

## DCP 248 Areas for Consideration

1. There might be pre-existing connection term agreements in which circumstances this CP should not apply – a carve out of these may be needed.

**PG Comment:** Only where this pre-existing contract is with the current Customer. I have seen proposed ASC's based on a pre-existing contract with either the previous Customer who signed for the New Connection, or the Developer who signed for a speculative supply.

**Working Group comments:** the situation that needs to be considered is where the customer has only recently signed the connection agreement. It was suggested that the following statement should be included in the DCP 248 legal text:

*"Where connection agreements have been entered into within the last twelve months, then the terms of that connection agreement should stand."*

2. The legal text needs to be tightened up so that it is a one chance only to agree a retrospective change to capacity.

**Working Group comments:** the group agreed that the legal text should be updated accordingly. PW took an action to prepare strawman legal text on this. **Action: PW**

3. Sites affected by P272 get a year from change of measurement class. What if all customers are not migrated by the P272 deadline – this change could be open ended in these circumstances?

**Working Group comments:** It was noted that this is a valid issue that should be drawn out in the consultation document. The 12 month period would be based on the date of the change of measurement class, so each individual customer would have their own 12 month period. The question is whether the ability to retrospectively back date the capacity value should have an end date itself.

It was suggested that it would not be appropriate to put in an end date and that the protection will naturally fall away. It is only open ended for a select customer base, which is likely to be a small number of customers. It was highlighted that if it is left open ended then the legal text will remain in the DCUSA unless a future CP is raised.

The group agreed that this topic should be drawn out in the consultation document, with context on when P272 is due to be implemented.

**Consultation question:** Do you believe that there should be an end date and, if yes, what date should it be?

4. If there was a change in tenancy, under the current legal text the new tenant could get the benefit of the back dated charge, which would be inappropriate. DNOs and Suppliers should have a record of how long the customer has been in the property. If the new tenant had a lower Max Demand, we would not want the lower demand to be back dated.

**PG Comments:** On a Change of Tenancy I would have expected the new Customer to sign a Connection Agreement for ASC which meets their requirements. Any back dated charges relating to the outgoing Customers should be passed onto that Customer by the Supplier.

**Working Group comments:** It was cautioned that the DCUSA is not the appropriate location to state what Suppliers should do in terms of paying back customers.

It was noted that the customer who is the customer at the time of the P272 migration can make a choice as to whether he wishes to do anything.

If a new customer moves in then they are in a business as usual situation and if they do not sign a new connection agreement then they will move on to the National Terms of Connection terms. The new tenant will be subject to the previous MIC and will have the opportunity to vary it, but this variation would not be back dated. The new customer is not impacted by P272 and thus is not entitled to protection from it. The customer could be choosing from two properties – one that has been HH for years and another that has been HH only a few months because of P272 – there is no difference between these properties in terms of the situation the new customer is in and thus it would not be appropriate to back date the MIC for the P272 property.

It was suggested that the protection offered by DCP 248 should only apply for customers impacted by P272 so long as he is the customer (i.e. occupying the property). If the customer moves out of the property within the 12 month window, they cannot ask for a retrospective change to the MIC once they have left the property, as this would require a connection agreement to be entered into by a person who is no longer a customer.

It was also noted that if a customer requests a change in MIC very shortly before they move out (e.g. the day before) it may not be possible for a revised connection agreement to be put in place in time. To address this, the legal text needs to be very clear that they must be the current customer at the time the agreement is put in place for DCP 248 to apply.

It was agreed that the consultation document should draw out these two situations and ask the following questions:

**Consultation Question:** Do you agree with the Working Group's view that customers that were not occupying the property at the time of the P272 migration are not entitled to back dating of their MIC?

**Consultation Question:** How do you best see managing this process for the P272 customer once they have moved out? And how significant an issue do you believe this is?

5. In UOS charging statements there is a section on incorrectly allocated charges

**Working Group comments:** it was noted that the idea is that if somebody has been charged incorrectly then the Use of System Charging Statement already allows them to correct it retrospectively. If for the P272 customers are allocated a MIC that is not appropriate then could be it classed as "incorrect" and back dated in accordance with the Use of System Charging statement. If this was then the protection for these P272 impacted customers is already in place and DCP 248 is not required.

It could be argued that the MICs that are being proposed by networks, even if they are being deemed, are not incorrect.

It was flagged that the Use of System Charging Statement protects Suppliers regarding incorrectly allocated DUoS charges and does not necessarily mean that they have to pass it on to their customers. In response, it was flagged that this section was added to the DCUSA due to customers being unhappy where they had been allocated, for example, the wrong tariff and that at the time there was no way for them to have the correction back dated.

It was agreed that the consultation should reference the relevant section (2.54 to 2.61) and include it as an attachment.

**Consultation Question:** Do you think that the current protection offered by the UOS charging statements with regards to incorrect charges offers the level of protection sought by this Change Proposal?

6. With the delay to the deadline for P272 this mitigates the issue somewhat, but around 71,000 CT metered customers on profile class 5 to 8 are still impacted (this data is from the DCP 179 Change Report). This is a lot for DNOs to engage with and agree a formal capacity. Each of these customers would have the ability to retrospectively change their import capacity – the rationale is that the historic values that DNOs hold are unlikely to represent the level of current demand, and it is quite feasible that the current tenants did not agree the value. (We may need a carve out in the legal text for customers that have recently signed a connection agreement).

**Consultation Question:** It is noted that P272 deadline has been extended which gives more time to liaise with customers to agree a MIC but the task is still a significant one. In light of the delay in P272, do you agree that the protection of DCP 248 is still required?

7. Should there be some form of materiality threshold associated with the change. As currently written you could have all 71,000 customers going through a re-billing process, with a large number not seeing a significant transfer of money. This threshold could be either based on a percentage of the capacity or a financial value.

**PG Comments:** I understood DNO's have written to these Customers, in advance of migration to Half Hourly Settlement. As Supplier, where we believe this 'deemed' ASC value differs from the Customers' current demand requirements, we have highlighted this to the Customer. I am hopeful the majority of Customers who require an Capacity above or below the 'deemed' ASC quoted, they will request a change before their effective change to Half Hourly, thus reducing the need for any 'mass' re-billing process.

**Working Group Comments:** It was noted that if the credit rebill is less than the cost of posting out the invoice then it is questionable whether it should be done.

It was agreed that Working Group members should review the analysis to be prepared by GM. DNOs are asked to confirm whether it is a reasonable representation and this data be shared by the group. This data can be used to determine what is a reasonable threshold. ACTION

8. Is it possible to determine the materiality of this issue? It would be useful to have an estimated figure. Take average of all of the DNO's per KVA charge and the maximum to get a feel for the difference. GM took an action to share his calculations with individual DNOs, they can then confirm if this data is a reasonable representation of their entire population base.

It was noted that GM has taken an action to carry out this analysis

9. The change refers to a minimum of 12 months, is this sufficient? There is a trade-off between how long you allow and the amount of rebilling that will need to take place. (A question on this should be included in the DCP 248 consultation)

**Working Group comments:** It was noted the proposers view was initially that the period should be 12 months but following comments from the MIG, the proposal has been drafted to say "at least 12 months" to enable the Working Group to discuss and agree a reasonable value.

It was agreed that 12 months was reasonable as it gives customers time to understand any seasonality impacts and is consistent with other industry time frames, e.g. billing codes.

**Consultation Question:** the Working Group believe that 12 months is appropriate. Do you agree? If not please provide your rationale.

10. Are there any technical constraints with billing systems that need to be taken into consideration (and is there an associated cost)? (A question on this should be included in the DCP 248 consultation)

**Working Group Comments:** It was noted that this question has been included in the consultation document.

It was highlighted that there is the potential that a large volume of re-billing may be required. Also, billing and validation systems may not be designed to enable adjustments of this nature up to 12 months or more in to the past.

11. Is there a resource issue if DNOs receive 71,000 customer requests over a short period of time? Without visibility of the migrations it is difficult to say when the peaks and troughs will be.

**PG Comment:** As a Supplier, other than one DNO, we have not received any requests to share our migration numbers. A formal collective request to all Suppliers from DNO's may alleviate some of their concerns.

**Working Group Comments:** It was suggested that the ENA has written to Energy UK requesting this data and this request was then passed on to Elexon. It is unclear whether the data has been provided.

There might not be a technical constraint from a billing system perspective, but if current processes require manual intervention then would there be a resource issue if say 20,000 customers requested a new connection agreement over a very short period of time.

A specific concern with regards to this proposal, is that those customers that wish to change their MIC will require a site specific connection agreement.

**Consultation Question (link to billing constraints question):** Are there any other constraints, for instance the need for DNOs to potentially agree connection agreements with a large proportion of the customers affected by P272, that you are concerns about?

12. If a customer decides that they could have done with less capacity, but at some point over the past 12 months exceeded that lower capacity then it may not be appropriate to allow them to back date a change

**Working Group Comments:** It was suggested that this is part of the current business as usual process as the DNO would not agree a lower capacity with a customer where they have recently exceeded that capacity. The connection agreement also states that you shall not exceed your agreed capacity, thus the customer would immediately be in breach if they were to back date a change to a MIC value that is lower than a value that they have previously exceeded.

It was suggested that the legal text should say that for the avoidance of doubt such revised MIC will be agreed with reference to the level of the customer's maximum demand. **ACTION**

13. If a customer finds that their MIC is too low it may be because they need to have reinforcements to enable that capacity. The MIC value must be within the capability of the existing network. [This is already captured in paragraph 150.](#)
14. It is possible that a customer may ask for an increase in a capacity because they are installing in a new piece of machinery. If this was a site affected by P272 would the DNO be required to back date that change under the current DCP 248 legal text?

It was noted that pragmatism is required with regards to these situations.

15. Customers that are engaged and would be minded to be agree with the DNO a capacity before implementation may decide to wait until they are in to the 12 month period as a consequence of this CP. It was suggested that this may need to be considered when discussing the materiality.