

**DCUSA CHANGE DECLARATION**

**DCP 142 – USING D2021 FOR ALL INVOICES/CREDIT NOTES IF IT IS USED AT ALL**

**VOTING DATE:** 11 January 2013

DCP 142	WEIGHTED VOTING		
	DNO	IDNO	SUPPLIER
CHANGE SOLUTION	Accept	Accept	Accept
IMPLEMENTATION DATE	Accept	Accept	Accept
RECOMMENDATION	<p><b>Change Solution – ACCEPT</b>                      In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was greater than 50% in all Categories.</p> <p><b>Implementation Date – ACCEPT.</b>                      In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was greater than 50% in all Categories.</p>		
PART ONE / PART TWO	<p><b>Part One</b> – Authority Determination Required</p>		

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A/R)	COMMENTS
<b>DNO PARTIES</b>			
<b>Electricity North West Ltd</b>	Reject	Neutral	<p>Whilst we agree with the principles behind this change proposal and actually comply with the proposed legal text we have no option but to reject this change proposal based on the following:</p> <ul style="list-style-type: none"> <li>• The intent does not match the legal text;</li> <li>• The legal text causes a conflict and governance concerns with another agreement; and</li> <li>• The DCUSA objectives are not better facilitated.</li> </ul> <p><b>The intent</b></p> <p>In the change proposal the intent states:</p> <p>“The intent is to ensure that all distributors that use the D2021 do so for all invoices/credits raised.”</p> <p>We raised with the Methodology Issues Group’s Billing Expert Group and in our consultation response (quoted within Change Report clause 4.6) that our understanding of this to be if we use the D2021 <b>we must</b> send it to all suppliers some of which may not be able to process such a data flow. We suggested some legal text changes to limit it to those that ‘agree to receive’ such a flow which then prevents DCP111 (e-billing for site specific bills, raised as a Part 2 matter and rejected by the industry) being approved via the back door for those distributors currently billing in this manner.</p>

			<p>Although the expert group didn't make such a change the working group acknowledged our view and sought legal advice. Apart from the legal text we have not seen any written communication on the legal advisors views (be it in the Change Report or any of the minutes of the working group) as to whether such a change to the legal text limits the intent of this Change Proposal. In our opinion it does and places this Change Proposal in jeopardy.</p> <p>On further reflection, we also argue that "for all invoices/credits raised" means that it is also applicable to Settlement Class and Transactional accounts (clause 20 and 22 of DCUSA) as well as Site Specific accounts (clause 21 of DCUSA). The legal text limits it to Site Specific. The latter is the true intent but unfortunately not reflected as such within the Change Proposal.</p> <p>A counter argument may be that the D2021 can only be used for site specific billing so it is understood that it only refers to site-specific billing but we have seen through the suite of billing changes (DCP141-149) that parties are wishing to mandate changes to another agreement by placing them in DCUSA. It therefore stands that such a mandate would force a change to the e-billing agreement if the legal text actually reflected the change proposal intent.</p> <p>It is surprising and disappointing to see that the change proposal covering off a change to the intent of a change proposal (DCP155) has been withdrawn. As indicated in the guidance note – part D of the Change Proposal, "the intent of the Change Proposal cannot be altered once submitted". This has caused concern and frustrated the change process on a number of occasions including this one.</p>
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		<p>various 'Invoice Types' and the misalignment with the e-billing descriptions in order to avoid any misunderstanding between agreements. Change Report clause 4.29 states that legal advice was requested, but once again no clarification has been provided in the minutes or Change Report apart from the legal text itself.</p> <p>Whilst we did initially have a concern over the lack of flexibility this Change Proposal would have should a disaster occur we are grateful for the working group response to this concern quoting DCUSA clause 59.4.1:</p> <p>“the Parties shall use any means reasonable in the circumstances to send any notice, request or other communication that this Agreement would otherwise require to be sent via the Data Transfer Network”</p> <p>and it is our understanding that if it was other than the DTN we would be covered by Force Majeure which allows us to mitigate the lack of service under DCUSA clause 55.1.7:</p> <p>“the Affected Party uses all reasonable efforts to mitigate the impact of the circumstance of Force Majeure....”</p> <p>In both instances we believe we would be able therefore to send invoices by alternative means i.e. paper and/or pdf via e-mail.</p> <p>In summary, intent issue aside, we are potentially creating cross governance interpretation concerns.</p> <p>Secondly the issue of whether this Change Proposal is a Part 1 matter - we queried with the expert group whether these changes were indeed a Part 1 matter, and then queried with the working group whether if they were so deemed to be Part 1 why clause 9.5.2 did not make reference to</p>
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		<p>such. We cannot understand the logic behind what is currently a Part 2 clause being amended, judged as a Part 1 matter due to it “having different impacts on different parties which could be viewed as discriminatory”, yet still retaining a Part 2 status.</p> <p>Ofgem in their recent consultation on “Code Governance Review Phase 2” have stated that in DCUSA 33% of Part 1 changes could have been dealt with as part of self governance yet the Panel in supporting this suite of change proposals have agreed with the sponsor that they are treated as a Part 1 matter yet the sponsor and the working group still wish to retain the Part 2 status. Irrespective of the outcome of this change proposal it would be helpful if this was clarified in more detail.</p> <p><b>DCUSA objectives</b></p> <p>The theme within the Change Report and consultation responses continues within the suite of the DCP141-149 billing change proposals:</p> <ul style="list-style-type: none"> <li>• Same conclusion to the working group assessment reflecting the same wording in the Change Report to that of the Change Proposal;</li> <li>• The working group majority view percentage not indicated in the Change Report (7.1); and</li> <li>• Limiting the DCUSA Objectives review.</li> </ul> <p>Having now had the opportunity to review the consultation responses and the Change Report our assessment of the objectives are:</p> <p><b>General objective 1</b> – no impact (our initial concern over this has been resolved)</p> <p><b>General objective 2;</b></p>
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			rather leave the voting in this area to the impacted parties.
<b>Northern Power Grid</b> - Northern Electric Distribution Ltd	Accept	Accept	Northern Powergrid currently sends D2021 for some Invoices/Credit notes to suppliers who opt into the service. We feel that it would better suit commonality in billing if this change were to be implemented. In terms of the implementation date; if this change were to be accepted, Northern Powergrid feel this is an acceptable date to adhere to as the impact on any systems is minor.
<b>Northern Power Grid</b> - Yorkshire Electricity Distribution plc	Accept	Accept	
<b>Scottish Power</b> - SP Distribution plc	Accept	Accept	N/A
<b>Scottish Power</b> - SP Manweb plc	Accept	Accept	
<b>SSE</b> - Scottish Hydro Electric Power Distribution plc	Accept	Accept	
<b>SSE</b> - Southern Electric Power Distribution plc	Accept	Accept	
<b>UKPN</b> - Eastern Power Networks (EPN) plc	Reject	Reject	UK Power Networks is supportive of the principle of this but has concerns that it removes flexibility in the billing and crediting methods should exceptional circumstances arise.
<b>UKPN</b> - London Power Networks (LPN) plc	Reject	Reject	
<b>UKPN</b> - South Eastern Power Networks (SPN) plc	Reject	Reject	
<b>WPD</b> - Western Power Distribution	Accept	Accept	N/A



(South Wales) plc			
<b>WPD</b> - Western Power Distribution (South West) plc	Accept	Accept	
<b>WPD</b> - Western Power Distribution (East Midlands) plc	Accept	Accept	
<b>WPD</b> - Western Power Distribution (West Midlands) plc	Accept	Accept	
<b>IDNO PARTIES</b>			
ESP Electricity Ltd	Accept	Accept	N/A
<b>SUPPLIER PARTIES</b>			
British Gas	Accept	Accept	We recognise that some parties will incur implementation costs in order to be compliant with this change and potentially these could appear to outweigh the benefits of the change. However, to achieve a common approach for DUoS billing practices we feel the best way forward is for this change to be approved. Parties can then apply for derogations, as necessary, to allow the changes to be implemented as efficiently as possible.
EDF Energy	Accept	Accept	This proposal will result in a more efficient, less resource intense processing of DUoS Credit Notes and re-billed DUoS Invoices. It will also eliminate “typo” errors caused by the manual entry of data.

Eon	Accept	Accept	We agree with the working group that objective 2 is better facilitated.
GDF Suez	Accept	Accept	
NPower	Accept	Accept	
Scottish Power Energy Retail Ltd	Accept	Accept	<p>Anything that standardises the process is very welcome as it saves time on manual processing and workarounds, particularly by removing the need for adjustments.</p> <p>For example, when we look back at data in the past it is much “cleaner” to have a complete withdrawal of an invoice and a new D2021 replacement. Currently it is extremely difficult to try and reconcile adjustment invoices from a reporting perspective. As such this change would be a great help in keeping things simple and straightforward.</p>
SSE Energy Supply Ltd	Accept	Accept	