

# DCP 307 Collated Consultation Responses

Company	Confidential/ Anonymous	1. Do you understand the intent of DCP 307?	Working Group Comments
E.ON UK	Non-confidential	Yes – it makes sense to reduce manual processing of invoices in order to reduce errors and delays in the process.	Noted
Haven Power	Non-confidential	Yes	Noted
npower	Non-confidential	Yes	Noted
Opus Energy Ltd	Non-confidential	Yes.	Noted
SSE Supply Ltd	Non-confidential	Yes	Noted
Electricity North West	Non-confidential	We do understand the intent of this change proposal.	Noted
Scottish Power Energy Networks	Non-confidential	No. The intent is stated as to reduce the amount of errors and delays in the manual processing of IDNO billing; this change should ensure timely and accurate settlement of IDNO to supplier billing for the benefit of both parties. However the consultation also speaks in point 5.2 about smaller Parties may be required to develop systems with the ability to receive these data flows. So is the intention to mandate IDNOs to send the D2021 flow only to those suppliers who want to receive the D2021 flow? Or is it to mandate that all HH specific MPANS are billed by all DNOs and IDNOs to all suppliers?	<p>The Working Group would like to highlight that they are not looking to force the use of the D2021 flow for all Parties, but they believe that it would be good to extend the provision as much as possible. In other words, DCP 307 would support the wider use of the flow.</p> <p>One Working Group member suggested the possibility that an alternate would not ‘mandate’ the use of the flow.</p>

UK Power Networks	Non-confidential	Yes	Noted
Anonymous	Anonymous	<p>No. We are unclear of what defect this proposal is seeking to remedy, with the proposal relying on unsubstantiated statements, which suggest that there is “a potential risk of manual error” and an insinuation that the DCUSA already requires compliance with D2021, when this is not the case<sup>1</sup>. Further we do not understand why DCUSA would prescribe a flow that is provided by one service provider, is not governed by DCUSA and is offered on a commercial basis, without any determining role for Ofgem. We also do not concur with some of the assertions in the DCP, in particular as it suggests that <u>all</u> DNOs are using the D2021 flow and that “some iDNOs do not use D2021” – it is our understanding that <u>not all</u> DNO are using the flow and that there are <u>no</u> iDNOs using it.</p> <p>The prevalence of the “error” has not been evidenced or demonstrated and nor has the statement that the “current state of billing continues to impair efficiency for some Suppliers”.</p> <p>We are strongly of the view that statements that are used to substantiate the need for a change to governance arrangements should be clearly evidenced and not purely rely on assertions made by the proposers of change.</p>	<p>The Working Group noted they intend to develop a solution which will involve further evidence as a result of the consultation responses.</p> <p>It was noted that some further details could be provided around the numbers of invoices to substantiate information provided thus far.</p> <p>The Working Group highlighted the following part of response “<i>insinuation that the DCUSA already requires compliance with D2021</i>” and wish to note that they had previously covered off this area during their first three meetings.</p> <p>The Working Group discussed the possible need for an RFI to gather data relating to the processing of invoices, specifically the numbers/costs involved.</p>
ESP Electricity Ltd	Non-confidential	Yes, the intent is to mandate all distributors to use the D2021 (and potentially D2026) when sending HH DUoS invoices and credit notes to Suppliers.	Noted

<sup>1</sup> Clause 21.2B states that ‘the Company (Distributors) will adhere to D2021 principles where the Distributor chooses to send, and the Supplier agrees to receive the D2021.

The Electricity Network Company	Non-confidential	Whilst we understand the rationale behind the change we are not supportive of DCP307, which seeks to correct a non-existent non-compliance with the DCUSA. Furthermore, DCP307 does not have appropriate legal drafting to support its intent (see response to Q18). We have additional reasons why we do not support this change as a whole and these are addressed under question 2.	<p>The Working Group will pick up the comments on the legal drafting as part of their comments against that question.</p> <p>With regard to the following part of the response, “non-existent non-compliance”, the Working Group noted that it will be necessary to demonstrate that the point is not applicable as this wasn’t set out clearly enough in the consultation.</p> <p><b>ACTION:</b> The Working Group to demonstrate that this change is not seeking to correct “non-existent non-compliance”, in any further documentation issued.</p>
UK Power Distribution	Non-confidential	UK Power Distribution does not understand the intent of DCP307 and we cannot support this proposal as we feel that alternative options have not been explored as per the outcome of DCP145 and the proposer has not demonstrated through evidence and fact what are deemed to be the ‘material risks’ and impacts on parties.	<p>The Working Group noted the response and agreed that it would be beneficial to explore the outcome of DCP 145.</p> <p><b>ACTION:</b> The Working Group to explore the outcome of DCP145 and highlight findings in any further documentation issued.</p>
Confidential	Confidential	Confidential	Noted
<p><b>Nine of the thirteen respondents noted that they understood the intent of DCP 307. The four respondents who did not understand or agree with the intent, noted varying reasons, specifically that more evidence is needed to support this change and the impact to other Parties which is not as the title suggests.</b></p> <p><i>So is the intention to mandate IDNOs to send the D2021 flow only to those suppliers who want to receive the D2021 flow? Or is it to mandate that all HH specific MPANS are billed by all DNOs and IDNOs to all suppliers?</i></p> <p><i>The prevalence of the “error” has not been evidenced or demonstrated and nor has the statement that the “current state of billing continues to impair efficiency for some Suppliers”</i></p>			

Company	Confidential/ Anonymous	2. Are you supportive of the principles of DCP 307? If not, why not?	Working Group Comments
E.ON UK	Non-confidential	We are supportive of this change.	Noted
Haven Power	Non-confidential	Yes	Noted
npower	Non-confidential	Yes, we are supportive of the principles of DCP 307.	Noted
Opus Energy Ltd	Non-confidential	Yes. To receive invoices in bulk from IDNOs via the D2021, in the same manner as invoices from DNOs would introduce consistency and enable batch processing which is simpler, more cost-effective and less risky than receiving invoices from IDNOs in varying forms.	The Working Group noted the reasonings provided in support of this CP but queried the comment, “less risky than receiving invoices from IDNOs in varying forms” as this statement is not substantiated.
SSE Supply Ltd	Non-confidential	We support the principles of DCP 307 as we raised this modification, and through working group discussions it has become evident that this modification poses benefits for Suppliers, DNOs and IDNOs.	The respondent noted that the comment on that DCP 307 “ <i>posing benefits</i> ” was made in a broad sense but it may not be seen for each and every Party. The Working Group highlighted what they previously noted against the Anonymous response to Question 1 that an RFI could be used to assist in substantiating the benefits of this CP.
Electricity North West	Non-confidential	We are broadly supportive of the principles of this change proposal.	Noted

Scottish Power Energy Networks	Non-confidential	<p>No. If the change is to mandate on the usage of the D2021 flow on all IDNOs, this is unfair on an IDNO who only has a small number of HH specific MPANS. It would also reduce competition, as this would be a cost that is unfair on a small IDNO. <b>There should be a tolerance level, (number of HH invoices issued) and if that level is reached, then the IDNO must provide the DUOS invoices to those suppliers who want to receive the flow.</b></p>	<p>The Working Group note that this response suggests the need for a threshold level and will pick up this area when reviewing responses to Question 8 which asked for views on the cost/benefit of this CP. It was noted that this is in response to the following:</p> <p><i>“There should be a tolerance level, (number of HH invoices issued) and if that level is reached, then the IDNO must provide the DUOS invoices to those suppliers who want to receive the flow.”</i></p> <p>The Proposer noted that the intent of the CP may need to be changed due to discussions had during the first three meetings but also due to respondents’ confusion regarding the intent and/or principles of this CP.</p>
UK Power Networks	Non-confidential	<p>We are supportive of using the D2021/D2026 for all HH site-specific billing under DCUSA, subject to caveats around CVA sites, so long as the impacts on smaller parties and concerns they may have about electralink’s bi-lateral contract can be overcome.</p>	<p>Working Group noted the response and will pick up the respondents’ comments during the review of the rest of the responses.</p>
Anonymous	Anonymous	<p>No, we are not supportive of the proposed change. We are unclear why the proposal as titled requires IDNOs to comply with D2021, when there is no corresponding requirement on Suppliers to receive the D2021 or provide remittance via the D2026 flow. Equally we understand that <u>not all</u> DNOs are using the D2021 flow. However there appears to be a conflict between the title of the proposal and the proposal itself, with the title suggesting that the change is seeking to</p>	<p>The Working Group noted that they have covered off the majority of this respondent’s comments during previous discussions. It was also noted that the group will use the responses to this consultation to</p>

		<p>mandate only iDNOs to use the D2021 solution, whereas the legal text suggests that all Distributors will be covered by the requirement.</p> <p>In addition, we are concerned that there is no guarantee that Suppliers will agree to receive the D2021 flow and note that there will be no mandate for them to use the corresponding D2026 flow.</p>	decide on the use of the D2026 flow.
ESP Electricity Ltd	Non-confidential	<p>ESPE does not believe the DCUSA change process should mandate Parties to accede to an agreement which is subject to commercial contract.</p> <p>This change, if implemented, would hand a monopoly position to a commercial Service Provider. DCUSA Parties would thereafter be forced to accept changes to costs, formats and any other changes to Terms and Conditions imposed by the Service Provider.</p> <p>However, ESPE does support the principles of DCP307 in that a standardised approach to DUoS billing and consistency across all Parties has the potential to reduce administration costs and speed up the validation of DUoS invoices for some Parties. It is our view that this goal should only be realised if it can be achieved without the unprecedented step of mandating the use of a commercial agreement.</p>	The Working Group noted that they will discuss the points made by this respondent during their comments/discussion to responses to later questions.
The Electricity Network Company	Non-confidential	<p>We are not supportive of the principals of DCP 307. There are a number of issues with this change proposal which we outline below:</p> <p><u>Materiality</u></p> <p>The change proposal states that although this particular issue has been raised previously, changes in the marketplace necessitate that this is revisited, we disagree with this notion. As with the previous similar changes several parties raised legitimate concerns with regards to costs and governance arrangements which have failed to be addressed by this change proposal. If there are legitimate reasons for this topic to be revisited it has been not conclusively proven, as these concerns have not been addressed either by the proposer or via the intent of change proposal itself.</p> <p>In the Consultation it is the proposers view that <i>“the current climate of significant regulatory changes combined with the uplift in new IDNOs entering the market has resulted in a very different landscape to the one that previous votes have taken place in.”</i> The materiality and legitimacy of this statement has not been addressed in the consultation and would have liked been productive to have this quantified. At present no evidence has been presented within the consultation to justify the need for change other than an assertion that a change or changes</p>	The respondent clarified that their belief is that there is a need to provide further justification by quantifying the numbers of invoices. The Working Group agreed that this will be necessary and noted that they may issue an RFI as discussed during the review of the Anonymous response to Question 1.

		<p>within the industry necessitate a review. It is essential that factual based evidence is provided on the materiality of a perceived defect or improvement to code, where possible, in order that a fair, balanced and accurate determination can be made by all stakeholders.</p> <p><u>Previous Change and alternative solutions</u></p> <p>We have reviewed previous similar change proposals which have sought to introduce similar changes into DCUSA below:</p> <p><b>We note that the consultation neglects to mention DCP111 “E Billing for Site Specific Bills”. This Change Proposal has significant bearing on DCP307 but does not appear to have been considered by the proposer or the working group.</b> The intent of the change was specifically looking at introducing ebilling for all HH site specific billing by using the D2021 flow (not including D2026). This change included a number of similar elements to DCP307 and was given consideration due to significant industry change<sup>2</sup> in relation to HH billing. Following a Part 2 DCUSA vote the change was rejected and a number of concerns were supplied by DNO’s and IDNO’s on:</p> <ul style="list-style-type: none"> <li>• the significant system changes required to facilitate such a change,</li> <li>• commercial contracts,</li> <li>• vires of DCUSA,</li> <li>• User pays options,</li> <li>• right to retain alternative methods of invoicing,</li> <li>• specification of D2021 required “tightening”,</li> <li>• cost recovery,</li> <li>• scale of costs for smaller parties,</li> <li>• cost/benefit case not proven,</li> <li>• competition and potential for manual errors potentially increased.</li> </ul> <p>With the exception of a threshold for smaller parties none of these concerns have been addressed and/or mitigated in DCP 307 by the proposer, the working group or via the legal text.</p> <p>DCP142 “Using D2021 for all invoices/credit notes if it is used at all” was implemented in October 2013. At this time ENW provided numerous valid concerns within their vote, some of which were addressed by Ofgem. However as the legal text of this change only formalised a practice which was already occurring between parties, and did not mandate all parties to comply the DCP142, the change was implemented. This forms the legal text which DCP307 seeks to amend. We</p>	<p>The Working Group noted the respondent’ belief that there was a need to review DCP 111 ‘E Billing for Site Specific Bills’. prior to this CP being submitted.</p> <p><b>ACTION:</b> The Working Group to carry out a review of DCP 111 and include any findings in any further documentation issued.</p> <p>The respondent noted that they believe that the following CPs needed further review with regard to the progression of DCP 307:</p> <p>DCP 142 “Using D2021 for all invoices/credit notes if it is used at all”</p> <p>DCP 145 “Mandating Compliance with D2021 Processes”</p>
--	--	---	--

<sup>2</sup> Proposer’s view

		<p>would reiterate again that concerns put forward by parties in DCP142 have not been addressed in the development of DCP307, even though they have a direct impact.</p> <p>The most recent change DCP145 “<i>Mandating Compliance with D2021 Processes</i>”, which is the most similar to DCP307 was rejected by Ofgem on the basis that “<i>Overall, since a common approach to electronic billing exists outside the DCUSA, and we are not convinced that this change proposal introduces a more effective mechanism for compliance, we conclude that the change proposal does not better facilitate the relevant objectives of the DCUSA. However, we support moves to ensure consistency and transparency in the industry code arrangements and there may be alternative solutions the industry could explore in order to achieve a similar objective.</i>”</p> <p>The intent of DCP307 is too narrow and fails to address or offer any possible alternatives which may facilitate a uniformed, cost effective and efficient billing process. All previous change proposals which have sought to introduce this change have limited the development of any alternative solution by being focussed on the D2021 in the intent of the change. We would argue that in order to deliver a uniformed, cost effective and efficient billing process the intent of the change needs to be focussed on these aspects and not on the method by which it can be achieved. By limiting the method to D2021 it negates any other option to be explored and does not introduce an opportunity for review to ensure it offers the best value service. This means that Distribution Businesses would be unable to comply with DCUSA obligation 3.1.1 as we would not be ensuring the best value service is procured in order to have an efficient, co-ordinated and economical Distribution System.</p> <p>If the D2021 is something which some Suppliers require, an alternative solution not considered by the Proposer is that Suppliers are currently able to approach Distribution Businesses to have this service on a User Pays or Miscellaneous Charges basis. This may be particularly beneficial for smaller Supplier parties who may not wish to bear such costs and development for a change which may be of little benefit to them. Distribution Businesses would be able to recover appropriate costs for the delivery of such a service. Suppliers which take up such a service would then be in a position to review the cost provision of said services and the benefit to them.</p> <p>To date we have not been approached by any Supplier to explore a user pays or any other alternative approach to billing.</p> <p><u>Governance arrangements</u></p>	
--	--	---	--



	<p>As the D2021 is a commercially offered data flow under contract from Electralink, the processes for the operation and use of the flow exist within the DUoS E-Billing Service Agreement. The appropriate governance of which sits within this agreement and not within the DCUSA. The proposer's intent of DCP307 is to compel Distribution parties to use the D2021 universally for the purposes of billing (proposed clause 21.2B.2). Under this framework we would argue that DCUSA does not have the vires to compel parties to comply with a commercial contract.</p> <p>We would also raise concerns that DCUSA and Ofgem would not be able to make determinations in respect to the use of D2021 or any non-compliance of D2021. The efficient and economic running of the DCUSA would not be better facilitated as the change does not improve governance procedures but rather adds a layer of complexity which would only be enforceable by Electralink, in its capacity as D2021 service provider, and thus not an appropriate governing body. It raises questions therefore as to whether DCUSA and Ofgem would need to sign up to and be a party to the DUoS E-Billing Service Agreement.</p> <p><b>There are already appropriate shared mechanisms in place such as the DTC which are managed in open governance with an appropriate change control process and funding arrangements.</b> As this framework already exists it would seem more appropriate that a change which aims to ensure that efficient and economic billing processes are improved and undertaken in this framework. The D2021 and the DUoS E-Billing Service Agreement is the opposite of this arrangement. It is unclear then why the proposer feels that the D2021 is the best solution to the issue presented other than that some parties have already procured a commercial service which was designed and developed for and on behalf these types of parties (DNO's/Suppliers). It can be argued then that the current arrangements will not have been scoped with smaller parties in mind and it is unclear what, if any, voice will be given to those parties as changes are required to the D2021. <b>Furthermore, what and again if any, process is in place to appeal any changes made to the D2021 in the future.</b> As stated above neither DCUSA nor Ofgem would have the vires to make determinations in respect to how the commercial contract is managed and therefore any changes or appeals under it. This is a significant risk to governance processes overall as it could introduce a change process which does not work for all parties but could have a direct impact on end consumers without the sight of the authority.</p> <p><u>Electralink</u></p> <p>In line with our comments above on Governance arrangements, there are a number of additional concerns specifically with regards to Electralink in its capacity as D2021 service provider. Namely that:</p>	<p>With regard to the following part of this response, <i>"There are already appropriate shared mechanisms in place such as the DTC which are managed in open governance with an appropriate change control process and funding arrangements."</i> the Working Group noted that this comment could form part of an alternate proposal.</p> <p>The Working Group noted the following part of this response highlights an issue which will need to be addressed:  <i>"Furthermore, what and again if any, process is in place to appeal any changes made to the D2021 in the future"</i></p> <p>The group agreed to discuss any potential alternate or amended solutions upon finishing the review of all the consultation responses.</p>
--	--	---

		<ul style="list-style-type: none"> <li>• Electralink are capable of changing the structure, or data items under D2021 whenever, and however they wish to without formal consultation</li> <li>• Electralink would not be subjected to any charging scrutiny, nor would any other party have visibility of what other parties are being charged.</li> <li>• Electralink could potentially abuse their charging of parties involved. Electralink would therefore be in a monopolistic position on the delivery of Distributors bills.</li> </ul> <p>Whilst some of these concerns may be addressed under the DUoS E-Billing Service Agreement, we would argue that an alternative option developed in open governance would better facilitate DCUSA Objectives 3.1.1 and 3.1.4.</p> <p>Electralink provide the D2021 under the DUoS E-Billing Service Agreement but also undertake the Secretariat/Code Administrator role(s) under the DCUSA. We point out that Electralink are not a neutral party to these discussions and their role in the provision of the D2021 undermines their ability to comply with their obligations under section 7 of the DCUSA. Electralink have a vested interest in the development of this change and would continue to do so if implemented into the code. <b>Electralink currently chair DCP307 and arguably lack neutrality for these discussions, or any subsequent changes, or determinations on compliance with the DCUSA for D2021 services.</b></p> <p><u>Anti-competitive</u></p> <p>Based on the legal text and proposed arrangements of DCP307 there would be the following impacts:</p> <ul style="list-style-type: none"> <li>• Burden on smaller IDNO and Supplier parties to offer a service which may be unnecessarily sophisticated and costly.</li> <li>• <b>Potentially damaging the state of the competitive market as it places additional disproportionate costs smaller parties. These smaller parties may then be unable to compete with parties who, unlike them, are able to recover costs, or smooth them across their portfolio.</b></li> <li>• Under 1.4 of the consultation document it makes the assertion that changes are required to facilitate effective competition but that this is being hampered by the current state of billing for some Suppliers. This may be of benefit to larger parties who already use the D2021 but could have a detrimental impact on smaller parties who do not currently use it. This raises a question around thresholds, but if all parties do not take up D2021 it undermines the proposers' rationale for the introduction of the clause. This would</li> </ul>	<p>The Working Group discussed the below point:  <i>“Electralink currently chair DCP307 and arguably lack neutrality for these discussions, or any subsequent changes, or determinations on compliance with the DCUSA for D2021 services.”</i></p> <p>Members of the Working Group agreed that ElectraLink will need to carefully manage the interaction to prevent a conflict of interest. The Secretariat noted that ElectraLink's role in the Working Group is as an independent acting on behalf of DCUSA Ltd. It was further explained that the Governance Services team, which provides Code Administration services and the commercial arm of</p>
--	--	---	--

		<p>therefore not lead to a better more efficient or economical process under DCUSA as the proposer suggests to intend.</p> <p>We are not supportive of this change as it places unrecoverable costs on IDNO which would have a negative impact on DCUSA objectives 3.1.1 and 3.1.2.</p> <p>We are not supportive of this change as it places unrecoverable costs on IDNO parties and therefore would have a negative impact on DCUSA objectives 3.1.1 and 3.1.2.</p> <p>In summary we acknowledge Suppliers desire for consistency in billing across all distributors but a dataflow which is change managed and owned in a commercial environment is not something which we can or will support. A requirement for mandated consistency for invoicing must be managed in open governance with visibility of the costs attributed to each party in an equitable manner. In addition, evidence has not been presented which justifies the need for change. Alternative options for consideration have not been presented nor any which address previous concerns raised by both industry parties and Ofgem. The change proposal fails to address the real issue in a way which can be explored under the terms of DCUSA governance and is actively preventing development of viable solution under open governance.</p>	<p>ElectraLink are independent of each other and that those from the commercial arm were not in this meeting to ensure that independence was maintained and an effective discussion from the Working Group could be had.</p> <p>The Working Group agreed that they were comfortable with the explanation provided and noted that they are only exploring the principles of this CP at present.</p> <p>Regarding the following part of the response,  <i>“unlike them, are able to recover costs,”</i> the Working Group discussed if this could change if moved into open governance.</p>
UK Power Distribution	Non-confidential	No, as UK Power Distribution feels that: there are not sufficient enough details provided on the D2021 Billing product; the product is outside the governance of DCUSA and its provider Electralink is not a party to DCUSA.	The Working Group note this response and have already discussed the need for further information.
Confidential	Confidential	Confidential	Working Group provided comments and an action was taken.
<p>Seven of the thirteen respondents were not supportive of the principles of DCP 307. The Working Group highlighted the varying reasons provided by respondents, these are set out below:</p>			

Company	Confidential/ Anonymous	3. For Suppliers: Do you receive and process HH bills via the D2021? If not, please provide your reasonings.	Working Group Comments
E.ON UK	Non-confidential	Yes, currently 98% of our invoices are received and processed via the D2021.	The Working Group questioned where the 2% is coming from and agreed pick up this split during discussions around a RFI.
Haven Power	Non-confidential	Yes	Noted (see general comment in final row below)
npower	Non-confidential	Yes	Noted (see general comment in final row below)
Opus Energy Ltd	Non-confidential	Yes.	Noted (see general comment in final row below)
SSE Supply Ltd	Non-confidential	Yes	Noted (see general comment in final row below)
Electricity North West	Non-confidential	Not applicable.	-
Scottish Power Energy Networks	Non-confidential	-	-
UK Power Networks	Non-confidential	N/A	-
Anonymous	Anonymous	N/A	-
ESP Electricity Ltd	Non-confidential	N/A	-
The Electricity Network Company	Non-confidential	Not applicable	-

UK Power Distribution	Non-confidential	-	-
Confidential	Confidential	Confidential	-
The Working Group noted that there is a need to engage with smaller suppliers regarding the impacts of this change, specifically if/when issuing an RFI to gather data relating to the numbers of invoices.			

Company	Confidential/Anonymous	4. For Distributors: What percentage of HH MPANs are billed via D2021, and what percentage are not?	Working Group Comments
E.ON UK	Non-confidential	-	-
Haven Power	Non-confidential	N/A	-
npower	Non-confidential	N/A	-
Opus Energy Ltd	Non-confidential	N/A	-
SSE Supply Ltd	Non-confidential	-	-
Electricity North West	Non-confidential	Approx 93% billed via D2021 and 7% billed via PDF.	Noted (see general comment in final row below)
Scottish Power Energy Networks	Non-confidential	For MANW and SPOW the split is 94% are billed via D2021 and 6% are not.	Noted (see general comment in final row below)
UK Power Networks	Non-confidential	96.17% are billed via D2021 and 3.83% are not billed via D2021	Noted (see general comment in final row below)

Anonymous	Anonymous	N/A – we are an iDNO	Noted (see general comment in final row below)
ESP Electricity Ltd	Non-confidential	0% - ESPE have not acceded to ElectraLink's DUoS E-billing Agreement that permits the transmission of the D2021 and D2026 dataflows.	Noted (see general comment in final row below)
The Electricity Network Company	Non-confidential	Not applicable-D2021 not used	Noted (see general comment in final row below)
UK Power Distribution	Non-confidential	UK Power Distribution does not bill any of its Site Specific Half Hourly MPANs via D2021 Billing product.	Noted (see general comment in final row below)
Confidential	Confidential	Confidential	Working Group provided comments
<b>The Working Group noted that none of the IDNOs who responded to the consultation use the D2021 flow. It was also noted that for all of the DNOs who responded to the consultation that the majority of HH MPANs are billed via the D2021 flow.</b>			

Company	Confidential/ Anonymous	5. For Distributors: How many HH Supplier MPIDs are billed via D2021, and how many are not?	Working Group Comments
E.ON UK	Non-confidential	-	-
Haven Power	Non-confidential	N/A	-
npower	Non-confidential	N/A	-
Opus Energy Ltd	Non-confidential	N/A	-
SSE Supply Ltd	Non-confidential	-	-

Electricity North West	Non-confidential	27 MPIDs billed via D2021, 31 via PDF.	Noted (see general comment in final row below)
Scottish Power Energy Networks	Non-confidential	In SPOW we bill 26 suppliers by EDI and 30 are not and in MANW we bill 26 suppliers by EDI and 31 are not.	Noted (see general comment in final row below)
UK Power Networks	Non-confidential	46.82% are billed via D2021 and 53.18% are not billed via D2021	Noted (see general comment in final row below)
Anonymous	Anonymous	N/A – we are an iDNO	Noted (see general comment in final row below)
ESP Electricity Ltd	Non-confidential	0% - ESPE have not acceded to ElectraLink's DUoS E-billing Agreement that permits the transmission of the D2021 and D2026 dataflows.	Noted (see general comment in final row below)
The Electricity Network Company	Non-confidential	Not applicable-D2021 not used	Noted (see general comment in final row below)
UK Power Distribution	Non-confidential	UK Power Distribution does not bill any Supplier via D2021 Billing product for any of its Site Specific Half Hourly MPANs.	Noted (see general comment in final row below)
Confidential	Confidential	Confidential	Working Group provided comment.
The Working Group noted that for all of the DNOs who responded to the consultation, each bill just under half of relevant MPIDs via the D2021 flow. The Working Group noted that none of the IDNOs who responded to the consultation use the D2021 flow.			

Company	Confidential/ Anonymous	6. For Distributors: Why are some Suppliers not billed via the D2021?	Working Group Comments
E.ON UK	Non-confidential	-	-

Haven Power	Non-confidential	N/A	-
npower	Non-confidential	N/A	-
Opus Energy Ltd	Non-confidential	N/A	-
SSE Supply Ltd	Non-confidential	-	-
Electricity North West	Non-confidential	The majority of suppliers who are not billed via a D2021 have a relatively low volume of invoices issued to them each month so it may not be cost effective for them to invest in automating the process.	The Working Group noted the response but highlighted it is speculative in nature.
Scottish Power Energy Networks	Non-confidential	These suppliers do not want to receive invoices by the D2021 flow. We send these suppliers their HH invoices by email direct from our billing application.	The Working Group noted the reasoning provided. It was also noted that a possible RFI question could ask if the flow is offered to all and if it is the case that some do not want to use the flow.
UK Power Networks	Non-confidential	Some suppliers have chosen not to receive the D2021 flow. Note also that CVA registrants are not sent the D2021, as they do not currently use the DTN.	The Working Group noted this response and agreed that both points have already been or will be covered off.
Anonymous	Anonymous	N/A – we are an iDNO	Noted
ESP Electricity Ltd	Non-confidential	N/A - 0% - ESPE have not acceded to ElectraLink's DUoS E-billing Agreement that permits the transmission of the D2021 and D2026 dataflows.	Noted
The Electricity Network Company	Non-confidential	Not applicable-D2021 not used	Noted



UK Power Distribution	Non-confidential	UK Power Distribution does not bill any Supplier via D2021 Billing product for any of its Site Specific Half Hourly MPANs.	Noted
Confidential	Confidential	Confidential	Working Group provided comments.
The Working Group noted that the responses provided to this question lead onto potential RFI questions			

Company	Confidential/Anonymous	7. To what extent, if any, will DCP 307 have an onerous impact on smaller Parties? Please provide your rationale.	Working Group Comments
E.ON UK	Non-confidential	-	-
Haven Power	Non-confidential	We do not believe there will be an onerous impact on smaller parties. Whilst some parties may incur costs in system changes the long term benefit for them will more than compensate. It is for this reason that we agree a six month implementation time is a prudent idea.	The Working Group noted the response but highlighted it is speculative in nature.
npower	Non-confidential	There may be significant cost implications upon smaller parties to develop their internal systems in order to adhere to the requirement detailed in DCP 307. Further, IDNOs will be impacted as they will have initial set up costs; however, this will reduce future operational costs and bring data quality improvements bringing efficiency savings.	The Working Group noted the response but highlighted that no substantiation was provided to back up the views.  It was also noted that this question should have really been answered by smaller Parties but as minimal responses were received by those Parties so it is hard to understand the true impacts.
Opus Energy Ltd	Non-confidential	Although some parties could face costs involved with system changes, the benefits to the Industry should exceed the costs. A 6-month implementation date following Authority decision, as specified within the consultation, should provide sufficient time for those parties requiring system changes.	The Working Group noted that additional operating costs may be seen but that there is a potential lack of transparency of those costs.

SSE Supply Ltd	Non-confidential	The implementation of DCP 307 would impact any parties, large or small, that have yet to adopt the D2021. While this cost would evidently be more significant for small parties, one of the aims of this consultation is to establish how this change can be applied in a way that is proportional. Pending the workgroup's review of the comments made by smaller parties affected by this change, it remains to be seen if this change would be rolled out to all parties, therefore it would not be accurate to conclude that this change would be onerous. <b>We also believe that describing this as onerous before quantifying the impacts on smaller Parties is unnecessarily emotive for use in an industry consultation.</b>	With regard to the following: <i>"We also believe that describing this as onerous before quantifying the impacts on smaller Parties is unnecessarily emotive for use in an industry consultation."</i> the Working Group agreed and will be mindful in future.  The Working Group noted the comments regarding smaller Parties.
Electricity North West	Non-confidential	For smaller parties to provide a response.	The Working Group noted the comments regarding smaller Parties.
Scottish Power Energy Networks	Non-confidential	This question will be bettered answered by IDNOs and suppliers who do send or receive the D2021 flows. However as stated in question 2, I believe this would have an onerous impact on a smaller IDNO and therefore limit competition.	The Working Group noted the comments regarding smaller Parties.
UK Power Networks	Non-confidential	Those parties not currently handling D2021 and D2022 flows would have to invest in systems to do so.	Noted
Anonymous	Anonymous	The implications of the proposal on smaller parties will depend on the complexity of their current systems and the costs involved in introducing this change to their working and systems arrangements. We believe that in considering small parties that IDNOs, as well as small Suppliers, should be considered.	Noted
ESP Electricity Ltd	Non-confidential	The implementation of DCP307 will have an onerous impact on smaller Parties as this change proposal mandates that all DNO/IDNOs and Supplier Parties accede to ElectraLink's DUoS E-billing Agreement. The Agreement sets out the rules, data flow definitions and allows transmission of the e-billing dataflows.	The Working Group noted that the current working assumption would mean that DNO/IDNOs and Supplier Parties will need to accede to ElectraLink's DUoS E-billing Agreement.

		<p>The terms of the Agreement could be subject to change, with the potential to impose IT system costs on parties, without the benefit of an open governance process.</p> <p>The change proposal would also have an onerous impact if the format of the D2021/2026 dataflows required further alteration following implementation of this change proposal. It is important to highlight that these changes would occur outside of open governance. Such changes would result in further IT system changes for all Parties; the administrative and direct costs of these changes should not be underestimated, and need to be carefully weighed against the benefits of mandating the use of these dataflows.</p>	
The Electricity Network Company	Non-confidential	<p>As a smaller party our previous analysis under DCP111 indicated that the costs relative to our size were entirely disproportionate to any expected benefits. Whilst this change was slightly different, and the market has arguably moved on since that time DCP307 has the same end result. <b>DCP307 still introduces unrecoverable costs into our business which provide no expected benefit to us</b> We would argue that this change does not benefit all Distribution and Supplier parties, but rather only those who wish to use an exclusive flow for whose individual business costs are attributed to it in a commercial environment. If the flow is to have a benefit, overall costs must be shared via an appropriate charging methodology such as the MRA or DCUSA.</p> <p><b>Furthermore, costs to produce an invoice needs to be proportionate to:</b></p> <ul style="list-style-type: none"> <li><b>The size of the company's portfolio</b></li> <li><b>The cost to produce that invoice relative to the amount being billed</b></li> </ul> <p>On this basis it is unreasonable to expect new entrants and smaller parties to have adopted such a sophisticated approach to billing. We would consider that this has an onerous impact on smaller parties as the costs to acquire and operate such a service would be disproportionate to the size and revenue made. Consequently, this will have a negative impact on competition within the market place and would be incompatible with DCUSA Objective 3.1.2 (competition in the market place).</p>	<p>With regard to the following point, <i>"introduces unrecoverable costs into our business which provide no expected benefit"</i> the Working Group noted that this change wasn't seeking to introduce the sharing of costs via an appropriate charging methodology, but the Proposer and Working Group are open to the prospect but that further discussion is required.</p> <p>In light of the discussions around issuing a RFI, the Working Group will review the following points during consideration of what to include in a RFI:</p> <p><i>"Furthermore, costs to produce an invoice needs to be proportionate to:</i></p> <ul style="list-style-type: none"> <li><i>The size of the company's portfolio</i></li> </ul>

			<ul style="list-style-type: none"> <li><i>The cost to produce that invoice relative to the amount being billed</i></li> </ul>
UK Power Distribution	Non-confidential	UK Power Distribution will have to change its electronic DUoS Billing System to incorporate the requirements of this third party D2021 Billing product, meaning we will have to go through System Development, User Acceptance Testing and Implementation, all which will take up valuable time, effort and costs for an embryonic company that we are. We will also have to contract with Electralink through a stand-alone bilateral commercial agreement, which will also take up valuable time, effort and cost to review and comment on and make workable for both parties, if indeed changes could be made by UK Power Distribution and accepted by Electralink.	The Working Group noted that the below could be incorporated into a RFI <i>"we will have to go through System Development, User Acceptance Testing and Implementation,"</i>
Confidential	Confidential	Confidential	Working Group provided comments.
The Working Group noted that this question should have really been answered by smaller Parties but as minimal responses were received by those Parties, it is hard to understand the true impacts.			

Company	Confidential/Anonymous	8. What will the cost benefits of DCP 307 be to your organisation? Please provide rationale.	Working Group Comments
E.ON UK	Non-confidential	The cost benefits will be regarding the resource required to manually enter the IDNO invoices into the system which will be circa £250 per month.	<p>The Working Group believe that further information is needed regarding the cost/benefit of this CP as have not been able to conclude how the respondents has reached the view provided.</p> <p>The Working Group agreed to draw out the further information that is needed via a RFI which will be produced once all consultation responses have been reviewed. The group agreed it would be beneficial for</p>

			<p>a table to be created which highlights the costs and benefits that have been highlighted by respondents.</p> <p><b>ACTION:</b> ElectraLink to create table with the costs and benefits that have been noted by respondents.</p>
Haven Power	Non-confidential	Implementation of DCP 307 will bring efficiency to our operations. There will be less paper waste, full electronic records of invoices and far less chance of an invoice being missed for payment.	As per comments made against E.ON's response above
npower	Non-confidential	<p>DCP 307 will bring the following cost benefits to our organisation:</p> <ul style="list-style-type: none"> <li>• Significant resource time savings</li> <li>• Elimination of risk in relation to manual processing</li> <li>• Greater control over timeliness of payments</li> </ul> <p>Billing consistency</p>	As per comments made against E.ON's response above
Opus Energy Ltd	Non-confidential	Mandated use of the D2021 by IDNOs as well as DNOs would provide benefits in the form of reduced invoice processing time and risk because invoices would be received in bulk, and in a consistent manner, thereby enabling batch processing which is simpler, more cost-effective and less risky than receiving invoices from IDNOs in varying forms.	As per comments made against E.ON's response above
SSE Supply Ltd	Non-confidential	The purpose of this modification is to reduce spending unnecessary time on manually managing a process that the code provides an automated solution for. The benefits of this would be that billing would be automated in flows which would save a significant amount of resource, and we believe this would save resource both for Suppliers and DNOs/IDNOs using this process.	As per comments made against E.ON's response above
Electricity North West	Non-confidential	Not applicable.	-
Scottish Power Energy Networks	Non-confidential	There would be a small cost benefit to us. We currently either send our HH specific invoices by the D2021 or by email direct from the billing application.	As per comments made against E.ON's response above
UK Power Networks	Non-confidential	Use of the D2021 would standardise HH invoicing and remove paper handling. Including the D2026 would bring benefit in identifying the scope of payments being made.	As per comments made against E.ON's response above

Anonymous	Anonymous	<p>We do not believe that there will be any benefits to our organisation through a requirement to use this flow, in particular if there is no reciprocal requirement on Suppliers to either receive the flow or to respond with the D2026 flow.</p> <p>In respect of costs there will be systems development, testing and data transfer costs, if this change is approved. These are costs that we would not face otherwise. We are unclear of the extent of these costs but are concerned that the service provided by Electralink to facilitate this solution is outside of the scope of the DCUSA and therefore we could be beholdng to Electralink, without any options for recourse.</p>	<p>With regard to the first paragraph of this response, the Working Group noted that they have covered the points made during discussion on the ESP Electricity response to Question 7.</p> <p>With regard to the data transfer costs mentioned by this respondent it was noted that these would be for the use of the DTN and if applicable also the DTC as status quo is no data transfer costs.</p>				
ESP Electricity Ltd	Non-confidential	<p>None. The costs, referred to in our response to Q10 far outweigh the small reduction in admin involved in submitting invoices and credit notes to Suppliers. IDNOs such as ESPE have no mechanism to recover these costs which would result in margin squeeze.</p>	<p>The Working Group will pick up the respondent’s views when reviewing responses to Question 10</p>				
The Electricity Network Company	Non-confidential	<p>It is unclear how parties would be able to provide estimates of cost benefits to their organisations when information on the structure and associated potential costs of the D2021 (or D2026) has not been provided for review. Furthermore, a commercial contract is required to be entered into in order to access and make use of the D2021 data flow and again this is an unknown cost. We have therefore not undertaken this exercise, as a cost benefit case cannot be completed in full.</p> <table><tr><th>Cost</th><th>Benefit</th></tr><tr><td>Complete billing system rewrite</td><td>No positive benefits have been identified, whilst Supplier parties have not been obligated to use the flow in the draft legal text.</td></tr></table>	Cost	Benefit	Complete billing system rewrite	No positive benefits have been identified, whilst Supplier parties have not been obligated to use the flow in the draft legal text.	<p>The Working Group note with regard to the following, “this is an unknown cost” that an action has been taken to confirm if any further information can be provided on the costs for using the D2021 flow.</p> <p>It was further noted that knowing the costs for entering into a bilateral contract would be beneficial for any accurate cost/benefit analysis to be undertaken.</p>
Cost	Benefit						
Complete billing system rewrite	No positive benefits have been identified, whilst Supplier parties have not been obligated to use the flow in the draft legal text.						

		<table><tr><td>Electralink D2021 (and potentially D2026) contract costs. Initial and annual</td><td></td></tr><tr><td>Increased use of DTN costs (Our current billing method does not make use of the DTN)</td><td></td></tr></table>	Electralink D2021 (and potentially D2026) contract costs. Initial and annual		Increased use of DTN costs (Our current billing method does not make use of the DTN)		
Electralink D2021 (and potentially D2026) contract costs. Initial and annual							
Increased use of DTN costs (Our current billing method does not make use of the DTN)							
UK Power Distribution	Non-confidential	UK Power Distribution do not see any cost benefits of DCP307 to our business.	Noted				
Confidential	Confidential	Confidential	Working Group provided comments and an action was taken.				
The Working Group believe that further information is needed regarding the cost/benefit of this CP as have not been able to conclude how the respondents has reached the view provided.							

Company	Confidential/Anonymous	9. Do you agree there is a cost-benefit 'threshold'? If so, how would that threshold be determined? Please provide your rationale.	Working Group Comments
E.ON UK	Non-confidential	-	
Haven Power	Non-confidential	We do not believe there is a cost-benefit threshold as such. Yes, some parties will incur additional costs but the benefits are quickly realised and the point at which this happens would be very party specific.	
npower	Non-confidential	<p>Yes.</p> <p>A threshold should be implemented to ensure that small suppliers/distributors are not detrimentally impacted. We agree with the working group that this should be based on the number of invoices/the number of MPANS.</p>	

		As this is only for Business customers with IDNOs, it would be useful to see the number of small suppliers that only deal with IDNOs and therefore what risk this actually possesses.	
Opus Energy Ltd	Non-confidential	No. Although some parties may require system changes, given the volumes of invoices, the benefits should exceed the costs, and be quickly realised.	
SSE Supply Ltd	Non-confidential	We recognise that this modification's benefits will vary for each party. It is our view that a threshold for this proposal could make it fairer by ensuring that parties would only be obligated if it was feasible and practical for them to do so. We are keen to see if the responses of this consultation confirm this, and would await the comments of the smaller organisations affected by this to steer any suggestions for what this threshold should be.	
Electricity North West	Non-confidential	There may well be a break-even point but that could be different for each of the parties involved when implementing the e-billing process.	
Scottish Power Energy Networks	Non-confidential	Yes. We suggest it should be determined by an agreed number of HH invoices. Once an IDNO reaches that agreed threshold, they should have the capability to send HH invoices by D2021.	
UK Power Networks	Non-confidential	Cost benefit thresholds can only be assessed on an individual party basis.	
Anonymous	Anonymous	Without knowing the scale of the costs involved in the proposal, we are unable to comment on this aspect. We would however expect the workgroup to look at scenarios of costs and clearly demonstrate what benefits, if any, this proposal could realise.	
ESP Electricity Ltd	Non-confidential	No, in this instance the costs is not the primary reason for our objection to the proposal. Our objection is based on mandating the use of a commercial service for regulated industry data exchange.	
The Electricity Network Company	Non-confidential	We do not believe this change has a positive cost benefit impact for anyone other than larger Supplier parties who wish to exclusively use a single billing approach. On that basis there is not a cost benefit threshold which can be applied for Distribution Businesses and/or smaller Supplier parties which would be appropriate.	



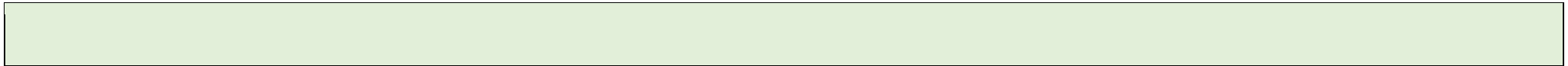
UK Power Distribution	Non-confidential	UK Power Distribution are unable to provide a view in this area, due to the fact that the proposer has not demonstrated through evidence, fact and quantification what are deemed to be the 'material risks' and impacts on parties.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	10. What are the potential time and cost implications DCP 307 would have on your organisation? Please provide your rationale.	Working Group Comments
E.ON UK	Non-confidential	For the D2021 flow, there would be no time or cost implications for us as we are already set up to accept D2021's from the current IDNO's. If new IDNO enter using D2021 there would be minimal extra costs to the industry.  If the scope was expanded to include processing the D2026 flows via the gateway (rather than email) then there would be an IT cost implication to change our system configuration.	
Haven Power	Non-confidential	We can implement DCP 307 very easily and at minimal cost. We believe there would be significant savings in time as we would no longer manually process paper invoices.	
npower	Non-confidential	This would have very little cost implications for us as we currently already have a robust process set up for the DNOs.	
Opus Energy Ltd	Non-confidential	We expect this to be a relatively straightforward change and believe it would bring significant savings. The proposed 6-month implementation date following Authority decision should suffice.	
SSE Supply Ltd	Non-confidential	We currently use D2021 billing, so we do not believe this modification would cause any time or cost impacts for us.	
Electricity North West	Non-confidential	We do not expect this change to have any time or costs implications on our organisation.	
Scottish Power Energy Networks	Non-confidential	There would be no time or cost implications to us if DCP 307 was implemented.	

UK Power Networks	Non-confidential	<p>The risk is that some supplier parties are not prepared to engage with the D2021 process.</p> <p>Note that the solution proposed does not compel use of the D2021. It compels its use as the means of electronic billing.</p> <p>So if “all electronic billing” must use the D2021, meaning pdfs are no longer acceptable as a form of electronic bill, we might have to revert to paper invoices for those suppliers who still chose not to use the D2021, which would be a backward step.</p>	
Anonymous	Anonymous	We are unable to provide details to this question at the present time.	
ESP Electricity Ltd	Non-confidential	Should DCP307 be approved, lead time for the billing system changes would be approx. six months to allow for specification, UAT and implementation. The estimated system costs are believed to be £10K (estimated whilst waiting on final costs from IT service provider) To accede to the DUoS Ebilling Agreement requires an initial 3-year contract period at £5k/year, rolling annual contract thereafter. Therefore, the initial cost to implement would be £25k and £5k/year thereafter.	
The Electricity Network Company	Non-confidential	As above in question 8, we do not believe sufficient detailed information has been provided in order for us to make a comprehensive assessment.	
UK Power Distribution	Non-confidential	UK Power Distribution will have to change its electronic DUoS Billing System to incorporate the requirements of this third party D2021 Billing product, meaning we will have to go through System Development, User Acceptance Testing and Implementation, all which will take up valuable time, effort and costs for an embryonic company that we are. We will also have to contract with Electralink through a stand-alone bilateral commercial agreement, which will also take up valuable time, effort and cost to review and comment on and make workable for both parties, if indeed changes could be made by UK Power Distribution and accepted by Electralink.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	11. If you use the D2021, do you also use the D2026? If not, please provide rationale.	Working Group Comments
---------	----------------------------	--	------------------------

E.ON UK	Non-confidential	Yes, currently for IDNO's the D2026 flow is attached to an email and sent to them.	
Haven Power	Non-confidential	Yes	
npower	Non-confidential	Yes- we do use the D2021 and the D2026.	
Opus Energy Ltd	Non-confidential	Yes.	
SSE Supply Ltd	Non-confidential	Yes	
Electricity North West	Non-confidential	We do issue the D2021 flow and receive and process some D2026 flows.	
Scottish Power Energy Networks	Non-confidential	No. We currently receive a remittance statement from ALL suppliers when they settle their HH invoices, irrespective of whether they receive a D2021 or not. This process is the preferred option for both the suppliers and the distributor.	
UK Power Networks	Non-confidential	Yes, we receive and process the D2026 from some suppliers.	
Anonymous	Anonymous	We do not use the D2021 flow but are interested to understand the current usage of this between DNOs and Suppliers.	
ESP Electricity Ltd	Non-confidential	ESPE have not acceded to ElectraLink's DUoS E-billing Agreement that permits the transmission of the D2021 and D2026 dataflows.	
The Electricity Network Company	Non-confidential	Not Applicable-not used	
UK Power Distribution	Non-confidential	UK Power Distribution uses neither the D2021 Billing product nor the D2026 Remittance/Payment product.	
Confidential	Confidential	Confidential	



Company	Confidential/ Anonymous	12. It is the Working Group's consensus that any change made addressing the D2021 flow should also encompass the D2026 flow. Do you agree? Please provide your rationale.	Working Group Comments
E.ON UK	Non-confidential	We agree that any changes made to the D2021 process should also include the D2026 flow.	
Haven Power	Non-confidential	Yes	
npower	Non-confidential	Yes; the absence of this would increase resource times in sending manual remittances.	
Opus Energy Ltd	Non-confidential	Yes.	
SSE Supply Ltd	Non-confidential	As SSE is part of the working group we have no further views to add.	
Electricity North West	Non-confidential	It would seem appropriate to also include the D2026 flow as it does form part of the e-billing process.	
Scottish Power Energy Networks	Non-confidential	As stated in our answer to question 11, we do not believe the use of the D20206 is necessary. However, if the majority of respondents vote for this, then we agree that any change to the D2021 flow should be mirrored in the D2026 flow.	
UK Power Networks	Non-confidential	Yes. If using the D2021 is to be mandatory then sending a D2026 and it matching the value of the payment being made, should be mandatory. The use of the D2026, so long as it matches payment, helps to identify which invoices to clear.	
Anonymous	Anonymous	We agree with this suggestion. If there are any benefits to be realised from this proposal it would seem illogical to only mandate the requirement on DNOs/iDNOs. In addition, the proposer suggests that there are benefits to Suppliers from requiring the use of the D2021, in that they could automate their processes. Therefore, we would question why this would not also be the case for remittance.	

ESP Electricity Ltd	Non-confidential	<p>Whilst ESPE are neutral on the scope of this change being extended to include the D2026 dataflow, it is our understanding that for those Parties who have acceded to the DUoS E-billing Agreement, Parties are not always consistent in their interpretation or implementation of the dataflows.</p> <p>ESPE believe that there should be consistency in the structure of the flows themselves to achieve the intent of this proposal – “to prevent time and resources being increasingly devoted to work that could be automated and streamlined”. There should be cross-party agreement on those items that are mandatory or optional, and consistency in the structure of the flow itself</p> <p>Different approaches by Parties, and potential derogations, will not make for a consistent, streamlined approach.</p>	
The Electricity Network Company	Non-confidential	As above in question 8, we do not believe sufficient detailed information has been provided in order for us to make a comprehensive assessment. Notwithstanding this however we cannot support use of the D2026 file for the same reasons that we cannot support the use of the D2021 flow. We agree in principal that where an invoice is sent a remittance should be provided in return.	
UK Power Distribution	Non-confidential	UK Power Distribution understand that Electralink provide the D2021 Billing product and the D2026 Remittance/Payment product as a combined offering and therefore it is mandatory to have both.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	13. As ElectraLink own the IPR for the D2021 and D2026 flows, do parties believe there could be an issue in introducing compliance with a data flow which is not change managed in open governance? Please provide your rationale.	Working Group Comments
E.ON UK	Non-confidential	-	

Haven Power	Non-confidential	No, we do not believe there is an issue in introducing compliance with a data flow which is not change managed in open governance.	
npower	Non-confidential	No. The process works well and is a clear structure for the majority of HH DUoS (DNOs.)	
Opus Energy Ltd	Non-confidential	No.	
SSE Supply Ltd	Non-confidential	We would seek confirmation from Electralink about whether there is precedent for this in DCUSA, and therefore if there is an issue with this proposal.	
Electricity North West	Non-confidential	Is there already a precedent for this with the flows having been in place for many years?	
Scottish Power Energy Networks	Non-confidential	Yes this could be an issue, which should be addressed in the legal text.	
UK Power Networks	Non-confidential	The process currently works effectively and there is open governance among the user community. Increasing the number of parties using the flows should not create any additional problems.	
Anonymous	Anonymous	Yes, we are opposed to placing a requirement to use a flow, which is not governed under the industry arrangements. In particular we are concerned about the costs that could be levied for using the service, as there would be no right of appeal to Ofgem. In addition, we are not convinced that this is the only solution that would facilitate automated invoicing and remittance between DNOs/iDNOs and Suppliers. As outlined above this proposal could place Distributors in a position of beholding to Electralink with no recourse or any ability to pursue other options.	
ESP Electricity Ltd	Non-confidential	Please see our response to Q7. We believe there would be significant issues in mandating the use of a dataflow the IPR of which is owned by a third party and the use of which is subject to commercial contract. Any system changes required to support a future change in D2021/2026 format, would occur outside open governance increasing the exposure of all Parties who have acceded to the Agreement.	

The Electricity Network Company	Non-confidential	<p>As outlined in question 2 there are some serious concerns, which have been raised in all 3 prior change proposals by various parties, with respect to the IPR/commercial arrangements of the D2021 and D2026. Serious consideration needs to be given as to whether the D2021/D2026 is:</p> <ul style="list-style-type: none"> <li>• The best solution</li> <li>• Offers best value for money</li> <li>• Enhances current governance arrangements</li> </ul> <p>In line with our previous response we would argue that as the D2021 and D2026 is offered solely in a commercial environment and it is entirely unreasonable to mandate compliance with its use. The only option which would better enhance and achieve the objectives of the DCUSA can only be developed and managed in open governance. Any arrangements which exist in a commercial arrangement cannot be fully accountable and cost reflective to the industry. It would be unclear then what changes had been made, whether these were fairly determined and that appropriate costs had been apportioned.</p>	
UK Power Distribution	Non-confidential	UK Power Distribution feels that there could be an issue as the product is outside the governance of DCUSA and its provider Electralink is not a party to DCUSA. Our view is that any data flow such as the D2021 and D2026 should be mandated through the intra vires of the Master Registration Agreement and Data Transfer Catalogue/Data Transfer Network.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	14. What is your view if the outcome of this DCP is to oblige Parties to enter into ElectraLink's bilateral contract?	Working Group Comments
E.ON UK	Non-confidential	-	

Haven Power	Non-confidential	If this becomes necessary, the benefits of the change far outweigh any additional administration involved.	
npower	Non-confidential	Electralink administer the flows so parties will be expected to pay to send/receive them. It is not clear if this will mean them signing up to the commercial agreement or not? We do not see any fundamental reason why IDNOs should not be party to the same arrangements.	
Opus Energy Ltd	Non-confidential	Such a requirement would be acceptable given the expected benefits.	
SSE Supply Ltd	Non-confidential	This contract would be between Parties and Electralink, therefore we believe it is for Electralink to engage with those parties regarding the terms of this contract.	
Electricity North West	Non-confidential	While not ideal there may not be an alternative should parties wish to receive the services.	
Scottish Power Energy Networks	Non-confidential	As a party who has had this long-term agreement in this bilateral contract, we have confidence in this agreement. This will also bring uniformity in the process of issuing all HH invoices. However as stated before, we do not think this should be mandated on ALL IDNOs.	
UK Power Networks	Non-confidential	It is not appropriate for DCUSA to oblige parties to enter into un-regulated third-party bi-lateral contracts.	
Anonymous	Anonymous	It is our understanding that this would be an unprecedented situation for energy market participants to be in. We therefore believe that the DCP307 workgroup needs to consider if/how the Electralink arrangements could be governed by industry governance if these flows were mandated.	
ESP Electricity Ltd	Non-confidential	Mandating a commercial agreement in a regulatory code sets a dangerous precedent for other commercial services to be mandated elsewhere in the industry, and is something ESPE opposes. Any Service Provider given a monopoly over a mandated data exchange mechanism could abuse their commercial position	
The Electricity Network Company	Non-confidential	DCP307 would introduce a change which goes beyond the vires of DCUSA. DCUSA does not have the power to compel parties into a commercial contract for a regulated activity nor make appropriate/informed determinations with respect to its compliance. Ofgems response under	



		<p>DCP145's proposal, which sought to compel parties to comply with the DUoS E-Billing Service Agreement stated that:</p> <p><i>"We note that this change proposal does not introduce a common approach to electronic billing; rather it seeks to reinforce the existing arrangements by providing a potential mechanism for dealing with non-compliance. We consider that the sanctions for non-compliance with the rules and procedures of the DUoS E-Billing Service Agreement should be set out within the agreement itself and we consider that any alleged breach of the agreement would be addressed under the terms of that agreement in the first instance. We are not convinced that the change proposed would provide a more effective mechanism for dealing with non-compliance and, in turn, better facilitate effective competition."</i></p> <p>Whilst DCP145 is different to DCP307 the above response suggests that non-compliance can only realistically be limited to the commercial agreement itself. This creates a problem with regards to who has the power to enforce the activity. We would argue as above that the clause would be unenforceable by DCUSA and therefore it has a negative impact against DCUSA objective 3.1.4</p>	
UK Power Distribution	Non-confidential	UK Power Distribution do not support the view of being mandated to enter into a bilateral commercial contract, however if we have to then our view is that all Distributors and all Suppliers must be mandated to enter into that contract too.	
Confidential	Confidential	Confidential	

Company	Confidential/Anonymous	15. Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.	Working Group Comments
E.ON UK	Non-confidential	I consider that the proposal better facilitates DCUSA objective 4: The promotion of efficiency in the implementation and administration of the DCUSA.	
Haven Power	Non-confidential	Yes. As detailed in the consultation we believe DCP 307 better facilitates DCUSA General Objectives:	

		<p><i>Two: the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity</i></p> <p><i>Four: The promotion of efficiency in the implementation and administration of the DCUSA.</i></p> <p>This ensures that Suppliers will use the same processes and procedures for all Distributors which will help to create equitable interactions as well as efficiency for Distributors in their dealings with Suppliers. With the entry of new IDNOs to the market the manual administration of invoices will only become more inefficient when compared to the automated processes utilised by the DNOs. We have recently seen the harmonisation of processes across the IGT sector and believe the same principles should be applied in this growing sector. We are therefore supportive of the change as allows parties to better prepare for the future in an effort to create consistency and efficiency.</p>	
npower	Non-confidential	We believe the proposal facilitates DCUSA Objective 2: <i>the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity.</i>	
Opus Energy Ltd	Non-confidential	Yes. DCP 307 better facilitates DCUSA Objectives Two and Four as specified in the Relevant Objectives section of the consultation.	
SSE Supply Ltd	Non-confidential	Yes – as stated by the workgroup we believe this would better facilitate objectives 2 and 4.	
Electricity North West	Non-confidential	We believe the proposal will better facilitate general objective four ensuring a common e-billing process is used improving efficiency in the implementation of the DCUSA.	
Scottish Power Energy Networks	Non-confidential	No. General Objective Two could be impacted as this change proposal could stop IDNO entering the market and therefore reduce competition. General Objective Four is only fair if the IDNO has a large amount of HH MPANS – (number to be agreed).	
UK Power Networks	Non-confidential	It better facilitates Objective Four ONLY if concerns about the third-party bi-lateral contract arrangement can be overcome.	

Anonymous	Anonymous	<p>No – we do not agree that the proposal better the facilitates Relevant Objectives.</p> <p>For Relevant Objective 2, we would question how a proposal can further competition, when it requires parties to enter into a contract with a sole provider with no opportunity to negotiate the price for the service?</p> <p>For Objective 4, we have not seen any evidence, other an anecdotal evidence that there would be any benefit to this proposal and therefore remain to be convinced that it furthers any Relevant Objective.</p>	
ESP Electricity Ltd	Non-confidential	<p>No. ESPE does not believe that General Objective 2 (<i>the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity</i>) is better facilitated as the commercial costs involved in signing up to the DUoS E-Billing Agreement could be a barrier to entry for smaller parties. We believe the impact on this objective would in fact be negative, mandating the use of a dataflow inhibits competition and innovation in the market.</p> <p>Nor do ESPE believe that General Objective 4 (<i>the promotion of efficiency in the implementation and administration of the DCUSA</i>) is better facilitated as it could introduce conflict between the DCUSA and the DUoS E-billing Agreement should changes be made in either agreement that are not mirrored in the other.</p>	
The Electricity Network Company	Non-confidential	We do not consider that the proposal better facilitates the DCUSA objectives. In line with our previous responses we would affirm that it has a negative impact against objectives 3.1.1., 3.1.2 and 3.1.4.	
UK Power Distribution	Non-confidential	UK Power Distribution believes this proposal does not meet the Competition objective as it could be a significant barrier for prospective new entrants into both Supplier and Distributor market places.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	16. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
---------	-------------------------	--	------------------------

E.ON UK	Non-confidential	-	
Haven Power	Non-confidential	No	
npower	Non-confidential	No.	
Opus Energy Ltd	Non-confidential	No.	
SSE Supply Ltd	Non-confidential	No	
Electricity North West	Non-confidential	We are not aware of impacts from wider industry developments.	
Scottish Power Energy Networks	Non-confidential	No	
UK Power Networks	Non-confidential	If approved, DCP295 will bring CVA registrants under section 2A. CVA registrants often only have one site-specific invoice per month and do not use the DTN flows. Therefore any requirement for “all electronic billing” to use the D2021 would need to have a carve-out for CVA Parties such that pdfs can be used.	
Anonymous	Anonymous	We would be concerned that this proposal diverts attention from other changes within the market. Whilst the proposer suggests that without this proposal change will be stifled, we cannot agree with that unsubstantiated assertion – it is for the proposer to demonstrate that this proposal will not have wider or unintended consequences.	
ESP Electricity Ltd	Non-confidential	BSC P272 and the move to HH settlement for those customers previously on a PC5-8 has seen an increase in the numbers of HH MPANs (however the transition period is closing). Until we see the outcome of Ofgem’s work on mandating HH settlement for all customers, we are unable to determine the impact at this stage.	

The Electricity Network Company	Non-confidential	DCP268 is under development currently and arguably may have a greater impact on system development at present with some Distribution Businesses stating that development and implementation time could take up to 2 years. Nearly all, if not all, IDNO parties will need a full redevelopment of their billing systems in order to comply with this change. Consideration will need to be given to how these changes interact together in the wider market, and if implemented how this can be achieved in the most efficient and cost-effective manner. Additionally, prioritisation of these changes may also need to be evaluated.	
UK Power Distribution	Non-confidential	This may have an impact on host Distribution Network Operators with regards to RIIO-2 discussions.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	17. The proposed implementation date is 6-months following the Authority decision, do you agree with this? If not, why not?	Working Group Comments
E.ON UK	Non-confidential	We agree with the six month implementation date following the authority decision.	
Haven Power	Non-confidential	Yes. We believe this is a reasonable timeframe for Parties to make the necessary changes.	
npower	Non-confidential	Yes.	
Opus Energy Ltd	Non-confidential	Yes. A 6-month timeframe should be sufficient for those parties requiring system changes.	
SSE Supply Ltd	Non-confidential	We are happy with the implementation date at present; as with most changes, the sooner improvements are made the better. However, we recognise that the focus of this change would be to introduce a new billing process for some parties and therefore would support whatever timeframe they deemed necessary to implement this change. The workgroup should be able to have an informed discussion on implementation lead times following the return of consultation responses.	

Electricity North West	Non-confidential	We have no issues with the proposed implementation date.	
Scottish Power Energy Networks	Non-confidential	Yes	
UK Power Networks	Non-confidential	We could manage this so long as counter-parties are ready to accept the D2021 and pay invoices on time.	
Anonymous	Anonymous	No, we do not believe that 6 months is a long enough period to introduce this change. As outlined above we would need to make systems changes, undertake testing and also enter into a contract with Electralink for the provision of a service. Any system changes will have to flow into our system change schedule. In addition, we may struggle to agree commercial terms with Electralink.	
ESP Electricity Ltd	Non-confidential	Uncertain. 6 months is the standard lead time for any change proposal that requires a system change for Parties, however this change will also require parties to enter into a commercial agreement with a third party. This would need close legal review to mitigate the risks outlined above, regarding the potential of abuse of position by the Provider.	
The Electricity Network Company	Non-confidential	<p>In our view the implementation date is unduly short for a change which has no particular urgency attached to it but is likely to have a significant lead time for system changes and contract negotiation requirements.</p> <p><u>Contracts</u></p> <p>We do not believe this is achievable without the potential for several derogations being made. If multiple parties are expected to sign up to a commercial contract-which has no formal governance to complete a contract in a certain amount of time how can DCUSA compel parties to be ready for an obligation in a certain amount of time? Even between two parties contract negotiations can be a long and protracted process. We believe that it is wholly unreasonable to expect contract negotiations for multiple parties to be completed within 6 months.</p> <p><u>System changes and implementation</u></p>	

		A number of distributors and, potentially, Suppliers would need to rewrite entire billing systems in order to implement this change. The development and testing time requirements alone are likely to be significant and will therefore require a elongated implementation timeline as a result.  We would propose a minimum of 24 months	
UK Power Distribution	Non-confidential	6 months is a short timescale due to UK Power Distribution having to change its electronic DUoS Billing System to incorporate the requirements of this third party D2021 Billing product, meaning we will have to go through System Development, User Acceptance Testing, and Implementation, all which will take a considerable amount of time. We will also have to contract with Electralink through a stand-alone bilateral commercial agreement, which will also take up further time to review and comment on and make workable for both parties.	
Confidential	Confidential	Confidential	

Company	Confidential/ Anonymous	18. Do you have any comments on the legal drafting?	Working Group Comments
E.ON UK	Non-confidential	-	
Haven Power	Non-confidential	No	
npower	Non-confidential	No.	
Opus Energy Ltd	Non-confidential	No.	
SSE Supply Ltd	Non-confidential	Pending the views received in this consultation and the work group discussions following that, it is possible that the scope of this change will expand from one flow to two. We therefore accept that it is possible the legal drafting will need to be changed to facilitate this.	

Electricity North West	Non-confidential	Consideration should also be given to the inclusion of the D2026 remittance flow.	
Scottish Power Energy Networks	Non-confidential	No. This new text should state that this refers to HH MPAN specific only. Other DUOS invoices would not be sent by the D2021.	
UK Power Networks	Non-confidential	21.2B.2 might be better worded as follows;  Where the Company sends an electronic invoice to the User in accordance with Clause 21.2B.1, the Company shall use the D2021 flow.	
Anonymous	Anonymous	The legal drafting does not seem to correspond to the title of the proposal, as the proposal refers to iDNOs, whereas the legal text looks to oblige all Distributors to use the D2021 flow.	
ESP Electricity Ltd	Non-confidential	None	
The Electricity Network Company	Non-confidential	<p>We do not agree that the legal text meets the intent or the objectives of the change proposal. In its current draft, it undermines; the change proposal, the efficient operation of the DCUSA and the legal contractual enforcement of the DCUSA.</p> <p><u>Intent</u></p> <p>The proposer asserts in the purpose of the change that IDNO's are not currently complying with DCUSA by not raising invoices using the D2021 flow. This is inaccurate as 21.2B of Section 2A merely states that "Where a Company submits and the User Agrees to receive accounts by sending an electronic invoice it shall use...". Electronic invoice is defined as:</p> <p><i>"21.5 For the purposes of this Clause 21, the following terms shall have the following meanings:</i></p> <p><i>"electronic invoice" means an account providing the data items set out in data flow D2021 (as amended from time to time) sent using the Data Transfer Network."</i></p>	



	<p>The legal text merely grants distributors the choice to send a D2021 flow to Suppliers who agree to receive it. It does not mandate IDNO nor DNO parties to send a D2021 flow to Supplier parties whenever an invoice is generated for a Supplier.</p> <p>The purpose of the change proposal also specifically states that D2021 billing “compliance” must be extended to IDNO’s in order to automate billing processes.</p> <p>The legal text supplied with this change however is different to the purpose of the change. The intent of the legal text provided is to mandate all Distribution parties to use the D2021 invoice flow <i>where</i> sent. This does not obligate all Distribution Businesses to send and make use of the D2021 flow as it is still an option to use another method of billing as long as an electronic invoice i.e. the D2021 is not sent to Supplier.</p> <p>Additionally 21.2B.2 states” <i>All electronic billing raised by Distributors to the User shall use the D2021 flow.</i>” but fails to define what electronic billing is? In order that billing processes can be automated this must be defined.</p> <p>We therefore submit that the legal text does not deliver the intent of the change proposal because it does not:</p> <ul style="list-style-type: none"><li>• Mandate IDNO’s to be compliant with D2021 billing processes as IDNO’s are not currently non-compliant</li><li>• Make the D2021 the exclusive option for billing</li></ul> <p><u>Company/User obligations</u></p> <p>The legal text only places obligations on Distribution Businesses i.e. “the Company to submit, where used...to the User” but it does not place any obligations on Supplier parties to process, receive or respond to the D2021. If the true purpose of the change proposal is not to extend compliance to IDNO’s for the purposes of having a singular billing process but, in fact, to have a unified singular billing process which is delivered by the D2021 mechanism, then obligations need to be represented on both parties. The legal text in its present drafting leaves the process completely open on the Supplier side and therefore undermines the proposers’ objective to create an efficient and singular process for DCUSA billing.</p> <p><u>Definition</u></p>	
--	--	--

		Another identified issue with the legal text is that no definition has been introduced for the D2021 as part of the legal drafting for this change. It is unclear how any party, new or otherwise, would know what this is or where information could be obtained on it. As this change is introducing something which sits outside of the DTC it must be defined in some way within DCUSA to ensure parties are clear on what their obligation is and means. Moreover, DCUSA and Ofgem would also be unable to make determinations in respect of non-compliance as this has not been clearly defined.	
UK Power Distribution	Non-confidential	No.	
Confidential	Confidential	Confidential	