scope of the supplier/customer relationship and contractual agreement, not the scope of the DCUSA. The only consideration I would put forward is that suppliers are given advance notice and fully detailed calculations / evidence of the undercharge, as would be expected in the case of an overcharge. However – the current legal position is that incorrect LLFCs can be changed going back a period of 6 years, and DCP 173 would only shorten this or leave it unchanged. I am not aware of large under charges being an issue and I believe that if they were, this would have come to light already. I do not believe there are enough significant undercharges for this to be an issue that needs to be addressed and there is no data that suggests that these undercharges exist.
Reckon LLP	The distributor should not attempt to collect any backdated charges if the error was the fault of the

	distributor. Under the legal text out forward in the consultation, backdating only occurs at the request of the User. I am not sure whether this is an error in the legal drafting or whether it reflects an intention of the Working Group to prohibit backdating to the benefit of the distributor. If a tariff was wrongly set as a result of errors or misrepresentations on the part of the User (supplier) or its customer then it is right and proper that the distributor should vigorously pursue the supplier for any sums due, to the maximum extent permitted by limitation laws. The main foreseeable issues in the case described in the question would relate to the ability of the supplier to obtain payment from the customer, if such a payment is due under the arrangement between the supplier and customer; this might be particularly hard if there has been a change of supplier. Such issues are outside the scope of DCUSA and use of system charging documents.
Safestyle UK	When a customer signs a supply contract with a supplier, it is on the understanding that the statute of limitations applies, so there shouldn't be any issues as a result of this change proposal. These situations should be managed by providing a detailed break down of the calculations and network plans to the customer to demonstrate why the wrong LLFC has been used and what this means. The customer should be given a period of time to review this information which may impact the outcome.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Whichever backdating period is chosen, processes should be consistent for both situations. The Supplier(s) may well have significant issues with their Customer in recovering a large under-charge depending on the contractual terms.
SP Distribution/SP Manweb	Yes. The impact to the supplier would be in recovering the under charge from the end customer. If option 1 is chosen, then a supplier may need to re-bill a customer he has not supplied for over 5 years.
UK Power Networks	It is not clear why any error should tend towards overcharging but we believe that, regardless of whether the revision of the LLFC results in an over or under charge, the treatment should be the same.
Virgin Active	We do not foresee that there would be significant issues. Most supply contracts allow suppliers to pass through 3rd party costs such as DUOS. DUOS charges typically make up a relatively small share of the energy bill and if a customer is hit by a retrospective bill via their supplier it is likely to be insignificant compared to retrospective bills for other aspects e.g. consumption, incorrect rates which customers are already exposed to and always have been.

Western Power Distribution	This would be managed as part of business as usual and each case would be evaluated individually. WPD would prefer to have the flexibility to not issue an invoice where there has been and undercharge that is a result of our own error.
WM Morrison Supermarkets plc	We do not foresee any issues that cannot already arise within the current DCUSA agreement.
Question Six	**Do you believe that any retrospective period should apply to both NHH and HH sites as was the intent of the change proposal?**
ABF and British Sugar	No. The Statute of Limitations should apply with both HH and NHH, however this change proposal is mainly addressing a Half Hour Meter issue.
B&Q Plc	YES. Both types of supply should have the same duration of recourse right through the 'supply chain' from DNO to customer.
Bernard Matthews Farms Limited	We think that the most important thing is that the 1980 Limitation Act is applied to HH sites. We have never encountered an incorrect LLFC on an NHH site and we are not sure if this is very likely, or a very significant cost difference.
Brakes	Yes we believe that the retrospective period should apply to all sites, as the statute of limitations applies to the supplier-customer relationship for all types of sites. We understand that there are systemic limitations in applying a 6 year retrospective period for NHH sites however we believe that this can be remedied by improving the system or by allowing manual credits to be raised.
British Gas	Yes – although we do not consider that alignment with the settlement calendar is appropriate.
BT	HH sites are the main sites impacted by this consultation. HH and NHH issues should not be mixed up because they work very differently for DUoS purposes. We think that this change should be addressed with HH and NHH sites separately.
Capita /North Tyneside Council	No. This is an issue that impacts HH sites. Including NHH sites is 'muddying the waters', the two types cannot be grouped.
Diageo	NHH and HH DUOS billing is completely different (due to the Super Customer system used for NHH DUOS billing purposes). Therefore we feel that these 2 areas should be dealt with seriously.
DTZ	We believe that a 5 or 6 year retrospective period should apply to HH sites. NHH sites work differently and it would be a good idea for an alternative change proposal to be raised to address this, although we believe that the Statute of Limitations should continue to apply.
EDF Energy	Where possible, yes. However where the restriction is caused by systems (NHH settlement) there is no reason to use this as a backstop for the modification

ENWL	Yes and Option 2 would align HH sites with the existing energy settlement time frame for NHH sites
GTC	Yes
KCOM Group	Yes if it is feasible to apply to both NHH and HH sites.
Moto Hospitality	We thought that the retrospective period should apply to both NHH and HH sites if possible. However, we also considered that alternative LLFCs (e.g. LV Substation, HV Network, Site Specific) are much more likely to be applied to HH sites so if the two types of sites need to be considered separately this could be appropriate
Northern Powergrid	We believe that this change should apply to all customers regardless of the way they are settled, which is why we are supportive of option 2. This was always the intent of this change and there should be a uniform application of the policy. If option 1 were to be implemented you would have a potential discrimination between similar types of customers.
NWL	In our experience, HH sites are prone to incorrect LLFCs whereas NHH sites are less so. This change proposal should deal with HH sites first, and NHH specific issues (e.g. the NHH settlement period) should not be factored in- NHH sites could be looked at in a different change proposal if incorrect LLFCs are found to be an issue with them too.
PCMG	I strongly believe that NHH and HH should be treated separately for the purposes of this change proposal. There are a number of issues, which have been raised in support of Option 2, relating to the issue which only impact NHH customers e.g. the limitations of the “Super Customer” system (as mentioned in my answer to Question 2). It is inappropriate to conflate NHH and HH characteristics when DCP 173 addresses an issue that primarily impacts HH customers. I would suggest changing DCP 173 to only apply to HH sites, and then creating a separate DCP which applies to NHH sites - although I believe this would be a waste of time, as I do not believe that historical LLFC changes are a significant issue that need to be addressed with NHH sites.
Reckon LLP	Yes, of course. For NHH sites, refunds will sometimes have to be made outside of ordinary NHH settlement processes. This might be the case irrespective of which option is adopted, since by the time the matter has been investigated and resolved then the RF run related to a period 14 months back from the time of the original

	valid enquiry might already have passed.
Safestyle UK	The retrospective period should apply to both NHH and HH sites however distinct change proposals are required because of the way DUOS billing is handled differs between NHH and HH.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Yes. Differential arrangements are not helpful and best avoided.
SP Distribution/SP Manweb	The NHH should continue as 14 months aligning with the settlement process and MPRS. NHH reconciliation runs are to correct MPAN counts and consumption changes within a 14 month period. By choosing option 2, this will align both HH and NHH.
UK Power Networks	Yes we believe it is important that ALL changes of LLFC are treated in the same way which would include both NHH and HH.
Virgin active	We do not believe that incorrect LLFCs are a widespread issue with NHH sites, so we do not think this is important that it applies to both NHH and HH sites.
Western Power Distribution	No, if Option 1 is chosen the settle run timetable should still apply to NHH. Yes, if Option 2 is chosen as this will align NHH & HH.
WM Morrison Supermarkets plc	We believe that due to the significant differences in HH and NHH Duos billing methodologies, there should be different change proposals for HH and NHH.
Question Seven	**Are there any alternative solutions or matters that should be considered by the Working Group?**
ABF and British Sugar	We are aware that the DCUSA change process is run entirely by suppliers, DNOs, IDNO and Ofgem and customers do not have any opportunity to vote. We find it concerning that a policy change which impacts the UK's major energy users substantially is being discussed in such a limited forum and we do not see this as appropriate.
B&Q Plc	No.
Bernard Matthews Farms Limited	No Comment
Brakes	It would be interesting to investigate the possibility of backdated distribution charges being handled directly between customer and distributor rather than via the suppliers. This could save time and resource.
British Gas	Retrospective refund limitations aligned to the statute of limitations Retrospective billing limitations aligned with restrictions on Supplier backbilling
BT	We have already stated, the working group should look at where the fault lies within incorrect LLFCs and

	improving DNO processes to stop them from happening.
Capita /North Tyneside Council	No.
Diageo	It may be appropriate to split the change proposal into 'HH' and 'NHH', due to the differences in billing, as mentioned in our response to the previous question.
DTZ	Blank
EDF Energy	No.
ENWL	We are not aware of any.
GTC	We believe that the working group may wish to consider the implications of the difference between the countries (England & Wales (6 years) and Scotland (5 years)). Would it be better to align these both to 5 years instead of 6 to remove any potential confusion?
KCOM Group	No response
Moto Hospitality	We did not think of any alternative solutions or matters to be considered by the Working Group.
Northern Powergrid	The working group have spent considerable time originally looking at eight options 7 March 2014 Page 4 of 4 v1.0 and getting these down to two, we are therefore not aware of any alternative solution that should be considered.
NWL	It might be more efficient for backdated distribution charging refunds or charges to be handled directly between customer and DNO.
PCMG	I am concerned that no quantitative research has been carried out whatsoever by the DNOs as part of DCP 173. Whereas a 6 year limitation would merely formalise the current legal situation, a 14 month limitation to LLFC changes would have a seismic impact on the industry and I struggle to understand how it could possibly be considered without any supporting data or analysis in relation to aspect such as (but not limited to) the levels of apparent customer risk, the apparent impact on price forecasting and the apparent cost of system changes to support DCP 173.
Reckon LLP	It is unfortunate that the Working Group has not disclosed the results of its first consultation in this second consultation, and that the Working Group does not seem to have taken full account of the helpful responses that it received to its first consultation. A cynic might say that the Working Group members did not like the answers they got first time around so they are now asking again rather than listening to the

	responses that they have received. Paragraph 3.7 of the consultation document is not well reasoned and does not give any specific reasons or evidence for the assertions in paragraph 3.6. The assessment against objectives is a crucial part of the change report; the Working Group should have documented its reasons for supporting the change proposal, so as to enable respondents to give an intelligent and informed response to the reasoning of the Working Group. The Working Group acknowledges in its question 4 the possibility that this change proposal might be unnecessary, and yet at the same time declares unconditional support for the change proposal in paragraphs 3.5–3.7 of the consultation document. This is incoherent.
Safestyle UK	If option 2 is to be implemented, more backing data is required to support the arguments which are currently based on anecdotal evidence. Also it is worrying that the party most impacted by this change is the thousands of UK business.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	No.
SP Distribution/SP Manweb	Not at this time.
UK Power Networks	There may be changes of supplier (particularly during a longer period) and it is unclear whether a supplier who identifies an incorrect LLFC should be able to influence the charges to the other suppliers over time, nor whether this drafting has that impact. It is unclear from the legal text whether any backdating is only for the current User. This then leads into a consideration of whether a previous supplier (the User, for a different point in time) can request a change (that itself would be backdated) for a period when he WAS the supplier. DCUSA Clause 15 may be relevant.
Virgin Active	N/A
Western Power Distribution	No.
WM Morrison Supermarkets plc	We believe that the working group need to produce data to back up the Options presented in the change proposal, particularly Option 2. We do not believe that an acceptable or valid decision can be reached without, at a minimum, some basic analysis of figures to back up the decisions.