

### DCUSA DCP 142 Consultation Responses – Collated Comments

Question One	Do you agree with the intent of DCP 142?	Working Group Comments
British Gas	Yes- we support achieving commonality in billing practice	The Working Group noted that the majority of respondents are supportive of the intent of DCP 142
EDF Energy	Yes	
ENWL	<p>The minutes of the first meeting of this DCUSA working group infer that the intent for all these changes are quite narrow (4.3) yet this one could be argued to be quite broad and cannot be supported.</p> <p>Why quite broad, well it states that if a distributor sends a D2021 then we must do so for all invoices/credits used. We queried this in our response to the expert group in that we cannot do so for those suppliers who are not a party to the e-billing agreement and as such they cannot process such flows. We suggested amending the legal text to include “and the User agrees to receive”.</p> <p>Secondly, it does not prevent any party reopening „DCP111 - E-Billing for Site Specific Bills“ under this umbrella to mandate suppliers to use e-billing flows where a distributor does. Those distributors that do</p>	<p>The Working Group discussed this response and had the following comments in regard to the individual points.</p> <p>First Point - The Working Group noted this will only apply when the first one was submitted by the D2021, and the legal text clarifies the intent. The Working Group agreed that the DCUSA legal advisor should be consulted to confirm that ENWL’s comments are covered within the legal text.</p> <p>Second point – The Working Group noted the comment.</p> <p>Third Point – The Working Group noted that the DCMF MIG Billing Group discussed</p>

	<p>not use e-billing still won't need to do so but it does allow for those that do use e-billing to progress such a requirement. Even though we raised DCP111 we believe that this was not the intent of this change proposal that was initially discussed by the expert group.</p> <p>Finally, we also commented on a reciprocal arrangement whereby a supplier who receives electronic flows should send the D2026 flow in an automatic fashion. This also didn't find its way into the change proposal and modified intent so that those suppliers and distributors who are signatories to the e-billing agreement actually use the electronic flows. Since there is no mention within the minutes of the expert group we will be discussing internally whether to raise a change proposal separately in this area, but the whole issue of governance of the e-billing arrangements needs careful thought and a legal view as to whether such compliance should sit under DCUSA.</p>	<p>this point, and it was agreed in that forum that it should be placed on hold until the CP is submitted, DCP 141 to 149, have been progressed and the Billing Group begins meeting again. However, the Working Group noted that ENWL, like any DCUSA Party, are free to raise the CP in advance of this if date they wish to do so.</p>
EON Energy	Yes	
Northern PowerGrid	Yes	
Npower	Yes	
ScottishPower Energy Retail	Yes	
SP Manweb Plc and SP Distribution Ltd's	Yes	

SSE Energy Supply Ltd	Yes	
SSE Power Distribution	Yes	
UKPN	Yes	
Western Power	Yes	
<b>Question Two</b>	<b>Do you agree with the principles of DCP 142?</b>	<b>Working Group Comments</b>
British Gas	Yes- we support achieving commonality in billing practice	The Working Group noted that all respondents are supportive of the principles of DCP 142
EDF Energy	Yes	
ENWL	Even though we are uncomfortable with the intent we agree with the principles of the change proposal but do have some reservations as indicated in our response to the last question.	Noted
EON Energy	Yes	
Northern PowerGrid	Yes	
Npower	Yes	
ScottishPower Energy Retail	Yes	
SP Manweb Plc and SP Distribution Ltd's	Yes	
SSE Energy Supply Ltd	Yes	
SSE Power Distribution	Yes	

UKPN	Yes	
Western Power	Yes	
<b>Question Three</b>	<b>Does the CP better facilitate the DCUSA General Objective 2? Please provide supporting comments.</b>	<b>Working Group Comments</b>
British Gas	Yes - this change will increase the commonality across DNO's in the sending of and receipt of invoices. This will improve competition by making the business rules and procedures easier to understand, including for new entrants.	The Working Group noted that the majority of the respondents all agreed that DCP 142 better facilitates General Objective 2
EDF Energy	We are in support of this change. Reduced handling of manual paper invoices and avoid delays in post. This will reduce manual data entry of transactions and therefore will reduce validation errors. And ensures consistency in billing approach across the industry.	The Working Group confirmed with EDF that they agreed with the objective as listed within the question.
ENWL	Once again this question is specific to just one identified objective. The change proposal should be challenged across all of the general objectives. This is indicated as such within the minutes of the meeting (5.4) but failed to find its way into the consultation document.	The Working Group also agreed that ENWL raised a valid point concerning the CP being reviewed against all the Objectives. However, it was highlighted that the question does not preclude any Party from raising points about any of the Objectives, and Parties have done so in the past.

	<p>So in response to the question raised and that of all the objectives we believe that this is at best neutral. On General objective one, it could be argued that it is more efficient to have electronic processes in place, but should they fail we need the ability to have back up alternatives such as paper and pdf documents available to us. Efficiency and inefficiency working to counteract each other. So this objective may be negatively impacted by taking away flexibility, and creating some inefficiency.</p> <p>On the general objective two, each supplier is treated the same in receipt of invoices (be they electronic then paper) from each distributor so competition in supply is unaffected. One could argue that competition is being frustrated by such a change that ensures that all distributors are doing exactly the same so it has a negative impact on distribution competition. Also the reluctance to mandate D2026 e-billing remittances, where some suppliers don't even send one or send them some considerable time later, causes increased work for distributors. So the same argument as the proposer cites here but has a negative impact due to differing approaches being adopted by suppliers.</p> <p>To counter this there is a benefit to new supplier entrants in that they can enter the market knowing that invoices will be received in a set format, but new entrants tend not to go directly to e-billing due</p>	<p>The Working Group reviewed and noted the contents of the response.</p>
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	<p>to the initial set up and system costs as indicated in DCP111, so it may be conceived as better facilitating this objective but it will be a minor improvement. So overall the objective 2 may be neutral. The rest of the objectives are not affected.</p>	
EON Energy	<p>Yes. General Objective 2 is better facilitated as Suppliers will be better able to validate incoming invoices from Distributors as there will be a common approach. This was something that was envisaged when the common charging methodology was introduced in that the approach to charging should be common. A common approach makes it more transparent to new market entrants, as at present it is unclear what approach is adopted by Distributors prior to receiving an invoice.</p>	
Northern PowerGrid	<p>Yes</p>	
Npower	<p>We believe that DCP 142 will better facilitate the DCUSA general Objective 2.</p>	
ScottishPower Energy Retail	<p>Where DNOs use different means for issuing invoices and or credit notes, this can become resource intensive for Suppliers to manage. This change will promote a consistent and transparent approach across all DNOs that use the D2021 flow</p>	

	and help to better facilitate General Objective 2.	
SP Manweb Plc and SP Distribution Ltd's	Yes. More efficient and consistent practice for both DNO Billing and Supplier Validation processes	
SSE Energy Supply Ltd	Yes – provides a consistent invoicing approach if a credit/rebill is issued in the same process as the initial invoice.	
SSE Power Distribution	Yes	
UKPN	Yes	
Western Power	We do not believe this better facilitates any of the Objectives; however we have no issue with standardising practice across the industry.	The Working Group noted this response.
<b>Question Four</b>	<b>Do you have any comments on the proposed legal drafting of DCP 142?</b>	<b>Working Group Comments</b>
British Gas	No	
EDF Energy	No	
ENWL	Yes.  Notwithstanding our earlier comments on the intent we also stated in our expert working group comments associated with this legal text that the Invoice Types did not reflect the descriptions	The Working Group discussed the points raised in the response, and agreed that they are happy with the version of legal text as suggested by ENWL.  It was agreed that this version of the legal

	<p>contained in the e-billing – “Invoice Type” data item catalogue.</p> <p>We suggest that rather than repeat omit or cause misinterpretation of Invoice Types and the potential to impact or have misalignment on another governance area we modify the text to make it more generic to cater for all, inclusive of consideration to other change proposals in this pack i.e. the use of amendments rather than adjustments which may have an alternative meaning when used in the D2021.</p> <p>We suggest the following legal text amendment to that of this change proposal:</p> <p><b>21.3</b> Where the Company submits, and the User agrees to receive, accounts by sending an electronic invoice using the D2021 data flow, it shall use an electronic invoice the D2021 for all accounts inclusive of any subsequent amendments to that account <del>submitted for any subsequent reconciliations including all withdrawals, adjustment invoices, replacement invoices, credit notes and new invoices.</del> For the purposes of this Clause 21.3, “electronic invoice” means an account providing the data items set out in data flow D2021 (as amended from time to time) sent</p>	<p>text could be sent to the DCUSA legal advisor for review. It was also agreed to ask whether or not it prohibits an emailed invoice.</p> <p>The Working Group noted that this is a Part 1 matter not because of the changes it will make to the DCUSA, but because of its effects on Parties which may be impacted and incur costs in order to implement the change.</p>
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	<p style="text-align: center;">using the Data Transfer Network.</p> <p>The last sentence is taken from the Wragges review of DCP111 since we reference electronic invoice earlier within the same clause.</p> <p>We also suggest that since there are only two other clauses after clause 21.2 that this is slotted in as 21.3 and the other two amended to 21.4 and 21.5. Consequential changes to Clause 23.1 and 23.3 will need to be updated due to cross referencing to the current 21.3 &amp; 21.4 clauses.</p> <p>23.1 Subject to Clause 20.6, Clause 21.45 and Clause 22.4, failure by the Payor to pay any sum due as cleared funds by the due date for payment in accordance with Clause 20.5, Clause 21.34, or Clause 22.3 shall be a <b>Payment Default</b></p> <p>23.3 The Payee shall be entitled, without prejudice to any other right or remedy, to receive interest on any payment not duly made pursuant to the terms of Clause 20.5, Clause 21.34, or Clause 22.3 calculated from day to day at a rate per annum equal to the Default Interest Rate from the day after the date on which payment was due up to and including the date of payment, together with any reasonable administration charge notified by the Payee to the Payor from time to time.</p>	
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	Finally, this change has been raised as a part 1 matter so clause 9.5.2 will need to be updated to reflect such a situation.	
EON Energy	No, we believe the current drafting works, subject to DCUSA lawyers review.	
Northern PowerGrid	No	
Npower	No	
ScottishPower Energy Retail	No	
SP Manweb Plc and SP Distribution Ltd's	No	
SSE Energy Supply Ltd	No	
SSE Power Distribution	No	
UKPN	No	
Western Power	No	
<b>Question Five</b>	<b>How will DCP 142 affect your organisation? Please provide supporting comments.</b>	<b>Working Group Comments</b>
British Gas	No impact.	The Working Group noted that there would be little or no impact on the majority of respondents to this consultation.
EDF Energy	We are in support of this change. Reduced handling of manual paper invoices and avoid delays in post. This will reduce manual data entry of transactions	

	<p>and therefore will reduce validation errors. And ensures consistency in billing approach across the industry.</p>	
<p>ENWL</p>	<p>There will be no impact to our company based on the principles and the proposed legal text we suggest. However see comment below under Question 9, there may be an unwelcome consequence of such a change.</p>	
<p>EON Energy</p>	<p>The affects are as a consequence of not implementing this DCP. Without a common defined approach in order to validate invoices received from Distributors, Suppliers face the following issues. They have to either develop separate validation tools for each Distribution Licence held, with no guarantee that these will remain the same as the Distributor can change at any time without any notice. The alternative is to employ more validation staff to manually check each invoice with again no guarantee that the Distributor does not change the way it invoices from month to month. The final alternative is not to validate invoicing something that will result in the many errors we come across not coming to light. When they are discovered, perhaps many years later, this results in re-billing by the Distributor, often without the ability to re-</p>	

	invoice correctly to the end customer.	
Northern PowerGrid	Northern Powergrid will only be affected if ad hoc invoices also require sending electronically as these are currently issued on paper and therefore do not form part of the D2021 data flow	
Npower	<p>This will be useful as there will be visibility of the breakdown of charges. Manual invoices are very time consuming to process and it would seem sensible for those DNOs that use EDI to send ALL their DUoS invoices in this way. As a Supplier, we seem to be at the mercy of the DNOs who can send invoices in any format they wish, yet the payment timescales for these invoices remain inflexible. Validation, of EDIs, are straightforward, as errors (e.g. incorrect VAT value) can be easily identified. Manual invoices can have missing data or individual lines of value that do not balance to the total value entry. These are time consuming to identify and we feel that these manual invoices should have an extended (minimal) payment period to reflect the additional time spent to process.</p> <p>The same applies to the receipt of credit notes.</p>	
ScottishPower Energy Retail	Less resource will be required to manage the different means by which invoices/ credit notes are issued by those DNOs which use the D2021. The removal of manual work will help to simplify the	

	management and validation of such invoices/ credit notes.	
SP Manweb Plc and SP Distribution Ltd's	No Impact – SP Energy Networks already meet the requirements of this CP	
SSE Energy Supply Ltd	We receive the majority of our initial invoices through the D2021 process, implementation of this DCP this will help to standardise our invoice validation/payment process.	
SSE Power Distribution	SSEPD believe there would be impact on some distributors billing systems.	
UKPN	We can deliver this	
Western Power	None	
<b>Question Six</b>	<b>Will there be any associated costs with implementing DCP 142? Please provide supporting comments.</b>	<b>Working Group Comments</b>
British Gas	No	The Working Group noted that the majority of respondents will not incur any costs associated with the implementation of this CP. One DNO could potentially incur costs, but was unable to estimate the value.
EDF Energy	No	
ENWL	No, unless the change proposal changes	

	substantially.	
EON Energy	The costs are all associated with NOT implementing this DCP. We estimate the development costs for each bespoke validation for this item to be approximately £1,000. To employ more validation staff £5,000 per annum per Distribution licence, this is based on the costs that those Distributors that current send re-billing by paper invoice cost in excess of those that do not.	The Working Group noted the costs of not implementing the CP.
Northern PowerGrid	If ad hoc invoices required sending electronically then we will incur costs	Noted
Npower	None apparent.	
ScottishPower Energy Retail	No	
SP Manweb Plc and SP Distribution Ltd's	No	
SSE Power Distribution	N/A	
SSE Energy Supply Ltd	No	
UKPN	No	
Western Power	No	
<b>Question Seven</b>	<b>Are you aware of any wider industry developments that may impact upon or be</b>	<b>Working Group Comments</b>

	<b>impacted by this CP? If so, please give details, and comment on whether the benefit of the change may outweigh the potential impact and whether the duration of the change is likely to be limited.</b>	
British Gas	No	The Working Group noted that the majority of respondents did not foresee any other industry developments that could impact upon this CP.
EDF Energy	No	
ENWL	<p>There are a number of industry changes that affect billing systems, such as the Balancing &amp; Settlement Code P280 and P272 modifications and the DCP151 that facilitates the introduction of P280 (all subject to approval). Similarly the methodology changes associated with the MIG sub group looking at the NHH/HH perceived discrepancies.</p> <p>Albeit these changes do not impact this particular change request, to undertake a change six months prior to a potential further change in the same area is not helpful to all parties. It may therefore be sensible to defer this change proposal to the April 2014 date.</p> <p>However, if P280 is not approved the potential impact on distribution billing systems as a consequence of the roll out of smart metering needs to be understood before any suggested changes to billing systems are considered.</p>	<p>The Working Group noted the comments, but also reiterated that these changes are in the pipeline currently, but highlighted that the acceptance of this, or any change, is not guaranteed. The Working Group also noted that there could be other potential changes raised, and the question would be, how long does one wait to progress this, or any change.</p> <p>It was also reiterated that each change should be considered on its own merit.</p> <p>It was also highlighted that any Party can apply for a derogation to any approved CP depending on their own circumstances.</p>

	There are a number of distinct change proposals within the pack of DCP141-149 on or around the processing of the D2021 or compliance with the agreement supporting the D2021. This change should be withdrawn if DCP145 is approved thereby ensuring that compliance of one agreement is managed in the appropriate forum.	
EON Energy	Yes. There are many DCUSA DCPs that are aimed at improving the billing and subsequent validation processes of Distributors and Suppliers. The majority of costs associated with these are development costs to billing or validation tools. These costs are greatly reduced when more than one change can be undertaken at any time.	
Northern PowerGrid	None that we are aware of	
Npower	No	
ScottishPower Energy Retail	No	
SP Manweb Plc and SP Distribution Ltd's	No	
SSE Energy Supply Ltd	No	
SSE Power Distribution	None known at this time	
UKPN	No	
Western Power	No	

Question Eight	Do you agree with the implementation date of DCP 142?	Working Group Comments
British Gas	Yes. We recognise that adjusting billing systems to accommodate small changes can be costly. We do not believe, however, this should be a reason to either reject the modification or delay the change implementation. DNOs in those circumstances should apply for derogations and seek to implement in an efficient fashion.	The Working Group noted that all respondents agreed with the implementation date of DCP 142
EDF Energy	Yes	
ENWL	Since we have no changes to make we are neutral on the implementation date apart from the wider considerations such a change may have to those impacted by this change proposal. The decision should be based on those impacted by this change proposal.	
EON Energy	Yes	
Northern PowerGrid	Yes	
Npower	Yes	
ScottishPower Energy Retail	Yes	
SP Manweb Plc and SP	Yes, SP Energy Networks already meet the	

Distribution Ltd's	requirements of this CP	
SSE Energy Supply Ltd	Yes – but can support sooner	
SSE Power Distribution	Yes	
UKPN	Yes	
Western Power	Yes	
<b>Question Nine</b>	<b>Are there any alternative solutions or matters that should be considered by the Working Group?</b>	<b>Working Group Comments</b>
British Gas	No	The Working Group noted that the majority did not have any further comments.
EDF Energy	No	
ENWL	<p>The minutes of the expert group infer that this is limited to one distributor and the issue thought to be a bi-lateral one between those parties, but it was agreed that due to limited compliance provisions in this area a change proposal should be considered to address the issue.</p> <p>The challenge is, should parts of a bi-lateral agreement outside of DCUSA find its way within it, or should such governance be contained under the business rules of the data flows in question and as such this change proposal should be withdrawn? Albeit we have our concerns over DCP145 and</p>	<p>The Working Group noted the comments, and explained that anything that better facilitates the DCUSA objectives can sit within the DCUSA.</p> <p>It was also noted that there are provisions within the DCUSA that should cover off the second point made by ENWL, within 59.4 of the DCUSA. The Working Group agreed to seek advice from the DCUSA legal advisor in relation to this point.</p>

	<p>believe that a legal view be sought over whether such a compliance clause can sit under DCUSA, we would prefer the conditional approval of „DCP145 – mandating compliance with D2021 processes“ and then amend the business rules within the e-billing documentation where appropriate.</p> <p>Secondly, by being so definitive, any system downtime will prevent any alternative billing option being available to distributors until this is rectified. If the billing system is down, we can't send out any accounts but it may be a router or gateway issue that is preventing the sending of the flow. Paper or pdf accounts could still be generated dependent upon the downtime.</p> <p>Within DCP111 this comment was also raised by another party at the voting stage in that they did not want to prevent other options being available to them.</p> <p>We could argue that we can notify suppliers stating that we will not send e-billing data flows for the time being until the issue is remedied but we would still not be able to submit an amendment to an earlier invoice? This may well be a key reason why this should not be approved (nor can be mandated within other agreements) in that it does not provide flexibility to the distributor and as such creates</p>	
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	<p>inefficiencies and impacts on back up plans should a disaster occur.</p> <p>Consideration by the working group in this area would be welcome.</p>	
EON Energy	No. We believe the MIG working group have already discussed this widely and believe this to be the optimal solution.	
Northern PowerGrid	None that we are aware of	
Npower	No	
ScottishPower Energy Retail	None that we are aware of at this time	
SP Manweb Plc and SP Distribution Ltd's	No	
SSE Energy Supply Ltd	No	
SSE Power Distribution	No	
UKPN	No	
Western Power	No	