

Request for industry feedback by 11 January 2021

DCP 344: Solutions for new approach to billing and remittance

1. Purpose of this Document

- 1.1 The purpose of this document is to seek industry feedback on the proposed solution for DCP 344. To respond to the questions posed in Section 5,1 of this document, please complete the consultation response form found in Attachment 1.

2. Purpose of Change Proposal

- 2.1 This Change Proposal seeks to introduce a new approach for billing that will create efficiencies for DCUSA Parties and better facilitate competition.

3. Summary

- 3.1 DCUSA Parties currently have two options for processing billing; manual billing (using Parties' preferred medium) or using the Data Transfer Network (DTN) to transmit D2021 and D2026 flows (known as DUoS e-billing). The e-billing route enables automated processing of large amounts of data over a secure network, while manual billing is time and labour intensive by comparison which is prone to errors and is less secure.
- 3.2 The DCUSA Panel established a Working Group to assess DCP 344. This Working Group consists of DNO, Supplier, IDNO and Ofgem representatives. Meetings are held in open session and the minutes and papers of each meeting are available on [here](#).

4. Proposed Solutions

- 4.1 DCP 344 is considering three solutions as below:
- Option A: Those not currently using the DUoS e-billing service have the option to use an agreed format/template to ensure consistency with invoicing, e.g. a designated spreadsheet containing all relevant items.

- Option B: DCUSA Ltd to procure DUoS e-billing service from ElectraLink so that all DCUSA Party's use the e-billing service and the costs of the service is apportioned between Parties via the cost recovery mechanisms set out in the DCUSA.
- Option C: Introducing a new Data Transfer Catalogue (DTC) flow that enables billing to be sent across the DTN.

4.2 Following a review of the CP form, the Working Group agreed that the solution they will seek to develop only relates to the Clause 21 'Site-Specific Billing and Payment', which applies in respect of those Charges that relate to Metering Points or Metering Systems, where:

- the electricity imported via an Exit Point or exported via an Entry Point is not reported in the Supercustomer DUoS Report; and/or
- the Use of System Charge is not comprised solely of one or more standing charges and/or one or more Unit Rates; and/or
- the Use of System Charge is specified in the Relevant Charging Statement as not being billed by Settlement Class.

Option A

- 4.3 Option A represents an improved approach compared to the status quo; however, the general principle is quite similar in nature to that of the status quo. Option A retains the mix of a manual invoicing process but with an agreed format/template to be utilised as well as the option to use the DUoS e-billing service by entering into a commercial contract with ElectraLink who provides the service.
- 4.4 In order for Parties to assess this option, the Working Group developed a spreadsheet as an example of what format a uniform manual invoice could take, which is provided as Attachment 2 to this consultation.

Option B

- 4.5 DCUSA Ltd to procure DUoS e-billing service from ElectraLink so that all DCUSA Party's use the e-billing service and the costs of the service is apportioned between Parties via the cost recovery mechanisms set out in the DCUSA. The Working Group's rationale for this option is due to the precedence of other such arrangements already set out in the DCUSA. The precedence being the Theft Risk Assessment Service (TRAS) arrangements, the Energy Theft Tip-Off Service (ETTOS) arrangements and more specifically the Theft Assessment Calculator.

Option C

- 4.6 Option C considers Introducing a new Data Transfer Catalogue (DTC) flow that would enable billing to be sent across the DTN.
- 4.7 The Working Group has considered the above three options and have drawn out the main areas of benefit alongside those of concern and set these out against the high-level solutions proposed under DCP 344. The table below provides readers with a consolidated view of each item:

Approach to invoicing	Concerns	Benefits
<ul style="list-style-type: none"> • Mix of manual invoicing without an agreed format, template or spreadsheet and some use of the DUoS e-billing service 	<ul style="list-style-type: none"> • Inconsistent approach meaning that some Parties need two sets of processes and systems in place to send and/or receive invoices leading to an increase in costs associated with the upkeep of dual processes. 	<ul style="list-style-type: none"> • To some extent Parties can currently choose the method that best suits them but only in so far as both payer and payee agree that the approach used is the one that is best suited.
<ul style="list-style-type: none"> • Creation of a DTC flow which would be similar in form to the optional DUoS e-billing service 	<ul style="list-style-type: none"> • Viability of option is questionable as ElectraLink own the Intellectual Property Rights (IPR) for DUoS e-billing service • Lead time needed to implement changes to the DTC via the MRA are unknown but potential to be lengthy • Unknowns related to the MRA being subsumed within the REC • Some Parties would require the development of systems with the ability to handle invoicing by means of a data flow and for other Parties their systems may need to be updated • Potential need for Parties to undertake testing of new method and conduct internal training • Cost implications of potential sell of IPR needed to implement changes to the DTC via the MRA and any subsequent associated MRA costs. 	<ul style="list-style-type: none"> • Single process used by all • New entrants will know what to expect prior to acceding. • Reduction of errors and/or delays seen in manual invoicing • Increased efficiency in the validation of DUoS invoices • Comprehensive electronic record of invoices
<ul style="list-style-type: none"> • DCUSA Ltd procuring DUoS e-billing service 	<ul style="list-style-type: none"> • Parties not currently using the DUoS e-billing service would require the development of systems with the ability to handle invoicing by means of a data flow • Potential need for those Parties to undertake testing of new method and conduct internal training • Likely costs are currently unknown 	<ul style="list-style-type: none"> • Single process used by all • New entrants will know what to expect prior to acceding. • Reduction of errors and/or delays seen in manual invoicing • Increased efficiency in the validation of DUoS invoices • Comprehensive electronic record of invoices • Costs associated with DUoS e-billing service would be socialised amongst all Parties in line with the current procedures in the DCUSA

		<ul style="list-style-type: none"> • Parties who currently use the DUoS e-billing service would not require any system development • No need for Parties to enter into a bi-lateral contract with ElectraLink and thus would not incur any potential legal fees during contract negotiation
--	--	---

Industry Consultation

- 4.8 A previous Consultation was sent out in September 2019, obtaining 11 responses. 7 of which stated their preference for Option B, one stated their preference for Option A, two did not indicate a preferred option and one indicated Introducing a new Data Transfer Catalogue (DTC) flow that enables billing to be sent across the DTN was their preferred option. This consultation documentation, along with industry responses and Working group feedback can be found in Attachment 2.

5. Feedback Request

- 5.1 One concern raised from the Working Group was the lack of responses from smaller Suppliers. We would therefore we would like to offer a further opportunity for industry feedback on the above options. In particular, the Working Group are seeking views on the following:

- Do you understand the intent of the CP?
- Are you supportive of the principles of the CP?
- Do you encounter any issues with the current processes of manual billing?
- What are your views on Option A, Option B Option C and what is your preferred option and why?
- What will be the impacts on your internal systems if Option A, Option B or Option C is implemented?
- Do you have any other comments on the DCP 344?

- 5.2 Please respond to the above questions by completing the consultation response form found in Attachment 1.

6. Attachments

- 6.1 Attachment 1: DCP 344 Consultation response form
- 6.2 Attachment 2: DCP 344 Consultation, industry responses and Working Group feedback

