



## **DCUSA CONSULTATION**

### **DCP 158 - DNO DUoS re EDNOs**

This change seeks to standardise the Licenced Distribution Network Operator (LDNO) Distribution Use of System (DUoS) charging arrangements where a customer within a Private Network Operator's (PNO) network requests an MPAN in order to choose a supplier and the Difference Metering solution is adopted for settlement. It also seeks to facilitate such arrangements by making the allocation of energy between the boundary MPAN and the embedded customer MPAN transparent to all affected Parties.

## 1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 This document is a Consultation issued to Distribution Network Operators (DNO), Independent Distribution Network Operators (IDNO), Suppliers, Consumer Futures, ELEXON, Gemserv, any other interested Parties and the Authority in accordance with Clause 11.14 of the DCUSA, seeking industry views on DCP 158 - DNO DUoS re EDNOs (Appendix A).
- 1.3 Parties are invited to consider the questions set out in section 14 below and submit comments using the form attached as Appendix B to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) **by Friday, 05 July 2013**.
- 1.4 Although the proposer used the term "EDNO" meaning Exempt Distribution Network Operator in the title of the change, this term is used for other purposes within DCUSA and so Licence Exempt Distribution Network Operators are known within this document as Private Network Operators or PNOs except where the CP is referenced.
- 1.5 Also note that LDNO refers to a Licensed Distribution Network Operator of which there are two types. Distribution Network Operators (DNO) which are the 14 ex-Public Electricity Supply companies most usually operating in defined regional territories, and Independent Distribution Network Operators (IDNO) which are also licensed but operate anywhere in the country.

## 2 SUMMARY OF DCP 158 - DNO DUoS re EDNOs

- 2.1 DCP 158 has been raised by UK Power Networks and seeks to standardise the LDNO Distribution Use of System (DUoS) charging arrangements where a customer within a PNO requests a Meter Point Administration Number (MPAN) in order to choose a Supplier and the Difference Metering solution is adopted for settlement. The change is to facilitate such arrangements by making the allocation of energy between the boundary MPAN and the embedded customer

MPAN transparent to all affected Parties.

2.2 DCP 158 proposes a single method of DUoS charging but contemplated 3 options to facilitate it (options 1-3). Option 4 was raised during the Working Group analysis of DCP 158. The Working Group is also seeking views on an alternative solution which is detailed within this consultation. The Working Group seeks the views of industry parties on the merits of each of the solutions and options through this consultation.

2.3 Please find a summary table of the solutions and their options below.

	Option Number	Summary
Solution 1 – LDNO’s DUoS is charged to the Boundary Supplier	Option 1	LDNO sums the net settlement boundary metering data and the embedded settlement metering data received via existing data flows.
	Option 2	Create an additional non-settlement (pseudo) MPAN for the settlement boundary metering point. Place an obligation via the Boundary Supplier for the Data Collector to send, where Difference Metering exists, a D0036 <sup>1</sup> or D0275 <sup>2</sup> quoting the pseudo MPAN, containing gross boundary data, to the LDNO and Boundary Supplier.
	Option 3	Introduce two new additional non-settlement data flows, copies of the existing D0036 and D0275. Place an obligation, via the Boundary Supplier, on the Data Collector to send, where Difference Metering exists, one of these additional new flows containing gross boundary data, to the LDNO and Boundary Supplier. There would be no pseudo MPAN in this solution.
	Option 4	Place an obligation, via the Boundary Supplier, on the Data Collector to send the gross boundary data in Settlement format, on a spreadsheet, to the LDNO and Boundary Supplier i.e. before complex mapping has taken place.
Solution 2 – an element of the LDNO’s DUoS is	Alternative Option	The LDNO would charge appropriate DUoS to both the Supplier of the boundary

<sup>1</sup> Validated Half Hourly Advances for Inclusion in Aggregated Supplier Matrix

<sup>2</sup> Validated Half Hourly Advances

charged to the Boundary Supplier and the remainder to each inset customer's chosen Supplier		settlement metering MPAN(s) and Supplier(s) of the embedded settlement metering MPAN(s) within the private network.
---	--	---

### **3 BACKGROUND OF DCP 158 - DNO DUoS re EDNOs**

- 3.1 DCP 158 has been raised following legislation in Europe, arising in particular from the Citiworks ruling, and in the U.K. via the Electricity and Gas (Internal Markets) Regulations 2011. It follows work facilitated by the Energy Networks Association (ENA) that included a consultation and led to a Third Party Access paper seeking Ofgem input.
- 3.2 In order to codify a solution for DUoS charging, UK Power Networks decided to raise DCP 158 - DNO DUoS re EDNOs. Its proposed solution was one of the options proposed within the ENA Third Party Access paper.

#### **Citiworks Ruling**

- 3.3 In May 2008, the European Court of Justice's (ECJ) ruling in Citiworks AG1 ('Citiworks') clarified that the requirement to provide for third party access applied in respect of all transmission and distribution systems, irrespective of size, and that it was not open to Member States to exempt certain types of transmission or distribution systems from the requirement. This drew the attention of British regulators to the gap in current industry arrangements.
- 3.4 The complaint in the Citiworks case had been brought by an electricity Supplier seeking to compete with a monopoly Supplier at Leipzig airport. The ECJ ruled that the German law which exempted the owners of certain systems from the requirement to provide third party access contravened the requirement to provide for third party access to distribution systems. The judgment made it clear that, unless a specific derogation had been granted under the Directive, all distribution networks must be open to third party access so that customers connected to those networks have the option to choose their own electricity and gas Suppliers. These third party access provisions are currently part of the directives under the Third EU Energy Package.

### **Electricity and Gas (internal markets) Regulations 2011**

- 3.5 The Electricity and Gas (Internal Markets) Regulations 2011 introduced new obligations on PNOs and supply undertakings, including a duty to facilitate third party access to their electricity and gas networks. The Regulations set out separate obligations for PNOs and Suppliers. Third party access gives electricity and gas customers the right to choose from whom they receive a supply of electricity and/or gas.
- 3.6 Since the introduction of Electricity and Gas (Internal Markets) Regulations certain customers that are:
1. not directly connected to licensed distributors' networks; and
  2. subject to certain exemptions,
- are entitled to request an MPAN so that they can trade electricity with any participating Suppliers.

### **Third Party Access Paper (ENA Work)**

- 3.7 A Working Group was convened to discuss the issue of DUoS charging under the ENA and proposed two solutions in its Third Party Access paper to Ofgem. Ofgem provided guidance to industry parties by advising "*The 'Boundary Charging' option requires the full DUoS to be passed through by the exemption network operators while the 'Customer Charging' model requires some elements (losses and reactive power) of the DUoS charge to be passed through. We are not clear that the provisions under schedule 2ZA provide for the exempt network operators to pass DUoS or an element of the DNOs charges through to the final customer taking a third party supply*".

### **Balancing and Settlement Code**

- 3.8 There are two options currently identified under the Balancing & Settlement Code (BSC) for how the energy consumed or produced within the private network could be measured to ensure integrity of the total metered volume. These are either Difference Metering or Full Settlement metering. This CP focuses on the approach for Difference Metering

3.9 DUoS billing and formal data provision arrangements currently in place may not be sufficient for Difference Metered private networks. The intent of the CP is to standardise DUoS charging arrangements where:

- a customer is connected to a private network;
- the customer has an MPAN; and
- a Difference Metering solution is used.

## **4 CURRENT OBLIGATIONS ON THE DIFFERENT DCUSA PARTIES**

### **Obligations on DNOs**

4.1 All relevant customers are entitled to request a MPAN and the LDNOs have relevant obligations to provide both MPANs and offer Metering Point Administration Services (MPAS) within their Distribution Services Areas.

4.2 Standard Licence Condition (SLC) 17.1 states:

*"On application made by any Electricity Supplier in relation to any premises connected to the licensee's Distribution System, the licensee must (subject to paragraph 17.5) offer to enter into an agreement for the provision of Metering Point Administration Services".*

Whereas SLC 18.3 states:

*"If the licensee is a Distribution Services Provider, it must ensure that Metering Point Administration Services are able to be provided, where so requested, in respect of all premises connected to any Distribution System other than the licensee's within the Distribution Services Area."*

### **Obligations on Suppliers**

4.3 Suppliers have no obligation to offer terms for supply to customers on private network sites. However where a Supplier opts to do so, unless all customers are competitively supplied, it is required to facilitate the Difference Metering solution in line with the requirements of the BSC and

any relevant regulations. In addition the relevant regulations state that the Supplier must ensure that it can supply electricity across a private network.

- 4.4 As a separate matter Suppliers should familiarise themselves with any commercial arrangements that may apply on a site specific basis.

### **Obligations on PNOs**

- 4.5 If PNOs choose to charge for the use of their network, they are required to submit a use of system charging methodology to the Authority for approval. However, this is not required to be linked to the LDNO's charging methodology or reflect items within it. The PNO's methodology must be fair, equitable and cost reflective.

### **Obligations on IDNOs**

- 4.6 Whilst it is true that all customers are entitled to request a MPAN, not all distributors are obliged to provide a MPAN. IDNOs are not Distribution Services Providers and so SLC 18.3 above does not apply. So IDNOs are not obliged to offer MPAS in respect of distribution systems other than their own.

## **5 CURRENT ARRANGEMENTS**

- 5.1 If no customer within a private network has chosen a Supplier, LDNOs charge for DUoS at the boundary of the private network using gross data via D0036 or D0275 flows. However, where a customer on a private network requests a MPAN, and agrees a contract with a Supplier of their choice, a BSC Settlement Metering System will be established for that customer which may be part of a Difference Metering solution under the requirements of BSCP514<sup>3</sup>. As a consequence the LDNO will no longer receive gross metering data in respect of consumption measured at the boundary with the private network and will instead receive net data for the boundary point (the difference between the total recorded consumption on the boundary meter and the sum of the recorded consumption at each of the embedded

---

<sup>3</sup> SVA Meter Operations for Metering Systems registered in SMRS

settlement metering points), together with the meter readings for each of the embedded customers.

## 6 SOLUTION 1

- 6.1 Solution 1 attempts to maintain the position whereby the LDNO charges DUoS to the Supplier of the boundary metering point based on the flow of electricity through it. Under this proposal the LDNO would continue to charge DUoS to the registered Supplier at the boundary of the private network (the Boundary Supplier). The Boundary Supplier will charge the private network under its supply contract.
- 6.2 The PNO may charge DUoS to the end customer's registered Supplier (Third Party Supplier) in accordance with its approved methodology where appropriate.
- 6.3 The Third Party Supplier will charge the end customer in line with its supply contract.
- 6.4 The DCP 158 Working Group proposes that no separate charges are applied by the LDNO to the PNO or Third Party Supplier for the provision of MPAS services given that the number of customers with MPANs within private networks may be relatively small. This arrangement may need reviewing if take up of MPAS for private network sites becomes significant.

## 7 OPTIONS FOR IDENTIFYING GROSS DATA AT THE BOUNDARY

- 7.1 The Working Group identified the following options for establishing the provision of gross data where the Difference Metering solution exists.

Options	Advantages	Disadvantages	Cost
Option 1  LDNO sums the net boundary data and the embedded customer data that is received via existing data	Uses existing data	There are problems with the Reactive Power data, as the sum is unlikely to reflect the correct Power Factor at the boundary	Low cost to implement if it is a manual process, but expensive to run.  If facilitated via the billing system it may require costly changes, but would

flows.		<p>metering.</p> <p>It could incorrectly reflect the demand at the boundary and thus the excess capacity charge.</p> <p>The LDNO is using data owned by one Supplier to charge another.</p> <p>The LDNO has no current audit trail for the data if the summing is done manually.</p> <p>It will be labour intensive dependent on the volume of customers.</p> <p>The Boundary Supplier cannot validate the charge.</p>	be inexpensive to run.
<p>Option 2</p> <p>Create a non-settlements (pseudo) MPAN in respect of the boundary and place an obligation via the Supplier for the Data Collector to send a D0036 or D0275 quoting this reference and containing gross metered data.</p>	<p>The LDNO and the Supplier would receive two data sets for the boundary but each would quote a different MPAN and so be identifiable.</p> <p>The gross data will have been obtained as part of the differencing process and must include reactive data. DUoS would then</p>	<p>A pseudo MPAN will have to be created outside of MPAS so lacks visibility.</p> <p>There may be difficulties in replicating arrangements on Change of Supplier and Change of Agent.</p>	Medium cost to implement but inexpensive to run.

	be charged in respect of the pseudo MPAN.		
<p>Option 3</p> <p>Introduce two new additional data flows, being copies of the D0036 and D0275, which would be used to send gross boundary data where Difference Metering exists, using the settlements MPAN for the boundary (there would be no pseudo MPAN in this solution).</p>	<p>It is all done within MPAS and the Change of Supplier and Change of Agent processes have visibility.</p> <p>This option is robust and is an enduring solution.</p>	<p>This option may be costly to introduce, given the small number of private network sites trading under Difference Metering</p>	<p>High cost to implement, but inexpensive to run.</p> <p>Likely to be the most costly due to changes to the LDNO billing systems, introducing new flows, amending the BSC Procedures, changes to Data Collector systems, and the Master Registration Agreement.</p>
<p>Option 4</p> <p>The Data Collector sends the gross data in a spreadsheet to the LDNO and Supplier using the settlements format, i.e. it sends the data on a spreadsheet before complex mapping has taken place so it will be gross data.</p>	<p>Allows the LDNO to bill DUoS charges without the need to pre-process the data received.</p>	<p>There is no current audit trail and an audit trail would need to be developed. It will be labour intensive dependent on the volume of customers.</p> <p>Potential to be prone to errors.</p> <p>There will be a British Summer Time issue on the D0275 as the flow will be one hour out during this time.</p>	<p>Likely to be inexpensive to implement but costly to run.</p>

## 8 IDENTIFY RELEVANT MPANS

8.1 Currently the BSC requires that Meter Timeswitch Class (MTC) 997 is allocated to the MPANS within the private network.

- 8.2 The Working Group proposes that a single unique MTC (for example 996) is always used to identify boundary MPANs associated with third party private networks where the Difference Metering solution is being applied.
- 8.3 In order to identify the relationship between the MPANs within a private network and their associated boundary MPAN, the Working Group proposes utilising the first line of the address (which is a free text field per Master Registration Agreement (MRA) Agreed Procedure 09<sup>4</sup>) for all MPANs associated with a particular site.
- 8.4 The Working Group discussed the use of the D0036 or D0275 to provide gross boundary data quoting pseudo MPANs. A question was raised as to whether there were any issues with this particularly because the D0036 makes reference to Settlement Date whereas the data would not be Settlement Data. As part of this consultation, the Working Group seeks views on the appropriateness of using these flows for this purpose and whether there are any reasonable alternatives.
- 8.5 The Working Group also seeks views from Data Collectors on any potential issues with these options.

## **9 AFFECTS ON OTHER INDUSTRY CODES FROM DCP 158 AS PROPOSED (i.e. Boundary Solution)**

- 9.1 Based on the CP and the options identified the following impacts on other Codes have been identified:

<b>Code/Agreement</b>	<b>Potential changes</b>
MRA	Two new data flows may need to be introduced based on the same structure as the D0036/D0275.
	MAP09 change to the address population for the free text line.

---

<sup>4</sup> Standard Address Format and Guidance Notes for Address Maintenance

BSC	HHDC BSCP <sup>5</sup> change or bi-lateral arrangements to be put in place for the processes and sending of the two new flows.
	HHDC BSCP review to consider Change of Agent, Change of Supplier and Change of Tenancy scenarios.
	MDD <sup>6</sup> process to be used to adopt and/or create new MTC.

## 10 SOLUTION 2

- 10.1 DCP 158 as proposed suggested that DUoS should be charged at the boundary of the PNO site. An alternative solution has also been considered whereby some DUoS would be charged at the boundary of the PNO site and some DUoS would be charged by the LDNO in relation to the embedded MPANS i.e. the LDNO would charge DUoS to the Supplier(s) of the customers within the private network. It should be noted that the alternative solution would have the LDNO charging DUoS in relation to metering points that are not directly connected to the LDNO's network although such MPANS would have been generated by the LDNO.
- 10.2 One of the Working Group members proposed that Solution 2 should also be considered by the DCP 158 Working Group and while the other group members prefer the Boundary Solution that was proposed, it was agreed (by majority voting) that the Working Group should consult on both options.
- 10.3 In terms of DUoS charging, under Solution 2 the LDNO would apply the DUoS charges that would otherwise have applied at the boundary to the Suppliers for both the private network connection and for those customers connected within the private network. This ensures that the LDNO only

---

<sup>5</sup> Half Hourly Data Collector Balancing and Settlement Code Procedure

<sup>6</sup> Market Domain Data

recovers costs associated with its network and not that of the private network.

- 10.4 The metering data used for charging is based on the net Difference Metering at the boundary and the actual consumption values received from each MPAN within the private network. This ensures that the data used is the same as that which is processed by the HHDC and sent to the HHDA, Supplier and LDNO. This means that the existing processing of data is maintained with no changes required to existing processes, and the data can be validated.
- 10.5 The issue with this approach is that reactive charges and excess capacity charges would not be accurate if taken from the provided meter readings. Options for dealing with this issue are covered later in this section.
- 10.6 Where the PNO is on a CDCM tariff, the tariff structure proposed to be applied in respect of the boundary data and the embedded customer data is as identified below:

<b>CDCM Tariff Component</b>	<b>LDNO/PNO Boundary</b>	<b>End Customers</b>
Unit Rate 1	Normal	Normal
Unit Rate 2	Normal	Normal
Unit Rate 3	Normal	Normal
Fixed Charge	Normal	Zero/Smaller
Capacity Charge	Normal	Zero
Reactive Charge	Normal	Zero
Excess Capacity Charge	Normal	Zero

- 10.7 Where the PNO is on an EDCM tariff, the tariff structure proposed to be applied is as identified below:

<b>EDCM Tariff Component</b>	<b>LDNO/ PNO Boundary</b>	<b>End Customers</b>
------------------------------	---------------------------	----------------------

Super Red Rate	Normal	Normal
Fixed Charge	Normal	Zero/Smaller
Capacity Charge	Normal	Zero
Excess Capacity Charge	Normal	Zero

- 10.8 In order to calculate excess capacity charges and reactive charges in respect of the boundary, some form of periodic reconciliation would have to be performed and that would require gross data in respect of the boundary.
- 10.9 The reasoning for gross boundary data still being required is exactly the same as for the Boundary Solution in that billing using the settlements data will not provide a true representation of the data actually going through the boundary meter and therefore that data cannot be used to accurately calculate the capacity and reactive charges correctly.
- 10.10 The volumes of customers currently wishing to exercise their right to choose a Supplier is low and the LDNO will be recovering the agreed capacity. Therefore there is an argument that the only impact is whether there is a requirement to, and how often to, reconcile the excess capacity and reactive charges. This could be done on a monthly or annual basis, if at all, and is probably supportive of the HHDC sending the data by spreadsheet as per option 4 in the table in Section 7, in the short term.
- 10.11 The enduring solution for provision of gross data is covered by Section 7. Option 3 could still apply to this option by billing at the boundary based on the new flows and at the embedded Metering Points based on the metering data received on the existing flows (D0036 and D0275).

## 11 ADVANTAGES AND DISADVANTAGES OF THE TWO SOLUTIONS

Name	Pros	Cons
Gross boundary charging	Charging is in respect of the LDNO's	It needs a solution to providing the data.

	<p>customer.</p> <p>All the elements of the DUoS charge can be charged.</p>	<p>The Boundary Supplier needs to be able to pass through gross DUoS to its customer i.e. PNO.</p> <p>The LDNO must ensure that the inset MPAN is not charged DUoS.</p>
<p>Mix of boundary and customer charging</p>	<p>Close to the full settlement solution and so makes the transition to that arrangement easier.</p> <p>The LDNO element of DUoS is transparent to the inset Supplier.</p> <p>The LDNO already receives the data.</p>	<p>More invoices being raised.</p> <p>It does not charge excess capacity or reactive without some reconciliation to gross data (which would need a solution to sending).</p> <p>Would require the inset MPAN to have a different LLF class to the boundary MPAN.</p> <p>The inset Supplier may end up with three different types of DUoS bills (LDNO charge, PNO charge and the PNO's pass on of the LDNO's annual reconciliation of capacity and reactive charges) if an annual reconciliation takes place.</p> <p>The PNO may need to pass on the annual reconciliation charge to those customers who are not taking a competitive supply.</p>

		Complicated management of capacity data on inset customers.
--	--	---

## 12 POTENTIAL SAFETY AND OTHER ISSUES

- 12.1 The lack of any visibility of the gross data at the boundary also means that the LDNO may not be able to identify when the load at the boundary is being exceeded, either the Maximum Import Capacity or Maximum Export Capacity, or whether there is breach of any other terms of the connection agreement, such as Power Factor, and physical electrical rating of the boundary equipment.

## 13 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 13.1 The Working Group considered that Objectives one and two of the Charging Objectives and Objective two of the General Objectives were best met by this CP.

### 13.2 Charging Objectives

**Objective one** - That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence.

**Working Group view:** The Working Group agreed that Objective one is better facilitated by DCP 158 as the Act provides for private networks. DUoS billing and formal data provision arrangements currently in place may not be sufficient for Difference Metered private networks. This CP seeks to facilitate private networks within industry arrangements.

**Objective two** - That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences).

**Working Group view:** The Working Group agreed that Objective two is better facilitated by DCP 158 as licence exemption is a form of competition.

**Objective three** – That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business.

**Working Group view:** The Working Group agreed that the impact on Objective three is neutral.

**Objective four** - That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business.

**Working Group view:** The Working Group agreed that the impact on Objective four is neutral.

**Objective five** – That compliance by each DNO Party with the Charging Methodologies facilitates 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.

**Working Group view:** The Working Group agreed that the impact on Objective five is neutral.

### **General Objectives**

**Objective one** - The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.

**Working Group view:** The Working Group agreed that the impact on Objective one is neutral.

**Objective two** – The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity.

**Working Group view:** The Working Group agreed that Objective two is better facilitated by DCP 158 as the CP looks to better facilitate LDNO DUoS charging arrangements where a customer within a private network requests an MPAN in order to choose a Supplier. Therefore this CP facilitates competition by putting a process in place which allows the customer to choose their Supplier. Also, licence exemption is a form of competition.

**Objective three** – The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.

**Working Group view:** The Working Group agreed that the impact on Objective three is neutral.

**Objective four** – The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.

**Working Group view:** The Working Group agreed that the impact on Objective four is neutral.

**Objective five** – 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.

**Working Group view:** The Working Group agreed that the impact on Objective five is neutral.

## 14 DCP 158 – Summary and Consultation Questions

14.1 This table provides a summary of each of the options to be considered under this consultation.

	Option Number	Summary
--	---------------	---------

Solution 1 – LDNO’s DUoS is charged to the Boundary Supplier	Option 1	LDNO sums the net boundary data and the embedded customer data that is received via existing data flows.
	Option 2	Create a non-settlements (pseudo) MPAN in respect of the boundary and place an obligation via the Supplier for the Data Collector to send a D0036 or D0275 quoting this reference and containing gross metered data.
	Option 3	Introduce two new additional data flows, being copies of the D0036 and D0275 which would be used to send gross boundary data where Difference Metering exists, using the settlements MPAN for the boundary (there would be no pseudo MPAN in this solution).
	Option 4	The Data Collector sends the gross data in a spreadsheet to the LDNO and Supplier using the settlements format i.e. it sends the data on a spreadsheet before complex mapping has taken place so it will be gross data.
Solution 2 – an element of the LDNO’s DUoS is charged to the Boundary Supplier and the remainder to each inset customer’s chosen Supplier	Alternative Option	DUoS would be charged by the LDNO to the embedded MPANS i.e. the LDNO would charge DUoS to the Supplier(s) of the customers within the private network.

14.2 The following table provides a list of the consultation questions that the Working Group is seeking responses to.

Question Number	General Questions
1.	Do you understand the intent of DCP 158?
2.	Do you agree with the principles of DCP 158?
3.	Do you believe that you are or may be affected by competition in supply on private networks?
4.	Do you have a clear preference for Solution 1, as formally proposed in DCP 158 (billing at the boundary) and if so why?
5.	Do you have a clear preference for the Solution 2 (billing in relation to end users) and if so why?
6.	Are you undecided at this stage in terms of your preferred solution and if so why?
7.	Under any of the solutions do you believe there are any changes required under schedule 16, 17 and 18 of the DCUSA?
8.	<p>While there are potentially very many sites that are covered by the new market facility it is unclear how many customers on such sites may strike contract with Suppliers, in so doing initiate the Difference Metering billing solution necessitating new arrangements to maintain or support DUoS billing by the LDNO.</p> <p>A. In your view which solution is most appropriate if the take up is small?</p> <p>B. In your view which solution is most appropriate if the take up is large or very large?</p> <p>C. Does your option change depending on volume?</p>
9.	What are the potential costs of each option? Which option for your

	organisation would have the highest or lowest cost?
10.	Do you believe that there are any issues with using a D0036 <sup>7</sup> or D0275 quoting a pseudo MPAN over the Data Transfer Network?
11.	Do you believe there are any issues in the use of MTC <sup>8</sup> to identify a Difference Metered boundary point?
12.	Do you believe there are any issues in using the first line of the MPAN address <sup>9</sup> to identify a particular Difference Metered boundary point with its associated embedded MPANs e.g. such as site name?
13.	Do you believe there will be consequential changes to other industry codes <sup>10</sup> as a result of each option or solution?
14.	The Working Group draws your attention to DCP 142 <sup>11</sup> and asks if the change due to be implemented on the 01 October 2013 in to DCUSA will produce a problem for any of the options e.g. electronic v. manual billing?
15.	For the gross boundary Solution 1 which option (1-4) do you prefer? Rank your preferred options in order of preference with 1 being your most preferred option and 4 being your least preferred option.
16.	Do you believe that under solution 2 that a reconciliation of reactive and capacity charges should be performed? If so should it be monthly, annually or another frequency?
17.	Which outcome do you prefer i.e. Solution 1 (stating which of options 1-4) or Solution 2?
18.	Under the alternative solution in order to achieve reconciliation how

<sup>7</sup> Please refer to section 5 and option 2 and 3 in section 7

<sup>8</sup> Please refer to section 8

<sup>9</sup> Please refer to section 8

<sup>10</sup> Please refer to section 9

<sup>11</sup> Using D2021 for all invoices/credit notes if it is used at all

	should the LDNO receive the gross data?
19.	DCP 158 is due to be implemented in the next DCUSA release following authority consent. Do you have a preference on the date that DCP 158 is implemented in to the DCUSA?
20.	<p>Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.</p> <ol style="list-style-type: none"> <li>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</li> <li>2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</li> <li>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</li> <li>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</li> <li>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.</li> </ol>
21.	<p>Which DCUSA Charging Objectives does the CP better facilitate? Please provide supporting comments.</p> <ol style="list-style-type: none"> <li>1. That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence</li> <li>2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)</li> <li>3. That compliance by each DNO Party with the Charging</li> </ol>

	<p>Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business</p> <p>4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business</p> <p>5. That compliance by each DNO Party with the Charging Methodologies facilitates 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.</p>
22.	Are there any alternative solutions or matters that should be considered by the Working Group?

14.3 Responses should be submitted using Appendix B to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than **Friday, 05 July 2013**.

14.4 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

## 15 NEXT STEPS

15.1 Responses to the Consultation will be reviewed by the DCP 158 Working Group. The Working Group will then determine the progression route for the CP.

15.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA helpdesk by email to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) or telephone 020 7432 3017.

## ATTACHMENTS

- Attachment 1 – Change Proposal
- Attachment 2 – Response Form