

Request for industry feedback by 10 December 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.
- 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 [here](#).

4. Proposed Solutions

4.1 Following previous consultations¹, the DCP 344 Working Group is considering two 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 Parties 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.

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 Super customer 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 a commercial contract with ElectraLink who provides the service.

4.4 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 Parties 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 previously set out in the DCUSA. The precedence being the Theft Risk Assessment Service (TRAS) arrangements, the Energy Theft Tip-Off Service (ETTOS) arrangements, the Theft Assessment Calculator, and the Nominated Calculation Agent.

4.6 If option B is implemented the Working Group proposes that that there should be a six-month lead time, after Authority Decision, for Parties to introduce any internal system or process changes needed.

¹ [DCP 344 - Solutions for a new approach to billing and remittance](#)

Pros and Cons

4.7 The Working Group has considered the above two 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">• Use of the existing DUoS e-billing service and introduction of manual invoicing using an agreed spreadsheet (Option A)	<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">• Parties can 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">• DCUSA Ltd procuring DUoS e-billing service (Option B)	<ul style="list-style-type: none">• If parties wanted to fully automate the process, they may have to update systems, or as a minimum would have to update processes if they wanted to maintain a manual solution• Potential need for those Parties to undertake testing of new method and conduct internal training	<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 DNO, IDNO and Suppliers in line with the current procedures in the DCUSA• Parties who currently use the DUoS e-billing service would not require any system development• Supports DCUSA's digitalisation strategy

5. Feedback Request

5.1 The DCP 344 Working Group is keen to seek Party views on the following:

- What is your preferred DCP 344 option? Please provide the rationale for your answer.
- Will there be any costs as a result of implementing either option? If so, please provide an indicative cost.
- If option A is your preferred solution, does the proposed template capture all the information that is needed?

- If option B is your preferred solution, do you agree that a six-month lead time is appropriate? If not, provide your rationale.

5.2 Please respond to the above question 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: Example Invoicing Template