

## DCP 282 Consultation Responses – Collated Comments

Company	Confidential/ Anonymous	1. Do you understand the intent of DCP 282?
Electricity North West	Non-confidential	We do understand the intent of DCP 282.
Elexon	Non-confidential	Yes, we understand the intent of this DCP. This DCP does not affect the accuracy of Settlement. There should be no change to the incentives to have accurate inventories so as to ensure we have correct settlement of UMS, e.g. no UMS connections missing or double accounted for due to the change in responsibility from this DCP.
ESP Electricity Ltd	Non-confidential	<p>Yes. The intent of this change is to place in to governance a process to support the spirit of the recent combining of inventory trials by one particular DNO Party. The main difference between the trials and the CP is that the proposal requires less administration of connection agreements by DNOs and EDNOs than that conducted in the recent trials.</p> <p>The CP will address the longstanding issue, raised by a significant number of UMS Customers (particularly Local Authorities), of the additional costs and administration for UMS inventories connected to EDNO networks (which would not be incurred if the UMS Customer's inventory was directly connected to the DNO). The key UMS Customer benefits from introducing this CP will be:</p> <ul style="list-style-type: none"> <li>• Reduced additional costs levied by the Supplier when applying fixed/standing charges per MPAN;</li> <li>• Reduced additional costs for each UMS MPAN that requires the UMS Customer to contract with a Meter Administrator for HH-settled UMS inventories;</li> <li>• Reduced additional costs where, due to the small level of consumption on the EDNO UMS MPANs, the UMS Customer cannot take advantage of their existing pre-negotiated energy contract rates (with Suppliers) under the DNO's MPAN; and</li> <li>• Reduced administration costs– fewer MPANs mean fewer invoices for processing (from receipt of the invoice through to settlement).</li> </ul> <p>The trials were deemed a success by both the DNO and the EDNOs involved. As a result the DNO has rolled out the combining of inventories to all UMS Customers in their Distribution Services Area (DSA). A further four licensed DNOs are also implementing the same solution in their respective DSAs.</p>



Northern Powergrid	Non-confidential	NPg understands the intent of DCP 282.
Anonymous	Anonymous	Yes
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.
SP Distribution SP Manweb	Non-confidential	Yes
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	Yes, we understand the intent of this change proposal
UK Power Networks	Non-confidential	Yes
Western Power Distribution	Non-confidential	Yes

Company	Confidential/ Anonymous	2. Are you supportive of the principles of DCP 282?
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Electricity North West	Non-confidential	We are supportive of the principles of DCP 282.
Elexon	Non-confidential	ELEXON believe the proposed approach will benefit UMS customers and resolve issues that EDNOs have with unmetered supplies, e.g. customer issues with having to have multiple MPANs to accommodate UMS on EDNO connections.
ESP Electricity Ltd	Non-confidential	<p>Yes. The main principle is to allow the combining of UMS inventories on the DNO's MPAN which will improve the UMS Customer's experience when adopting UMS connections on multiple distributor networks within the UMS Customer's footprint. Please revisit answer to Q1 for a recap of the key benefits for UMS Customers.</p> <p>With the current support of five licenced DNOs (and an assumption that the DNO that raised the CP will also be) – a majority of the DNO Parties are supportive of the combining of UMS inventories for their UMS Customers.</p> <p>In the Authority's review of the Competition in Connections (Ofgem's "The findings of our review of the electricity connections market" – published Jan 2015) – the Authority encouraged parties to propose modifications that would address the issue of billing arrangements around UMS inventories becoming more complex and costly for the UMS Customer that has unmetered connections on both a DNO and IDNO network (para 3.37). The principle of this CP addresses that issue in full.</p> <p>This CP is proposing a solution that the majority of UMS Customers have been demanding since IDNOs entered the market in 2005. This statement is supported by the UMS Customer responses to two previous, but unsuccessful, change proposal attempts by IDNOs (BSC CP1414* and DCUSA DCP168**) and feedback to presentations given to industry forums e.g. the Institute of Lighting Professionals Annual Seminar (September 2013), The Highways Association and the Yorkshire Purchasing Organisation – again, UMS Customer support was unanimous.</p> <p>*CP1414 – Combining LDSO and Embedded LDSOs UMS Inventories on to the LDSO MSID</p> <p>**DCP168 - The Administration of Use of System Charges Relating to Connections from Embedded Distribution Network Operator (EDNO) Systems to Unmetered Supplies (UMS) for LA Customers</p>
Northern Powergrid	Non-confidential	Although we understand the principles behind the change proposal, we believe additional industry changes may be required in order for us to support them fully.
Anonymous	Anonymous	Yes



Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We are supportive of the general principles behind the CP, as we acknowledge the potential benefits to UMS customers. However we believe that significant additional changes in the legal text are necessary to fully develop the CP.
SP Distribution SP Manweb	Non-confidential	<p>No. While we note the comments made in section 1.3, we do not believe that this change is the correct approach in dealing with the actual issue that it is trying to address. The issues directly relate to ineffective processes by Suppliers (and possibly Meter Administrators) in how they control and manage Billing for UMS Units (&amp; for MA's, submission of HH Inventories). In our opinion there is nothing to stop UMS 'Users' agreeing 'portfolio' contracts with these parties that negate the stated issues of additional Supplier Accounts &amp; Standing Charges and additional MA Contract Costs.</p> <p>SPEN are aware that certain Suppliers are able to consolidate multiple MPANs on one Customer Account, with 1 standing charge applicable. SPEN are also aware that certain Meter Administrators deal with 1 Unique Reference ID to allow consolidation of multiple MPAN Inventory data. SPEN itself can already consolidate relevant MPANs into one overall EAC Certificate, issued to Users for the purposes of setting up contracts. SPEN note that changes to reduce the potential number of MPANs (never seen in practise) were previously supported and implemented. SPEN also note that SVG rejected outright a similar proposal of this nature, despite 'overwhelming support' of the UMS User community.</p> <p>SPEN are disappointed that rather than address the concerns that the SVG had, and re-presenting an updated or acceptable proposal through that original BSC route, we see in essence the same proposal being made through an alternative route of the DCUSA.</p> <p>Finally, we also note that we now have several UMS Customers who do not want to adopt this new solution, which is surprising given the advantages and efficiencies claimed.</p> <p>Notwithstanding the above, we also note the support indicated by Elexon and Ofgem and indications that the trials of this proposal appear to have been successful. While SPEN would seek to review how these trials actually worked in practice, and how the concerns we have with process gaps have been overcome, we fully accept the</p>



		<p>need for all parties to work constructively together to agree a position, even in full awareness that we have no evidence whatsoever to support the EDNO process difficulties listed.</p> <p>While SPEN note the Working Group have tried to address some of the points raised by DNOs against previous proposals, we also believe that it is important to find the correct solution and not feel a need to accept a solution that does not address the issues fully or is incomplete.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	Yes, this change proposal is important in providing Unmetered customers the choice on how they manage their unmetered supply inventories and allows for efficient administration of such inventories by customers.
UK Power Networks	Non-confidential	Yes
Western Power Distribution	Non-confidential	Yes

Company	Confidential/ Anonymous	3. Do the rights and obligations created between DNO and Suppliers under Section 2A hinder the solution and need to be changed to facilitate the proposed solution of this CP? If yes, please indicate why and what needs to be changed.
Electricity North West	Non-confidential	We do not believe those rights and obligation should hinder the proposed solution, but under Clause 19.1A, would the DNO Party be acting outside of that DNO Party's Distribution Services Area and need to be registered as such? Would the relevant charging statement need to be updated to highlight the inclusion of unmetered equipment on an EDNO network?
Elexon	Non-confidential	No comment.



ESP Electricity Ltd	Non-confidential	<p>ESPE do not believe that obligations created under Section 2A, which set out the terms and conditions under which a DNO or EDNO provides Use of Distribution System to a Supplier, hinder the proposed solution. Our rationale is based on the following:</p> <ol style="list-style-type: none"> <li>1. Section 2A Clause 15.2.2 defines the User (Supplier in this context) as one which is Registered to an Entry/Exit Point on that Company's Distribution System. Although the UMS Inventory will be directly connected to the EDNO's Distribution System, the Electricity Distribution Licence makes provision for a combined inventory scenario:  <i>Distribution Licence obligation (Clause 18.3):</i>  <i>If the licensee is a Distribution Services Provider, it must ensure that Metering Point Administration Services are able to be provided, <u>where so requested</u>, in respect of all premises connected to <u>any</u> Distribution System other than the licensee's within the Distribution Services Area.</i>  Under current practice, Suppliers already charge Customers who are not directly connected to the 'relevant' distributor e.g. Customers connected to Private Networks. The Licence provides the embedded Customer the right to utilise the MPAS service of the licenced distributor even though they are not directly connected. This practice sets a precedent for the proposed solution that does not affect the Supplier's obligations under Section 2A.</li> <li>2. The proposed change to the legal text of Section 2B and Section 4 formalises the arrangements between the DNO and the UMS Customer to combine UMS inventories. If Bespoke Connection Terms are agreed, Section 2A Clause 17.10 to 17.14 provide for 'Non Standard Connection Terms' to be communicated to the relevant Supplier.</li> <li>3. Section 2A Clause 18.3.3 &amp; 18.3.4. Clause 18.3.3 requires an UMS Certificate and an Unmetered Demand Connection Agreement to be in full force. The Connection Agreement is covered under Clause 17 as referenced above (point 2). The UMS Certificate will be provided by the DNO in the event that, in accordance with this change, the UMS Customer elects to combine its inventory onto the DNO MPAN. Clause 18.3.4 requires the Supplier to appoint a Qualified Meter Administrator (using an Equivalent Meter). This CP does not deviate from either of these requirements.</li> <li>4. Section 2A 18.4 requires a Supplier to be validly Registered for the supply of electricity. This CP does not conflict with this requirement.</li> <li>5. Section 2A Clause 19 – Charges. This CP does not conflict with or affect this requirement. ESPE's rationale is based on:</li> <li>6.</li> </ol>
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		<p>a. EDNOs have chosen to ‘mirror’ the DNO’s Charges as their Charging Methodology, and Suppliers would be charged for Use of System no differently than if they were being charged for UMS connections to the DNO.</p> <p>b. Additionally, the units of consumption leaving the DNO’s Exit Point will be equivalent (including the application of a line loss factor) to that of the Exit Point of the EDNO’s UMS Customer. This is consistent with the current Portfolio Billing arrangements whereby the DNO receives the D0314 data flow that reports the NHH consumption data recorded against the Exit Points/MPANs of the EDNO. The DNO charges the EDNO for the identical number of units that the EDNO has charged the relevant Supplier. Therefore there is no impact on the consumption data being reported to the Supplier (and, consequently, entering Settlements).</p> <p>c.</p> <p>7. Section 2A Clause 29.9 and 29.10 references the Unmetered Supplies Procedure and in particular, those provisions requiring the exchange of information. This CP does conflict with this requirement.</p> <p>8. Section 2A Clause 29.11 Use of Metering Data. This clause is not impacted by this CP. Further, the legal text proposed for Section 2B provides for the exchange of metering data between a DNO and an EDNO.</p> <p>9. Section 2A Clause 30 – Provision of Information. Nothing in the CP conflicts with these requirements e.g. Clause 30.2.1 – a ‘relevant’ MPAN, UMS Customer’s details, and Clause 30.4 notifying the DNO of any changes to the details.</p> <p>10. Section 2A – Clause 33 - Guaranteed Standards of Performance. The DNO will not be liable for compensation payments to EDNO’s UMS Customers due to a failure of a Guaranteed Standard by the EDNO (Clause 9(9) of the Electricity (Standards of Performance) Regulations 2015).</p> <p>11. Section 2A Clauses 34 and 35 – Confidential Information. Nothing in this CP conflicts with the Distributor being required to be compliant with the use of Confidential Information and the Data Protection Act.</p>
Northern Powergrid	Non-confidential	We believe that Section 2A may hinder the solution in its current form as clause 15.3.3 seems to only create obligations between a Company and a User in respect of Metering Points or Metering Systems relating to an Entry Point or an Exit Point on that Company’s Distribution System. DCUSA may need reviewing, including regarding supplier User’s obligations for the payment of invoices in respect of unmetered connections.
Anonymous	Anonymous	No
Southern Electric Power Distribution plc	Non-confidential	Yes.



and Scottish Hydro Electric Power Distribution plc		<p>There is, in our view, an issue with the CP as proposed as, although the legal text makes no explicit reference to it, the clear intention of the CP is for DNOs to bill UMS DUoS charges for connections which are on EDNO networks. This appears to be incompatible with the text of Section 2A of DCUSA, which sets out the legal terms and conditions for provision and charging of DUoS between DNOs and Suppliers. As Section 2A is currently written, we believe that it cannot provide a contractual basis for charging of DUoS (and the associated payment and debt follow up obligations) for connections which are on another party's network.</p> <p>We believe that the CP legal text must address this matter. Otherwise, it is inappropriate to add provisions to the DCUSA in the knowledge that they are contradicted elsewhere in the Agreement and potentially unenforceable.</p> <p>In our opinion, portfolio billing of EDNO connections or nested networks does not establish a precedent which negates the requirement to address Section 2A, as it is an arrangement under which DUoS is charged to Suppliers by the network operator in relation to connections which <b>are</b> on that operator's network. There is therefore no conflict in that context with the wording of Section 2A and it is not an equivalent situation to that proposed by this CP.</p> <p>At this stage, we have not identified all of the changes that would be required in Section 2A (and potentially other areas of the DCUSA) to accommodate the CP and suggest that the advice of the DCUSA Legal Advisers is sought to assist with this element of the work.</p>
SP Distribution SP Manweb	Non-confidential	<p>SPEN believe that the rights and obligations as currently stated under Section 2A do not allow this proposal to be implemented. In particular we would reference Clause 15.2:</p> <p><i>"In this Section 2A, in the Schedules when applied pursuant to this Section 2A, and in the terms defined in Clause 1 when used in this Section 2A or those Schedules, a reference to a User is:</i></p> <p><i>15.2.2 when made in relation to a Company and any period of time, a reference to each User (separately, individually and to the relevant extent) who is (or was), during that period, Registered in respect of a Metering Point or Metering System relating to an Entry Point or an Exit Point on that Company's Distribution System (provided that, in the case of Clauses 15, 16, 17 and 24, it shall include those Users who are taking steps to be so Registered, and that, in the case of Clauses 15, 24, 34 and 35, it shall include those Users who were once so Registered)."</i></p>



		<p>The issue being that the Metering Points in question <u>are not</u> on the Company's Distribution System and instead are on the EDNO's Distribution System.</p> <p>Particularly this concern raises itself with regard to the application of clause 19 and the invoicing of charges by the Company and payment in respect of Metering Points by the User.</p> <p>SPEN are not convinced this is properly addressed in the proposal and Schedule 2A and other relevant clauses would need to be amended to accommodate/allow this proposal.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	<p>We do not believe that the rights and obligations created between the DNO and suppliers under Section 2A hinder the solution of this change proposal. The consultation document points to the fact that there is already a precedent for Use of System charges to be collected by a single distributor and then settled using the inter-distributor billing process. This solution is established within the industry and we do not believe that any additional rights or obligations between DNO parties and suppliers need to be codified in Section 2A of the DCUSA.</p>
UK Power Networks	Non-confidential	<p>We don't believe these to be a hindrance but it might be helpful in Clause 15.2.2 to append "and in relation to Clauses 19, 20 and 21 shall include Users who supply/supplied Unmetered Supplies customers of connections in embedded Distribution Systems who have opted to include their data in the host DNO Party's UMS inventory at any given time" at the end of the bracketed phrase and similar in Clause 15.3.3.</p> <p>Also at 19.5.1 add "or imported via exit points of Unmetered Supplies customers of connections in Embedded Distribution Systems who have opted to include their data in the host Distributor's UMS inventory" after "Entry Point".</p>
Western Power Distribution	Non-confidential	<p>We do not think that <b>SECTION 2A – DISTRIBUTOR TO SUPPLIER/GENERATOR RELATIONSHIPS</b> would need to be changed for this proposal.</p>



Company	Confidential/ Anonymous	<b>4. The Working Group are interested in Parties views on whether you believe that the DNO is recovering the revenue on behalf of the EDNO?</b> <b>(a) If yes, how should this be dealt with in the price control?</b> <b>(b) If yes, should it be dealt with through inter-distributor billing?</b>
Electricity North West	Non-confidential	<p>We believe the DNO is recovering the revenue on behalf of the EDNO and incurring costs for the provision of a service:</p> <p>(a) We do not see a benefit in this being dealt with in the price control.</p> <p>(b) It would seem appropriate that the revenue should be dealt with through inter-distributor billing.</p>
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	<p>With respect to part (b) of this question, in order to offer context to this question, we provide below an example of the revenue recovered by an EDNO for a typical UMS MPAN under Portfolio Billing arrangements.</p> <p>The average consumption on a typical EDNO's Unmetered MPAN is approximately 4,500kwh per annum per UMS MPAN. To use a current DNO's Use of System Charges as an example:</p> <p>NHH UMS Category B (Dusk till Dawn): Estimated Annual Consumption of 4,500kwh:</p> <p>EDNO's Supplier tariff - 2.540 p/kWh = £114.30</p> <p>DNO's LDNO tariff – 1.700 p/kWh = £76.35</p> <p>DUoS currently recovered by EDNO on a typical UMS MPAN per annum: £37.95</p> <p>This shows that the crux of this issue, causing excessive costs to UMS Customers and affecting Competitions in Connections, is to enable the exchange of less than £40 per UMS MPAN per annum under Portfolio Billing, and does not benefit the UMS Customer in any way – indeed it is to the detriment of the UMS Customer.</p> <p>With this example in mind, yes, the DNO would be recovering revenue on behalf of the EDNO – as the EDNO currently does for the DNO under Portfolio Billing arrangements in DCUSA.</p>



		<p>With respect to part (a) of this question, it is difficult for ESPE to comment on an individual DNO's price control without appreciating how UMS income is currently dealt with by each DNO or indeed whether, at this present time, such small values of EDNO UMS Estimated Annual Consumption (EACs) will register in the price control reporting (depending on the level to which the consumption units are rounded e.g. gigawatts, megawatts etc.).</p> <p>Currently, under Schedule 19 (Portfolio Billing), there is no mechanism to allow the DNO to reimburse the EDNO for Use of System charges on the EDNO's distribution system (that would be recovered by the DNO). The current legal text only provides for the DNO to charge the downstream EDNO for the use of the DNO's distribution system.</p> <p>Whilst the DNO will be recovering revenue on behalf of the EDNO, to remove a perceived impact on price control a further CP would need to be progressed to formalise the arrangements.</p>
Northern Powergrid	Non-confidential	We do not believe the DNO is recovering the revenue on behalf of the EDNO; i.e. the DNO is not acting as the formal agent of the IDNO and the income recovered by the DNO does not belong to the DNO. DNOs will need to decide how to 'hold' such income.
Anonymous	Anonymous	Via inter-distributor billing
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	In our view, the DNO would be recovering the revenue on behalf of the EDNO and this should not therefore be retained by the DNO. A simple mechanism and provisions are required to enable the revenue to be transferred to the EDNO.
SP Distribution SP Manweb	Non-confidential	The Proposal requires that DNOs process Inventories for both DNO and EDNO UMS data, so yes, clearly DNOs will be collecting revenue on behalf of the EDNO. The consultation paper does not make it clear if this additional



		<p>EDNO UMS revenue collected will be passed back to the EDNO, or even how this would be achieved. SPEN believe that the revenue should be passed back to the EDNOs, but through automated means.</p> <p>a) If the revenue is passed back to the EDNO this should negate any price control issues. If the revenue is not passed back then any such revenue would have to be reported to Ofgem as part of the overall price control return, though we believe such revenue to be relatively minor. However what is clear is that the DNO will, based on an overall combined inventory, collect UMS DUoS from the Supplier, which will require to be collected on both an NHH and HH basis. In order to identify the full level and value of any EDNO income, the DNO will have to put additional processes and reports in place, or alternatively create separate EDNO UMS pseudo MPANs to facilitate identification of such revenue.</p> <p>b) If the revenue is passed back to the EDNO then SPEN believe this must be through inter-distributor billing, with a defined process fully agreed before this proposal can be approved. This avoids the administrative and cost burden of parties dealing with Invoices, Purchase Orders, Payment terms etc., all items of concern raised by ourselves and others against previous proposals. SPEN would suggest that relevant units could be 'adjusted' through the data recoded in the D0314 Flows already in place for the transfer of similar DUoS Revenues, but the process is fairly complex and needs careful review, including how the EDNO will stop their own UMS billing in place at present ?</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	<p>We anticipate that many local authority customers will take advantage of the opportunity to collate their inventory of IDNO and DNO connections under the host DNO MPAN. Therefore, we believe that the solution will most likely result in the DNO collecting revenue on behalf of the EDNO for the use of the EDNO's system.</p> <p>We believe that the potential could arise whereby the EDNO may not recharge the DNO for its share of the revenue in respect of the use of the EDNO's system. This would only occur in circumstances where the administration cost of recovery outweighs the value of the recharge. As such, any unrecovered amounts and subsequent over-recovery by the DNO will certainly be immaterial to warrant a significant solution. We do not have strong views as to how this should be dealt with in the price control, if it was completely ignored it is highly unlikely to have any impact on customer prices.</p> <p>We cannot see any logic in to dealing with the administration of this revenue in any way other than through the already established inter-distributor billing arrangements. If this is the case then we do not believe any parties</p>



		will be impacted by the DNO collecting revenue on behalf of the EDNO. As stated above, the net value of the revenues recovered by a DNO and those billed by EDNOs is likely to be around zero so there is no significant risk.
UK Power Networks	Non-confidential	<p>Although the supplier will continue to receive an all-the-way DUoS charge in respect of the EDNO inventory data, the DNO's charges in respect of the UMS within the EDNO will be at all-the-way charge rather than the (lower) DNO to EDNO charge.</p> <p>Since two charge rates cannot be applied to inventory items within the single MPAN, and the majority of data within the inventory is likely to be correctly charged at the all-the-way charge, one solution might be for the EDNO to invoice the DNO for the difference between the all-the-way charge and the DNO to EDNO charge element.</p> <p>The DUoS revenue recovered by the DNO could be offset against the EDNO charges. In this way the "margin" is passed over to the EDNO and the DNO's income is adjusted such that it only recovers the correct revenue under the price control.</p> <p>It would be up to the EDNO to determine the value to invoice and to be able to substantiate that value.</p> <p>Note that at present we believe the values concerned are not material.</p>
Western Power Distribution	Non-confidential	<p>WPD believe that DNOs should collect revenue on behalf of EDNOs</p> <p>(a) This should NOT be dealt with through price control</p> <p>(b) It should be dealt with through inter-distributor billing in the form of invoicing raised by the EDNO to the IDNO for the amount of revenue collected on their behalf by the DNO and this should be verified by the DNO prior to payment.</p> <p>We also note that this would increase the DNOs' <math>RD_t</math> (Regulated Distribution Network Revenue) and, if the EDNO elects to bill the DNO, an increase to their cost base by the same amount so their <math>AR_t</math> (Allowed Distribution Network Revenue) would need to increase by this amount. Possibly an additional pass through element to the</p>



		license or some other appropriate mechanism will need to be introduced in order that the DNOs' incomes are not detrimentally or beneficially affected by this change.
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Company	Confidential/ Anonymous	5. Do you prefer for this solution to be elective or mandatory for all Unmetered Customers? Please provide supporting evidence.
Electricity North West	Non-confidential	Our preference would be for this to be elective on all parties ie the customer, the DNO and the EDNO. We see the main benefit as providing a choice to the customer on whether to take up the option of submitting a combined inventory or not.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	Elective. A UMS Customer should not be forced to add EDNO UMS Inventories to DNO MPANs, but rather have the option to do so. It should be at the sole discretion of the UMS Customer and not require the need for an additional MPAN to identify the separate inventories. Our rationale is based on ESPE's experience that, occasionally, some UMS Customers prefer to maintain a newly connected inventory on a new, separate MPAN despite having a suitable existing MPAN that could be used. For example, a housing developer may have a network in a different town to their existing MPAN's inventory (but within the same DSA and therefore able to be listed on the same MPAN), but prefers to register against a new MPAN to enable them to monitor consumption on that particular site.
Northern Powergrid	Non-confidential	In the interests of customer service we believe the solution should be elective.
Anonymous	Anonymous	Mandatory
Southern Electric Power Distribution plc and Scottish Hydro Electric	Non-confidential	In our view, this should be elective as it may or may not be appropriate, or the customer's preference, in all cases of EDNO UMS. The current legal text seems to assume an elective approach.



Power Distribution plc		
SP Distribution SP Manweb	Non-confidential	<p>SPEN believe that if the proposed solution meets the DCUSA Obligations and delivers the process improvements and efficiencies claimed, then it is obviously essential that it is mandatory for all UMS customers, otherwise the issues identified in Section 1.3 will continue to exist, and seemingly not require to be addressed. However we note in Section 4.13 of the consultation that some EDNO UMS customers have already indicated that they may, if given a choice be unlikely to take up the combined inventory approach. This would result in significant confusion and complexity within the EDNO processes, made even worse by the need to monitor Settlement Data and Inter-Distributor billing issues, with Revenues then being collected by DNO &amp; EDNO parties for themselves and each other.</p> <p>Rather than justify choice as 'good customer service' SPEN suggest that the materiality and merits of the proposal be stated as reasoning behind the mandatory approach. The Customers who require the details of certain site costs can already do this within their Inventory Listing. All they require to do is have the EAC calculated within the items on the inventory and then prices can simply be added to give expected costs for each item, category, location etc. This is a proven process in SPD &amp; SPM where we have held many awareness meetings with Builders and Factor organisations to highlight how this can easily be achieved.</p> <p>Based on our advice above, SPEN would not support a position where combined inventories were elective.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	<p>We believe that this solution should be elective for all unmetered customers. We note that one of the driving forces behind this change is that some unmetered customers face a higher administrative burden for their inventories as they are on different MPANs with different distributors and they wish to reduce this administrative burden. We would therefore see it as counter to the aims of this change proposal intent if the change placed an additional administrative burden on some unmetered customers who wish to be able to identify distinct unmetered sites by virtue of retaining the EDNOs MPAN and UMSO services.</p> <p>As an IDNO, under this CP we continue to be responsible for the validation of the accuracy of our customer's inventory and will therefore resource accordingly. As a result we do not envisage incurring inefficient costs to retain the ability to offer a separate IDNO MPAN to customers who wish to avail of this service.</p>



UK Power Networks	Non-confidential	<p>Elective and only if the customer has UMS items connected to the DNO – it is combining the EDNO data into an existing DNO inventory. Such election should only be able to be made going forwards, not retrospectively.</p> <p>Rules will need to be established for both the effective from start date for any election (e.g. 1<sup>st</sup> of each month) and allowing customers to revert an election and returning to EDNO processing of inventories (e.g. UMS assets sold and new customer wants different treatment)</p>
Western Power Distribution	Non-confidential	<p>Elective – It would be mostly larger street lighting authorities who would seek to use this solution. If it were mandatory, some smaller customers would not have the option to trade their EDNO connections separately. In our experience some customers wish to be billed separately for unmetered connections at specific locations, in particular, Housing Associations. This would necessitate separate MPANs and could not be accommodated if the solution was mandatory.</p>

Company	Confidential/ Anonymous	6. Do you agree that the EDNO should be responsible for validating their data within a combined inventory?
Electricity North West	Non-confidential	Yes, as the equipment is on the EDNO network, the EDNO should be responsible for data validation.
Elexon	Non-confidential	Yes, we believe this should still be the responsibility of the EDNO.
ESP Electricity Ltd	Non-confidential	<p>Yes, the EDNO should be responsible for validating the data that the relevant UMS Customer has provided in the inventory reported.</p> <p>EDNOs are advised when UMS Customers (predominantly Local Authorities) have adopted the UMS connections for a particular site. The UMS Customer is then obliged, under the NTCs (or Bespoke Connection Terms if relevant), to maintain and report an up-to-date inventory to the UMSO.</p> <p>This notification by the UMS Customer of the UMS inventory adoption and the obligation to report inventory updates to the DNO, the EDNO and the UMSO, provides assurance the UMS Customer will be correctly reporting UMS connections.</p>



		Under this proposed change, where the UMS Customer opts to combine inventories, the EDNO will validate the details of their directly connected inventory as part of the combined inventory reported to the DNO. Any discrepancies will be investigated and resolved by the EDNO in collaboration with the UMS Customer.
Northern Powergrid	Non-confidential	NPg agree that the EDNO should be responsible for validating their data within a combined inventory as they are the sole party that is able to do so, i.e. it is equipment connected to EDNO network that the DNO is unable to verify.
Anonymous	Anonymous	Yes
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.
SP Distribution SP Manweb	Non-confidential	The EDNO should always be responsible for validating their data within a combined inventory. In addition the UMS customer must provide the DNO with a combined inventory that both shows the EDNO/DNO inventories separately and that such inventories are split between NHH and HH.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	Yes, this is line with the balancing and settlement code and subsidiary document provisions and we believe that this should continue.
UK Power Networks	Non-confidential	Yes, for accuracy as to items, hours and charge codes etc. as the DNO has no way of validating this information. The EDNO should maintain primary contact with the customer for any error and should ensure that a revised inventory is submitted to the DNO.



		The DNO's systems should continue to validate the inventory received, for fitness for purpose and, where items are not connected to the DNO, should not need to further validate accuracy or completeness. Where an inventory fails validation (e.g. incorrect format) then the DNO should follow existing processes.
Western Power Distribution	Non-confidential	The EDNO has licence obligation to provide an UMSO role and therefore, a responsibility to validate the inventory for unmetered connections in the embedded network.

Company	Confidential/ Anonymous	7. Should there be Service Level Agreements (SLAs) in place for EDNOs to verify the content of the customer inventory submissions?
Electricity North West	Non-confidential	This should not be necessary as the National Terms of Connection and Unmetered Supplies Procedure together with the Balancing & Settlement Code Procedure 520 should suffice.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	<p>EDNOs have an existing obligation to ensure that inventories are correctly reported by the UMS Customer for Settlement purposes (and, annual regulatory audits conducted under the Balancing and Settlement Code to ensure the process is followed). Any anomalies in the inventory (identified in Q6 above) will be investigated and resolved by the EDNO (and any effect on Settlements would be caught up in the normal reconciliation arrangements).</p> <p>The intent of this CP was to introduce a solution, to support the spirit of the recent industry trials, without the need for additional administration of agreements by the DNO when combining UMS inventories. The requirement for an SLA would create additional administration and is outside the scope of this CP. While ESPE does not consider there to be a requirement for specific SLAs to be introduced, these could be addressed by a further DCUSA CP to formalise the arrangements at a later date.</p>
Northern Powergrid	Non-confidential	NPg believe a SLA should be in place to verify the customer inventory submissions. If there are issues (such as inaccuracies) with the EDNO inventory, inaccurate consumption will be calculated and entered in to settlement and used for the production of Use of System invoices. If it is assumed, the EDNO is providing accurate inventories but it is later found to be inaccurate, then the DNO will need to re-process the EDNO inventory again



		and the customer will need to be re-billed by the supplier which is not in line with the ethos of the change which is to aid customer service.
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We do not believe it is desirable to have a requirement for any additional documents and therefore consider that any obligation on verification should be within DCUSA. The principle should be that EDNOs have the complete responsibility for the content of any part of customer inventories which relate to their networks.
SP Distribution SP Manweb	Non-confidential	No. SPEN do not believe that adding new layers of governance or performance measures are required at this point. Each EDNO or DNO party already has obligations under DCUSA and BSC that require accurate processing of inventory data in line with NMRO, the Operational Information Document Guide and BSCP 520, with data and process checks also part of the annual BSC Audit.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not believe that it is necessary for SLAs to be in place for the EDNOs to verify the content of the customer inventory submissions. We do not believe that it is in the interest of the EDNO party to delay any such verification and they already have obligations under BSCP 520 to ensure that the content of customer inventory submissions is accurate so the introduction of an SLA on EDNOs places a superfluous burden on the EDNOs. Again, such a burden is counter to the purpose of this change proposal.
UK Power Networks	Non-confidential	No. We see no need to introduce SLAs as the BSC covers requirements for accuracy and items that are connected to the EDNO should remain under their responsibility for ensuring BSC compliance.
Western Power Distribution	Non-confidential	We would prefer obligations to be covered by the proposed changes to DCUSA and do not consider there to be a need for separate SLAs



Company	Confidential/ Anonymous	8. If you believe, under the proposal, the DNO would be recovering DUoS on behalf of the EDNO do you have any thoughts on debt recovery?
Electricity North West	Non-confidential	It would seem appropriate to treat debt as if it were a debt owed to the DNO recovering DUoS. We would continue to receive the D0275s for these MPANS but they would now include the HH consumption for the IDNO sites, so would be included in the UoS bill sent to suppliers. We would carry out our normal credit control / debt recovery activities on these invoices but as the amounts are not currently considered material we don't believe this is a concern.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	<p>We reiterate our example of DUOS recovered for EDNO's UMS connections (question 4 above) - the DUoS currently recovered by an EDNO for a typical UMS MPAN is approximately £40.00 per UMS MPAN per annum. ESPE do not believe that DNOs are at increased risk relating to debt recovery on behalf of the EDNO. Our rationale is based on the following:</p> <ol style="list-style-type: none"> <li>1. Schedule 1 of the DCUSA (Provision of Cover) provides for DNO-Supplier Credit Cover arrangements that would cater for the DNO and EDNO elements of the Supplier's outstanding debt;</li> <li>2. Debt recovery would apply to the whole debt and the DNO Customer's entire UMS portfolio (DNO and EDNO combined). There is no impact on debt recovery as a result of the combining of inventories;</li> <li>3. The DNO's credit control processes would not be impacted by the combining of inventories;</li> <li>4. Under Portfolio Billing, the EDNO invoices the Supplier for the All The Way tariff but has to reimburse the DNO for their Use of System regardless of whether the Supplier has settled the EDNO's invoice. The CP is introducing a payment process for DNOs that is no different to the current approach for EDNOs.</li> <li>5. By agreement with the DNO, should the EDNO revoke the right to recover UMS DUoS from the DNO, there would be no impact on debt recovery.</li> </ol>
Northern Powergrid	Non-confidential	Not applicable – please see response to question 4.
Anonymous	Anonymous	



Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We believe that DNO should only be required to use very limited endeavours to pursue any debt for unpaid charges which were levied on an EDNO's behalf and should be indemnified from liability to the EDNO in the event of bad debt. This should be explicit in the legal text.
SP Distribution SP Manweb	Non-confidential	<p>As stated earlier, the DNO, given the combined inventory will be recovering additional DUoS UMS income from Suppliers and as such will be recovering DUoS on behalf of the EDNO.</p> <p>The overall UMS DUoS bill will be submitted to the Supplier as part of the overall DNO Supercustomer Invoice and in the DNO name. Thereafter any debt recovery should and will follow our normal processes.</p> <p>Should a Supplier refuse to pay (or indeed cease trading), any values outstanding would need to be identified, the EDNO UMS portion of the outstanding invoice identified, apportioned over the parties, and dealt with accordingly.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not see that there will be any issues with debt recovery as the DNO would be recovering any IDNO DUoS inclusive of its usual debt recovery. I.e. they would not bill suppliers for this amount separately and so no changes would need to be made to current debt recovery processes.
UK Power Networks	Non-confidential	The debt risk is with the DNO, who has raised the invoices. We do not believe this to be a significant concern.
Western Power Distribution	Non-confidential	If the DNO will be recovering DUoS charges on behalf of the EDNO, it would follow that the DNO would pursue debt recovery. The debt will for DUoS billed on the DNO MPAN, so will be a combination of DNO and EDNO DUoS. The DNO would be pursuing the debt for the DNO DUoS charges anyway, so we do not see this as an additional burden.



Company	Confidential/ Anonymous	9. Parties are asked whether they perceive a risk of a supplier default and if so how it should be dealt with?
Electricity North West	Non-confidential	We do not perceive an increased risk of a supplier default as a consequence of this DCP.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	<p>ESPE do not believe there is an <u>additional</u> risk associated with Supplier default. ESPE perceive the risk of supplier default to be small and in no way impacted by the combining of inventories.</p> <p>The DNO's usual Credit Cover arrangements, credit control processes and approach to debt recovery will remain unchanged (as referenced in answer to Q8).</p> <p>For more serious defaults such as a Supplier entering administration, the Authority have the power to appoint a Supplier of Last Resort (SoLR) and make provision for the SoLR to transfer, and contract against, the defaulting Supplier's Customer MPANs.</p> <p>DNOs have additional protection for debt recovery (not currently available to EDNOs), through their price control reviews and provisions to recover "efficiently incurred" bad debt.</p>
Northern Powergrid	Non-confidential	There could be risks associated with a supplier default e.g. if the Supplier ceases trading. In the event of a supplier default the ENDO would need to pursue the recovery of its own income if it chose to do so.
Anonymous	Anonymous	n/a
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	In the event of a supplier default, a DNO should not have any liability for unpaid charges levied on an EDNO's behalf and this should be explicit in the legal text.



SP Distribution SP Manweb	Non-confidential	There is always a risk of supplier default, which is more likely with small suppliers as recently seen. Similar to our view on debt in Q8 above, we would expect the current industry processes that are in place to deal with a Supplier default to remain. We recognise the values generally to be minimal for EDNO UMS.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not believe that there is a material risk associated with supplier default for DNOs. We note that it is current industry practice for EDNOs to collect revenue on behalf of the DNO and for the risk associated with supplier default to lie with the EDNO in this instance. This change proposal does not introduce any risk in respect of bad debt that is not already inherent within the industry so we do not believe that any additional process or obligations need to be in force in order to deal with this.
UK Power Networks	Non-confidential	Supplier default is a very slight risk. The DNO will be responsible for dealing with any supplier default and seeking to recover the value of any of its invoices that are not paid. As with supplier default generally, any bad debt should be factored into the price control.
Western Power Distribution	Non-confidential	As the DNO will be including these amounts through their normal DUoS billing they will contribute to the Suppliers' Indebtedness Ratios as defined in Schedule 1 of DCUSA and so we think that any risk of supplier default will be dealt with by this as part of business as usual.

Company	Confidential/ Anonymous	10. Should this DCP introduce a mechanism for passing DUoS between the DNO and the EDNO?
Electricity North West	Non-confidential	As the DUoS from equipment on an EDNO network is not currently perceived as material, it would seem appropriate to put in place the means to enable the submission of a combined inventory initially with a further DCP being raised at a later date in respect of a mechanism for passing DUoS between the DNO and EDNO.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	There is a precedent in both the Portfolio Billing and Nested Networks Schedules of the DCUSA for passing DUoS between the DNO and EDNO. Whilst this CP does not explicitly deal with the issue of the EDNO charging the DNO for DUoS under Schedule 19 Portfolio Billing, a further CP could be progressed to formalise the arrangements.



		As with Schedule 21 - Nested Networks, the EDNO could provide notice to the DNO that they wish to revoke the right to claim DUoS until a de-minimis value is reached. A further CP would be required to formalise the arrangements.
Northern Powergrid	Non-confidential	We believe a new mechanism should be introduced. Although the associated charges are small at this time, this value will increase and in due course will not be insignificant therefore, monies should be allocated to the correct party.
Anonymous	Anonymous	Yes
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We believe that it should do, if only to the extent of covering the principles.
SP Distribution SP Manweb	Non-confidential	Yes, this needs to be a complete solution for it to be implemented.  SPEN believe the option suggested in our response to Q4(b) above, is workable, efficient and should require least change.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not believe that it is within the purview of this change proposal to introduce a mechanism for passing DUoS between the DNO and EDNO, nor do we see any need for such an arrangement. The current industry framework for inter distributor billing appears to be working well, if parties feel that it is not they could bring forward a change proposal specifically to address their perceived problem. There is also always the possibility for such mechanisms to be agreed on a bilateral basis.
UK Power Networks	Non-confidential	See response to Question 4.



Western Power Distribution	Non-confidential	Yes
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Company	Confidential/ Anonymous	11. Do Parties believe the introduction of the proposal can be achieved without impacting any existing BCAs?
Electricity North West	Non-confidential	Yes, we believe this to be the case otherwise it will defeat the intent of what the proposal is trying to achieve.
Elexon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	<p>An intent of DCP282 was to allow the combining of inventories without the need for additional administration, by any party, of existing BCAs.</p> <p>ESPE do not have sight of the existing BCAs between the DNOs and their UMS Customers, or whether they make reference to the National Terms of Connection (NTC) for the arrangements.</p> <p>If DNOs do make reference to the NTCs in their bespoke BCAs with Customers, the legal text proposed for Section 4 of the DCUSA formalises the arrangements between the UMS Customer and the DNO where the UMS Customer opts to combine inventories.</p> <p>The EDNO would manage their own Connection Agreement terms with the UMS Customer to ensure that inventories are correctly reported to both the DNO and the EDNO.</p>
Northern Powergrid	Non-confidential	The proposal can be achieved without impacting our existing BCAs although we would need to assess the associated DCUSA changes as our BCAs make reference to specific clauses.
Anonymous	Anonymous	Yes
Southern Electric Power Distribution plc and Scottish Hydro Electric	Non-confidential	<p>Yes.</p> <p>It is highly undesirable in our view to have any requirement to modify existing or future BCAs to take account of use of system billing arrangements.</p>



Power Distribution plc		
SP Distribution SP Manweb	Non-confidential	If a complete solution is provided (our strong preference per Q10 response), including pass through of income collected on behalf of other parties, SPEN would expect that existing BCAs could remain unchanged.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	Yes, we do not believe that any existing BCA will need to be altered. There is nothing in the model form BCA which prohibits the solution from happening and we do not see the need to alter existing BCAs as any legal text that is required to facilitate the solution can be achieved through the changes that have been suggested by this DCP.
UK Power Networks	Non-confidential	Yes, all agreement should be reached via DCUSA/the NTC. There should be no administrative burden of amending existing BCAs.
Western Power Distribution	Non-confidential	Yes

Company	Confidential/ Anonymous	<b>12. In light of the advice provided by Elexon (see attachment 5), do you believe that a BSC and or BSCP change needs to be made? If yes, please specify the change required.</b>
Electricity North West	Non-confidential	<p>Under BSC Section S, clause 8.2 refers to Licensed Distribution System Operators and Unmetered Supplies, but doesn't specifically mention an 'Embedded Distribution System Operator'; there is reference to 'Associated Distribution System', which may have been to cater for any non licensed distributors. Would it be of benefit to include 'Embedded Distribution System Operator' in the relevant clauses under 8.2?</p> <p>If there is to be an additional piece of information added to the inventory, this would be reflected in section 2 of the Unmetered Supplies Operational Information Document where the standard file format for an inventory is shown.</p>
Elexon	Non-confidential	As set in attachment 5 we believe no BSC changes are required to implement these



		proposals. If a BSC party identifies a changes and wishes to raise it we will progress it through our usual change processes. From both a customer, Settlement and Supplier viewpoint the end result is identical and no BSC process will require amendment to facilitate adding inventory items to the host DNO MPAN(s).
ESP Electricity Ltd	Non-confidential	<p>Through advice from their General Counsel, Elexon have confirmed that the combining of inventories is consistent with the BSC and has no effect on Settlements. This advice suggests there is no requirement for a BSC and/or BSCP change, however should Parties believe this CP does have an impact, a BSC change could be raised to support DCP282.</p> <p>As evidenced in a recent communication, the Authority were encouraged by the progress made in recent trials by a DNO Party that appeared to offer a 'workable way forward' to this longstanding issue.</p> <p>The Authority also encouraged DNO Parties to approach them to discuss concerns over regulatory views on implementing the combined inventory approach. Each DNO has that option if they have concerns over regulatory change that they perceive is needed.</p> <p>For evidence of the above statements, please refer to Attachment 5 and 6 to this consultation.</p>
Northern Powergrid	Non-confidential	We believe the BSC should be reviewed including such that a DNO cannot be held responsible for non-compliances in relation to EDNO equipment.
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We believe that the DNOs should be exempt within the BSC from any liabilities or actions arising from undertaking DUoS billing for an EDNO, such as being accountable for a audit actions or failures in relation to the EDNO UMS connection or data.



SP Distribution SP Manweb	Non-confidential	No. Elexon have now gone on record as stating that they have no issues with the proposals, so on that basis we are comfortable, provided each party continues to meet their existing obligations under the codes.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	No. We do not believe that any changes need to be made to the BSC or any of the subsidiary BSCPs. There will not be, as confirmed in writing by Elexon, any impact on settlement as a result of combing UMS inventories and this change proposal does not impact on any party's ability to meet its obligations under the BSC.
UK Power Networks	Non-confidential	<p>Given that Elexon have stated that no changes are necessary we believe the DCUSA change could progress without further consideration to changing the BSC.</p> <p>However, there may be unforeseen inconsistencies between the assumptions or expectations that this DCUSA change has been based on and the roles and responsibilities of the LDSO and UMSO under the BSC. See our response to Q7 for example. We suggest that DCUSA legal advisors should be asked to comment on how well the proposed DCUSA change sits alongside the BSC (notably paragraph 8.2 of section S), BSCP520 and the OID. If inconsistencies exist then either DCUSA and/or BSC may need further change.</p>
Western Power Distribution	Non-confidential	We do not consider a need for changes to the BSC or BSCP, but changes should be made to the 'Operational Information Document' to explain and provide guidance. In particular, section 8.2 (Standard Inventory Format) will need to be amended to accommodate the additional field for the DNO/IDNO identifier.

Company	Confidential/ Anonymous	13. Does the legal text as drafted meet the intent of the change?
Electricity North West	Non-confidential	We believe the legal text meets the intent of the DCP.
Elexon	Non-confidential	No comment.



ESP Electricity Ltd	Non-confidential	Yes.
Northern Powergrid	Non-confidential	Yes the drafted legal text does meet the intent of the change.
Anonymous	Anonymous	Yes
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	As stated in other responses, we do not believe that the proposed text covers the full extent of necessary changes.
SP Distribution SP Manweb	Non-confidential	SPEN believe the legal text attempts to meet the intent of the change, but does not manage to do so. See Q3 response plus comments against Q14 below - further work is needed, but the solution needs clarified before this can be achieved.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	Yes, we believe that the legal text as it is currently drafted meets the intent of the change proposal.
UK Power Networks	Non-confidential	Yes, subject to previous comments herein.
Western Power Distribution	Non-confidential	Yes



Company	Confidential/ Anonymous	14. Do you have any comments on the proposed legal text?
Electricity North West	Non-confidential	<ul style="list-style-type: none"> <li>• In the new clause 42.14, replace 'Unmetered Supplies Office' with 'Unmetered Supplies Operator'</li> <li>• In schedule 2B, Section 4, add in a new definition: <ul style="list-style-type: none"> <li>○ <i>Unmetered Supplies Operator or UMSO – has the meaning given to that term in Section 58.2.14 of the BSC</i></li> </ul> </li> <li>• In schedule 2B, the new clause 7, should it be 7.1.3 and not 7.1.14? Also, add in 'is' - Company Name: The name of the Company to which the Connection Point 'is' connected</li> <li>• In schedule 2B. is 4.1.5 (ii) worded correctly? Should it be '..., the Inset Company...having issued an Unmetered Supplies Certificate...' rather than '..., the DNO...having issued an Unmetered Supplies Certificate...'</li> </ul> <p>In the DCUSA there is already mention of clause 42.14:</p> <p><b>SECTION 1A – PRELIMINARY</b></p> <p><b>1. Definitions and interpretation</b></p> <p><b>Nominated Calculation Agent</b> means the independent person notified as such to the IDNO Parties from time to time, such person to be agreed between the DNO Parties (or, in the absence of unanimous agreement, the majority of the DNO Parties) and appointed by the DNO Parties for the purposes of Clauses 42.13 and 42.14 and Schedule 16.</p> <p>Section 2B – Clause 42:</p>



		<p>42.13 The Company shall (if it is a DNO Party):</p> <p>42.13.1 procure that the Nominated Calculation Agent is appointed on terms that require the Nominated Calculation Agent to keep the information disclosed to it pursuant to Clause 42.13 and this Clause 42.14 confidential, and to not use such information for any purpose other than calculation of the “HV split” and/or the “LV mains split” (as each such expression is defined in Schedule 16); and</p>
Elxon	Non-confidential	No comment.
ESP Electricity Ltd	Non-confidential	Yes, we believe the term ‘office’ was not the intended term for the header in Clause 42.14 but should have been ‘Service’.
Northern Powergrid	Non-confidential	<ul style="list-style-type: none"> <li>• Unmetered Supplies Office – should read Unmetered Supplies Operator in line with the Balancing and Settlement Code (BSC).</li> </ul>
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric	Non-confidential	In addition to comments made within this response form, please refer to the supplementary comments submitted separately.



Power Distribution plc		
SP Distribution SP Manweb	Non-confidential	<p>SPEN believe that significant work is required on the legal text. It appears to have been constructed as if the original text was an EDNO, and then text added, almost continually, to state that if election is made then pass to EDNO 'and where the Company has made an election, the DNO' – this does not always make sense if the Inventory applies only to a DNO in the first place, and has resulted in the new text looking more complex than it needs to. We note that 'Inset Company', 'Distribution Services Area' and others have all been introduced as new terms which we do not feel is merited. We believe the text could be better constructed using the likes of new section 42.14 as an overall explaining section then avoiding the changes at every stage thereafter. 42.14.2, (a,b,c) is not in a consistent format.</p> <p>We would suggest that this legal text is reviewed in detail, but only after the full solution has been worked through and agreed.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not have any comments on the proposed legal text at this stage
UK Power Networks	Non-confidential	See previous questions.
Western Power Distribution	Non-confidential	No
<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>15. Would there be any system impacts or process changes required to implement this proposal? Please provide your rationale inclusive of any financial, resource or system impact or restriction.</b>



Electricity North West	Non-confidential	The solution is for a combined inventory to also contain the ' <i>Company Name: The name of the Company to which the Connection Point is connected</i> ', which will be an additional piece of information, but as this is not needed for the subsequent processing of an inventory it wouldn't result in a system change ie the information is not contained in the summary/control file being sent to the customers Meter Administrator.
Elexon	Non-confidential	No impact on ELEXON systems under the BSC.
ESP Electricity Ltd	Non-confidential	ESPE is already working with five DNOs in the live market that currently allow the combining of UMS inventories on to the DNO's MPAN. As a result there are no functional system impacts or process changes required to implement this proposal, only a potential increase in administration as more UMS Customers take advantage of this new process and the benefits it will bring.
Northern Powergrid	Non-confidential	<p>Yes there would be both system impacts and process changes required to implement the proposal.</p> <p>There would be system changes to incorporate EDNO flag and the ENDO MPID (for scenarios where there are multiple EDNO operating in one DNO area). This would be required to allow the DNO to hold a distinct record of their own and the ENO equipment and to apportion the associated consumption values and income accordingly.</p> <p>Other changes such as report parameters to provide reports on an EDNO and DNO basis. Additional functionality to allow multiple entries for standing data such as switch regimes etc where EDNO/DNO values differ. Our system also generates the P0218 – Collated Supplier Registrations, which if amended in the BSC to accommodate this change would also need updating in our system.</p> <p>Additional resource would also be required as the EDNO items would need to be input in to the system by the DNO as additional entries.</p>
Anonymous	Anonymous	Minimal impact on the business
Southern Electric Power Distribution plc	Non-confidential	There would be significant changes required in the administration of UMS inventories, associated billing and to facilitate revenue transfers. We do not currently have a full evaluation of cost and resource implications however.



and Scottish Hydro Electric Power Distribution plc		
SP Distribution SP Manweb	Non-confidential	<p>Yes. While our existing UMS System will handle the proposed changes, there are several knock on effects from the proposal. Some that immediately spring to mind are:</p> <p>DNO's will need to develop reporting systems to calculate EDNO inventory units and values, per customer and per EDNO in order to validate future revenue pass through values. The D0314 Portfolio Billing process will have to be amended if this is used to account for pass-through. EDNOs will require to stop all DUoS Billing to Suppliers for UMS category (or double charging will occur !) and also remove or de-energise UMS MPANs, other than perhaps a master one ? DNOs will need to review communication channels with UMS and EDNO parties. EDNO's will need to roll out educational and training material to all parties impacted, and receive sign on from them as to their updated obligations.</p>
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We would no face no systems impacts in implementing this change proposal and the allowing UMS customers to be included on the DNO MPAN.
UK Power Networks	Non-confidential	We can accommodate this change with no material impacts so long as it is on an elective basis for customers who have inventories with the DNO and rules around election have been established (see response to Q5).
Western Power Distribution	Non-confidential	We do not think that this proposal would have any impact on DUoS Billing however should the EDNOs elect to invoice the DNO there would be a requirement for a system or process to validate their invoices, at the moment we are not in a position detail the cost and resources that would be needed for this.



Company	Confidential/ Anonymous	<p><b>16. Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.</b></p> <p><b>1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks</b></p> <p><b>2 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</b></p> <p><b>3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</b></p> <p><b>4 The promotion of efficiency in the implementation and administration of this Agreement</b></p> <p><b>5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</b></p>
Electricity North West	Non-confidential	<p>We believe this DCP will better facilitate General Objectives 1 and 2.</p> <p>General Objective 1 will be better facilitated with the DNO and IDNO parties working together for the benefit of customers.</p> <p>General Objective 2 will be better facilitated as it provides a more efficient and improved process for customers to manage their unmetered supply inventories. It also removes a perceived barrier to an IDNO bidding for new connection work.</p>
Elexon	Non-confidential	<p>We believe objectives 1 and 2 are better facilitated as the process is more efficient and effective.</p>
ESP Electricity Ltd	Non-confidential	<p>Objective 2 is better facilitated. Additional EDNO UMS MPANs and their associated additional costs (than if the inventory was connected to the incumbent DNO) are cited as a reason to delay the adoption of EDNO networks. This CP will remove that barrier and promote competition in the distribution of electricity.</p>



		Objective 3 is better facilitated in that a condition of the Electricity Distribution Licence is to not restrict, distort or prevent competition in the distribution of electricity (SLC 4). Please also refer to Competition in Connections reference in Q2 above (para 4).
Northern Powergrid	Non-confidential	N/A
Anonymous	Anonymous	Objectives 1 and 2
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	<p>General Objective 1 would be better facilitated as there would be co-ordination between network operators to enable DUoS for unmetered supplies to be billed in a manner which is preferred and sought by customers.</p> <p>General Objective 2 would be better facilitated as existing arrangements may be interpreted as a barrier to distribution competition.</p>
SP Distribution SP Manweb	Non-confidential	<p>We are not yet convinced that the proposal betters any of the DCUSA General Objectives. We note that the proposer believes it betters Objectives 1 and 2, a position we disagree with for the following reason:-</p> <p>We believe the EDNO position as outlined in Section 4.13 stating the process requires to be elective undermines the claims made as to the complexity and uncontrollable nature of the status quo. The point raised in Section 4.13 makes it clear that an EDNO can and has managed the UMS process successfully for certain customers who also have a wide geographical and EDNO portfolio.</p> <p>As stated in Q2, while SPEN recognise that the EDNO has encountered issues with large customers and Suppliers in getting sites adopted, this is not an issue for the DNO to resolve and rather than getting the DNO to resolve the issue questions should be asked of those organisations that quite clearly are not following the spirit of the National Terms of Connection (Local Authorities themselves) and Suppliers who act in an anti-competitive manner in refusing to accept such customers.</p>



The Electricity Network Company & Independent Power Networks Limited	Non-confidential	<p>We agree with the proposer in the consultation paper which states that the 1<sup>st</sup> DCUSA General Objective is better facilitated by this change and agree with the proposers reasoning in the consultation</p> <p>We also believe that this change proposal better facilitates the 2<sup>nd</sup> DCUSA General Objective as it allows the promotion of competition in the distribution of electricity.</p> <p>We note and agree with Ofgem, in their decision letter for DCP 203, where they have stated that unmetered supplies remain a barrier to competition in the provision of electricity connections. As such this means that there is also a barrier to competition in the distribution of electricity. By enabling a UMS customer to decide to combine their UMS inventories onto a single, host DNO MPAN this barrier to connections competition would be removed and subsequently competition in the distribution of electricity would be promoted.</p>
UK Power Networks	Non-confidential	<p>Objective 1 - The change introduces efficiency and co-ordination for the DNO and EDNO.</p> <p>Objective 2 - It has been stated elsewhere in the industry that the need to separately manage UMS has been a potential barrier in competing for new connections for IDNOs. This change would help to overcome any such barrier. However, it could be argued that this change might have an adverse impact on competition in supply if the EDNO inventory has a different supplier to the DNO inventory it will be combined into.</p>
Western Power Distribution	Non-confidential	We agree with the change proposal that this change better facilitates General Objectives 1 & 2 we agree with reasons stated therein.

Company	Confidential/ Anonymous	17. Do you require any lead time from the approval being made to comply with this change?
Electricity North West	Non-confidential	We do not believe any lead time will be needed with the HH Inventories being submitted on a monthly basis.
Elexon	Non-confidential	No



ESP Electricity Ltd	Non-confidential	No – ESPE is already implementing the combining of UMS inventories on to the DNO's MPAN (in agreement with both the DNO and the UMS Customer) in the live market. This process has been deemed a success by both the DNOs and EDNOs involved and is expected to continue as 'business as usual' going forward.
Northern Powergrid	Non-confidential	Due to systems changes we would require at least a six month period, which is line with other industry codes.
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We do not believe so.
SP Distribution SP Manweb	Non-confidential	This is dependent on the final solution proposed, as while this remains incomplete we cannot properly assess the changes required.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	No, we do not require any lead time to ensure that this change is undertaken.
UK Power Networks	Non-confidential	No
Western Power Distribution	Non-confidential	No



Company	Confidential/ Anonymous	18. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?
Electricity North West	Non-confidential	We are not aware of any wider industry developments that may impact this CP.
Elexon	Non-confidential	No
ESP Electricity Ltd	Non-confidential	<p>No.</p> <p>However we would like it to be noted that previous arguments against allowing the combining of inventories have been based on the implementation of DCUSA DCP 203* provided an alternative resolution to the issue. This is not accurate. DCP 203's implementation went some way to reduce the costs to the UMS Customer for multiple MPANs but did not resolve the issue for the UMS Customer altogether. This CP proposes a solution that fully resolves the issue.</p> <p><small>*DCP203 - The Rationalisation of Discount Factors Used to Determine LDNO Use of System Tariffs Relating to UNMETERED Connections on Embedded Distribution Networks and the Associated LDNO tariffs'</small></p>
Northern Powergrid	Non-confidential	At this time we are not aware of any wider industry developments that would be impacted by this CP.
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.
SP Distribution SP Manweb	Non-confidential	No.



The Electricity Network Company & Independent Power Networks Limited	Non-confidential	No, other than the trials of this solution which have been undertaken by Electricity North West and have proven that this solution can work for the benefit of distributors and customers.
UK Power Networks	Non-confidential	No
Western Power Distribution	Non-confidential	No

Company	Confidential/ Anonymous	19. Are there any alternative solutions or unintended consequences that should be considered by the Working Group?
Electricity North West	Non-confidential	The alternative solution would be in line with the trial undertaken within ENWL's distribution services area with variations to individual bi-lateral agreements having to take place. A national solution under the DCUSA is a much more efficient solution for customers.
Elxon	Non-confidential	No.
ESP Electricity Ltd	Non-confidential	Regarding alternative solutions, no – the process is already working in practice for those DNOs who permit their UMS Customers to benefit from the combining of inventories. Through the trials carried out in the live distribution market, the process has been deemed a success. Should the proposal not be implemented by all DNO Parties, UMS Customers in DSAs that do not permit the combining of inventories will be at a significant disadvantage to those UMS Customers that can do so in other DSAs. A further unintended consequence of not implementing this CP is that Settlements will continue to be inaccurate (and will increase going forward) as it is in ESPE's experience that UMS Customers not able to combine inventories are intentionally not contracting with a supplier for the EDNO MPAN in order to remove all admin and additional energy costs. As a result, the consumption data is not entering the Settlements process at all. As a direct result of



		this failure, currently the DNO is also not recovering the DUoS for the use of their distribution system. Allowing combining of inventories will ensure those units are not lost to Settlement.
Northern Powergrid	Non-confidential	N/A
Anonymous	Anonymous	No
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Not that we are aware of.
SP Distribution SP Manweb	Non-confidential	Again this depends on the final solution but understanding the impact on MPANs and Registrations and Tariffs could lead to other changes going forward. While EDNOs might need to remove MPANs, DNOs may consider creating them to identify EDNO UMS and ensure the correct allocation of any revenue.
The Electricity Network Company & Independent Power Networks Limited	Non-confidential	We do not believe that, at this stage, there are any other solutions or any unintended consequence which the working group may wish to consider.
UK Power Networks	Non-confidential	<p>If the EDNO and DNO have different policies as to whether a given item can be unmetered there could be customer confusion and hence inventory data error as between the differing policies.</p> <p>If the EDNO introduces miscellaneous charge codes, the DNO will need to be aware of those to validate them in its systems and an obligation to notify these should be captured. Co-ordination in the use of such codes may be necessary.</p>



Western Power Distribution	Non-confidential	No
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