

## DCP314 - OPTION A, B and C

### DRAFT LEGAL TEXT

#### 1. DEFINITIONS AND INTERPRETATION

##### Definitions

##### Add the following new definitions:

Best Practice Guidelines for Credit Cover	A conclusions document produced by the Authority on the best practice guidelines for gas and electricity network operators associated with credit cover issued in February 2005 as amended from time to time.
Final Reconciliation Settlement Run	has the meaning given to that term in the Balancing and Settlement Code.
Last Resort Supply Direction	As the meaning given to that term in the Supply Licences.

**Commented [JL1]:** Only required for Option A and Option C

#### SCHEDULE 19 – PORTFOLIO BILLING

##### 1. APPLICATION OF THIS SCHEDULE

- 1.1 Notwithstanding Clause 36.3, this Schedule applies to, and is binding between, each DNO Party (for the one part) and each EDNO (for the second part).
- 1.2 This Schedule sets out the process for determining the data by reference to which the Use of System Charges payable by the EDNO to the DNO Party are to be calculated.
- 1.3 In this Schedule, an “Embedded Distribution Network Operator” or “EDNO” is, in respect of each DNO Party:
- (a) any IDNO Party; or
  - (b) any DNO Party acting outside of that DNO Party’s Distribution Services Area,
  - (c) which (in each case) has a Distribution System within a GSP Group associated with that DNO Party.
- In this Schedule, a reference to the EDNO’s “Connectees” shall only be a reference to those Connectees to the Distribution Systems referred to in Paragraph 1.3 (and shall not include any Connectees to other Distribution Systems of the EDNO).
- 1.4 The Use of System Charges calculated in accordance with this Schedule shall be payable by the EDNO in accordance with Clause 44, and shall be subject to Clause 43.7 and paragraph 2 of Schedule 4 (as if the references to the User in those Clauses and that Schedule were to the EDNO).

##### 2. NHH AND HH AGGREGATED DEMAND DATA

- 2.1 In order to calculate the Use of System Charges attributable to the EDNO's non-halfhourly-settled and half-hourly aggregated settled demand Connectees, the DNO Party will use the data provided to it by the SVAA pursuant to section S and BSCP508 of the BSC.
- 2.2 Where a subsequent Settlement Run indicates that, as a result of such Settlement Run, the Use of System Charges are different from those previously billed, the DNO Party shall calculate such difference and the interest thereon, and shall submit an invoice for such difference and interest as soon as is reasonably practicable after such Settlement Run. Such interest shall be calculated in accordance with the provisions of Schedule 3 (as if the invoice under Paragraph 2.1 was an Initial Account, and as if the invoice under this Paragraph 2.2 was a Reconciliation Account under Clause 20.4).
- 2.3 The DNO Party shall identify to the EDNO the amount of each such invoice which relates to each Settlement Run, broken down by Settlement Code.

### **3. HH SITE SPECIFIC DATA**

- 3.1 In order to calculate the Use of System Charges attributable to the EDNO's site specific half-hourly-settled Connectees, the DNO Party will use data contained in the report provided by the EDNO pursuant to Paragraph 3.2 (subject to any revisions to reflect errors in such reports identified by the DNO Party pursuant to Paragraph 5).
- 3.2 The EDNO shall provide a report to the DNO Party, on or before the 15th day of each month, based on the amounts invoiced to Supplier/DG Parties by the EDNO pursuant to Clause 21 in respect of its Connectees, including all relevant data not previously reported to the DNO Party (and any adjustments to data previously reported).
- 3.3 The report shall contain the following data items in the following sequence for each invoice raised in respect of a half-hourly-settled Connectee:
- (a) the Market Domain I.D. of the EDNO;
  - (b) the GSP Group code of the DNO Party;
  - (c) the invoice reference number;
  - (d) the name or other reference identifying the EDNO Distribution System;
  - (e) a list of the MPANs covered by the invoice;
  - (f) the month(s) of consumption covered by the invoice;
  - (g) the Line Loss Factor Class Id (as defined in the MRA) for each MPAN covered by the invoice (being, for each MPAN, the "LLFC Id");
  - (h) the fixed charge units (in days) for each MPAN covered by the invoice;
  - (i) the DNO Party's unit rate 1 (red) units (in kWh) for each MPAN covered by the invoice;
  - (j) the DNO Party's unit rate 2 (amber) units (in kWh) for each MPAN covered by the invoice;
  - (k) the DNO Party's unit rate 1 (black) units (in kWh) for each MPAN covered by the invoice;
  - (l) the DNO Party's unit rate 2 (yellow) units (in kWh) for each MPAN covered by the invoice;
  - (m) the DNO Party's unit rate 3 (green) units (in kWh) for each MPAN covered by the invoice;

- (n) the chargeable agreed capacity (in kVA) for each MPAN covered by the invoice;
- (o) the chargeable excess capacity (in kVA) for each MPAN covered by the invoice; and
- (p) the chargeable reactive power units (in kVARh) for each MPAN covered by the invoice.

3.4 The report referred to in Paragraph 3.3 shall be provided in Excel 2003 format with each data item in a separate column. Where there are no half-hourly-settled Connectees, the EDNO shall submit a nil return.

#### **4. MPAN REPORT**

4.1 On or before the 15th day of each month, the EDNO shall send to the DNO Party a list of the EDNO's MPANs for site specific half-hourly settled Connectees (including pseudo half-hourly metered UMS), together with the following information (in separate columns) for each such MPAN (as at the start of that month):

- (a) its trading status;
- (b) the date from which such trading status has been effective;
- (c) its energisation status; and
- (d) the date from which such energisation status has been effective.

#### **5. AUDIT**

5.1 Upon not less than 15 Working Days' prior written notice, the DNO Party shall have the right to inspect and audit the consumption data and billing records of the EDNO relating to invoices referred to in Paragraph 3 or to check the accuracy of the LLFC Id determination under Paragraph 6.5. The EDNO shall ensure that all such data and billing records are maintained in accordance with customary recordkeeping and accounting standards.

5.2 The DNO Party shall only be entitled to exercise such right for the purposes of verifying the accuracy and completeness of the reports provided under Paragraph 3 or to check the LLFC Id determination under Paragraph 6.5, and shall only use the data obtained for those purposes.

5.3 The EDNO will allow the duly authorised representatives and auditors of the DNO Party who are to undertake any inspection or audit in accordance with this Paragraph 5 all reasonable assistance and adequate facilities for the proper exercise of such inspection or audit.

#### **6. LINE LOSS FACTOR CLASS**

6.1 Subject to paragraph 6.5, the DNO Party shall use the EDNO's LLFC Id description contained in the Market Domain Data (as defined in the BSC) to enable the DNO Party to identify the voltage of connection of the EDNO's Connectee and the voltage of connection of the EDNO's Distribution System, and shall notify the EDNO which of the DNO Party's charges will be applied by the DNO Party in respect of each Connectee for the purposes of the Use of System Charges the DNO Party levies on the EDNO.

6.2 Where the EDNO introduces new LLFC Ids or changes the use of existing LLFC Ids, it shall (within 15 Working Days of the same being published in the Market Domain Data) notify the DNO Party of the new or changed LLFC Id.

- 6.3 Where the EDNO has introduced new or changed LLFC Ids, the EDNO shall notify the DNO Party which of the DNO Party's charges the EDNO believes should apply in respect of the affected Connectees. The DNO Party shall nevertheless apply the charges as it considers appropriate, but any dispute regarding invoices shall be determined in accordance with Schedule 4.
- 6.4 Where the DNO Party alters the way in which it translates the EDNO's LLFC Ids into the DNO Party's charges, the DNO Party shall advise the EDNO of the change within 15 Working Days after such change.
- 6.5 Where an EDNO has UMS Connectees, the EDNO shall apply a LLFC Id that reflects the voltage of the Points of Connection on the EDNO's Distribution System (as referred to in Paragraph 1.3) that provide the majority (i.e. more than 50%) of energised domestic connections on that Distribution System. Where no Points of Connection provide the majority of energised domestic connections, the EDNO and DNO Party shall negotiate in good faith to determine the LLFC Id that should most reasonably apply.
- 6.6 The LLFC Id applying pursuant to Paragraph 6.5 will be applied to the entire portfolio of UMS Connectees on the EDNOs Distribution System that are registered under the same Standard Settlement Configuration.
- 6.7 The DNO Party shall have the right to review the data provided to it by the SVAA pursuant to Paragraph 2.1 for the purpose of verifying the accuracy of the LLFC Id applied by the EDNO to its UMS Connectees.

## 7. NOTICES

- 7.1 The EDNO shall provide all reports and other information that it is required to provide to the DNO Party in accordance with this Schedule by email to an address specified to the EDNO by the DNO Party, as varied from time to time.

## 8. SUPPLIER OF LAST RESORT

- 8.1 Where an EDNO is seeking re-distribution of bad debt via the DNO Party as a consequence of the revocation of the Supply Licence for a given Supplier Party (hereafter 'the defaulting Supplier Party') and subsequent Last Resort Supply Direction to another Supplier Party from the Authority, the EDNO shall, in line with the timescales detailed in Paragraph 8.2, provide to the DNO Party:

- (a) a self-certification of compliance with Schedule 1;
- (a)(b) the name of the defaulting Supplier Party;
- (c) the amount of financial loss incurred, in the formats specified in Paragraphs 8.2 and 8.3, together with the number of days the debt has been outstanding from the due date; and
- (d) the final date on which the defaulting Supplier Party was responsible for the supply to customers (hereafter the 'Final Day of Supply'), i.e. the day before the Supplier Party to which the Last Resort Supply Direction took responsibility for supply to customers of the defaulting Supplier Party.

8.4.2 [Three options presented below]

Option A:

In order to calculate the credit for Use of System Charges attributable to the EDNO's non half-hourly settled and half-hourly aggregated settled demand Connectees produced under Paragraph 2, within two calendar months of receipt of the Final Reconciliation Settlement Run for the Final Day of Supply, the EDNO shall create a report, in the format detailed in Appendix [X]<sup>1</sup>, extracted from data sent from the Supplier Volume Allocation Agent to the EDNO via the D0030 data flow, which relates to the period for which the EDNO has payments outstanding from the defaulting Supplier Party.

Option B:

In order to calculate the credit for Use of System Charges attributable to the EDNO's non half-hourly settled and half-hourly aggregated settled demand Connectees produced under Paragraph 2, within two calendar months of receipt of the Initial Settlement Run for the Final Day of Supply, the EDNO shall create a report, in the format detailed in Appendix [X], extracted from data sent from the Supplier Volume Allocation Agent to the EDNO via the D0030 data flow, which relates to the period for which the EDNO has payments outstanding from the defaulting Supplier Party

Option C:

In order to calculate the credit for Use of System Charges attributable to the EDNO's non half-hourly settled and half-hourly aggregated settled demand Connectees produced under Paragraph 2, The EDNO shall create a report in the format detailed in Appendix [X] extracted from data sent from the Supplier Volume Allocation Agent to the EDNO via the D0030 data flow which relates to a period for which the EDNO has payments outstanding from the defaulting Supplier Party. Two versions of this report will be created as follows:

- a) Within two calendar months of receipt of the Initial Settlement Run for the Final Day of Supply; and
- b) Within two calendar months of receipt of the Final Reconciliation Settlement Run for the Final Day of Supply. This report shall also detail the variance between the previous version of the report and this version.

8.3 In order to calculate the credit for Use of System Charges attributable to the EDNO's site specific half-hourly-settled Connectees produced under paragraph 3, concurrent with the timing of the report sent in accordance with Paragraph 8.2, the EDNO shall re-submit any half-hourly DUoS reports which relate to a period for which the EDNO has payments outstanding from the defaulting Supplier Party.

8.4 As part of the assessment in calculating the credit the DNO Party shall consider:

**Commented [JL2]:** This will refer to 8.2(a) for Option C if taken forward.

<sup>1</sup> To be updated with the next Appendix notation during implementation.

- (a) Invoices raised by the DNO Party and paid by the EDNO but not yet due for payment by the defaulting Supplier Party – 100% credit note to be provided; and
- (b) Invoices raised by the DNO Party and paid by the EDNO but overdue from the defaulting Supplier Party – a reduced credit note based on the table below:

<u>No. of business days past due</u>	<u>Percentage of face value recoverable</u>
<u>0-30</u>	<u>100</u>
<u>31-35</u>	<u>90</u>
<u>36-40</u>	<u>80</u>
<u>41-45</u>	<u>70</u>
<u>46-50</u>	<u>60</u>
<u>51-55</u>	<u>50</u>
<u>56-60</u>	<u>35</u>
<u>61-65</u>	<u>20</u>
<u>&gt;65</u>	<u>5</u>

- 8.5 Where the EDNO receives a monetary settlement from the Administrator (or similar officer) acting in respect of the defaulting Supplier Party, and part of the monetary settlement relates to credit notes received from the DNO Party covered under Paragraph 8.2 and Paragraph 8.3 of this Schedule, the EDNO shall provide a report detailing the apportionment of the monetary settlement to be paid to the DNO Party in in order to calculate the Use of System Charges attributable to the EDNO.
- 8.6 The DNO Party may include the EDNO data relating to the defaulting Supplier Party as part of the DNO Party submission for cost recovery to the Authority in accordance with the Best Practice Guidelines for Credit Cover.
- ~~8.28.7~~ Where the Authority requests additional information to that provided under Paragraph 8.6 and that additional information relates to the EDNO data, the EDNO shall provide such information to the DNO Party in a timely manner in order that the DNO Party meets the timetable provided by the Authority. If the Authority has not provided a timetable, then such information shall be provided within 10 Working Days from the DNO Party's request.

**Add a new Appendix X to Schedule 19**

[To be populated with column headings and notes for the chosen option]