DCP 344 'SOLUTIONS FOR NEW APPROACH TO BILLING AND REMITTANCE' COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. What is you preferred DCP 344 option? Please provide the rationale for your answer.	Working Group Comments
Utiltia Energy	Non-confidential	Our preferred solution to DCP344 is option B. This is because we already operate DUoS E-billing, and believe this is a good opportunity to align site specific DUoS charging across the entire industry.	Noted
	Anonymous	Option A	Noted
UK Power Networks	Non-confidential	Option B is the better of the two as it allows for a consistent process used by all parties and reduces the need for any manual activities which can cause errors in the data.	Noted
ESP Utilities Group	Non-confidential	We are not in favour of any change, but if one is to be pursued we would prefer option a. We view it as wholly inappropriate that a business should have commercial decisions regarding the procurement of a billing and remittance system dictated under the terms of an industry code. Clearly matters around billing and remittance are crucial in ensuring the correct functioning of the electricity system, but one particular commercial service cannot be mandated for all industry participants. The DuOS e-billing service does also not cover the whole of the market, so is of limited use as it only covers a small number of sites with high consumption. We maintain strong relationships with such sites on our networks, and as such bill validation issues are readily resolved when they occur and we would not derive any benefit from being forced to use the DuOS e-billing service at this time.	Noted

		Furthermore, adding another mandatory fee for a potential new market entrant may be discouraging and have the effect of dampening competition, which would be a sub-optimal outcome for consumers.	
ScottishPower Energy Retail Ltd	Non-confidential	Option B is our preferred solution as it removes the current risk of invoices being missed / sent to the wrong contact.	Noted
Energy Assets Networks Ltd	Non-confidential	EAN does not have a preference for either option, both incur significant costs for IT system changes to implement a change that only benefits Supplier parties (which begs the question as to why the costs of the service is apportioned between all Parties rather than just Suppliers).	Noted
UK Power Distribution	Non-confidential	We are unable to make an informed decision because of the lack of information: whereas we understand the costs implied in implementing Option A, we are unable to compare them against the costs associated with Option B, since no cost have been shared about the procurement of the e-billing service from ElectraLink.	Noted
BUUK	Non-confidential	BUUK's preferred option is Option B, more precisely to adopt ElectraLink's commercial service and implement a standardised, clear and consistent approach across the industry parties, which would alleviate any ambiguity and confusion between the distributors and suppliers. We	Noted

		anticipate that the e-billing service will accelerate the invoicing process, as well as making it easier for the suppliers to validate the invoices. Nevertheless, we have our concerns regarding this commercial service and we consider it incomplete at this stage. Although the data flow is meant to standardise the communication between the DNOs and suppliers for DUoS charges, it missed to include the communication between the DNOs and IDNOs. However, after a conversation with ElectraLink, they confirmed that from a technical perspective, this amendment would be an easy and straightforward change to the flow, without impacting any of the current processes. Another major drawback detected with Option B is the risk of eventuating with a hybrid approach in case not all suppliers accept the flow. This would result in an extended amount of work expected from the distributors in order to provide the invoices in two separate formats.	
Leep Electricity Networks Ltd	Non-confidential	Option B – this seems like a more practical solution that will drive consistency across all parties and lessen the burden of some of our activities which are manual processes	Noted
Working Group Conclusions: Seven of the respondents preferred Option B, whilst one preferred Option A. one was not supportive of the CP (however stated that Option A would be their preferred solution is one is pursued), one stated they have no preferred solution and one stated they needed additional information due to a perceived lack of information around costings.			

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Company	Confidential/ Anonymous	2. Will there be any costs as a result of implementing either option? If so, please provide an indicative cost.	Working Group Comments
Utiltia Energy	Non-confidential	As we currently already operate Electralinks E-billing service, with a very small amount invoices in need of manual processes. As such we would expect to incur little to no cost in the implementation of option A or B.	Noted
	Anonymous	No Additional costs for this option.	Noted
UK Power Networks	Non-confidential	Both options bring costs except that Option A has one-off costs whereas Option B has an ongoing cost.	Noted
ESP Utilities Group	Non-confidential	We will incur limited costs as a result of amending our internal processes to implement option a. We will incur significant additional costs to implement option b, including system change costs to alter our current billing system to interact with the DUOS e-billing system in addition to the proposed mandatory fees.	Noted
ScottishPower Energy Retail Ltd	Non-confidential	Expect system costs with Option A to be approx. £1,000-10,000 as the template would change. It is unclear what additional costs suppliers would expect from IDNOs in particular moving over to e-billing. Option B will be our share of the DCUSA budget only. For both options it is unclear how DNO /IDNO costs will be recovered so there could potentially be additional costs we are not aware of at this time and would welcome confirmation of this as soon as possible to help our decision making process.	Noted

Energy Assets Networks Ltd	Non-confidential	Yes, there will be significant costs for either option. Both option's outputs will need to be automatically produced by our billing system to avoid extensive manual data entry. Option A – EAN would not enter into a commercial agreement with Electralink for the e-billing service so would need to update our billing system to automatically produce the template along with the existing pdf. Option B – would require the production of the e-billing D2021 data flow along with the existing pdf. Dependent on the structure of the D2021, additional data items may need to be added to our billing system to be able to produce the flow. Without sight of the proposed legal text to support this change, it is not clear if <u>all</u> Suppliers are going to be mandated to <u>accept</u> the common format (e-billing flow or spreadsheet) as well as the existing pdf format. If not, this would introduce a new process for some distributors to send one format to some Suppliers and an alternative format to others. EAN would expect all Suppliers to be obliged to receive both the common format introduced by this change proposal and not have differing outputs dependent on the Supplier receiving the invoice.	Noted
UK Power Distribution	Non-confidential	**Option A:** We currently send our invoices as PDF documents, from an in-house billing system. Adopting Option A will require: • commissioning external resources to upgrade the system to make it generate billing data in the new template format for the MPANs in scope. We estimate this could amount to up to £10,000. • committing internal headcount resources to planning and implementing this upgrade. The cost is difficult to estimate at this	Noted

		stage, but we would point out that timing will be crucial as there will be competing priorities for the same headcount over Spring and Summer 2022 who will be busy implementing the Faster Switching programme and planning the system to support MWHHS. **Option B:** Transitioning partially or fully to the e-billing service would generate the following costs: • Electralink charges for the service: these are unfortunately unknown and unquantified as they have not been communicated. • internal headcount resources dedicated to planning and implementing this upgrade. The cost is difficult to estimate without engaging further with Electralink.	
BUUK	Non-confidential	We do not expect to inherit any additional costs to implement either option since this consultation will be mandated as regulatory requirement and will be covered under the regulatory insurance.	Noted
Leep Electricity Networks Ltd	Non-confidential	No costs would be incurred	Noted
Working Group Conclusions: 4There were mixed responses regarding the costs of each option. Some respondents stated that Option A would result in no cost, whilst others noted costs ranging from £1K to £35K. In relation to Option B, some indicated no costs, one indicated significant costs, and some indicated minor costs.			

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Company	Confidential/ Anonymous	3. If option A is your preferred solution, does the proposed template capture all the information that is needed?	Working Group Comments
Utiltia Energy	Non-confidential	Whilst B is our preferred solution, the proposed template looks to be fit for purpose as use for an invoice.	Noted
	Anonymous	Yes, it appears to be.	Noted
UK Power Networks	Non-confidential	(No response)	N/A
ESP Utilities Group	Non-confidential	Yes	Noted
ScottishPower Energy Retail Ltd	Non-confidential	(no response)	N/A
Energy Assets Networks Ltd	Non-confidential	We would like to understand the requirement for a number of the columns in the template, as our system would need to be updated to hold the data to populate the fields e.g. Supplier Type, Batch Number, In Area/Out of Area, Tariff Description, Statement Type, Available Supply Capacity Date, Start Text (?), End Text (?), Start Year, Start Month, Start Day, End Year, End Month and End Day. These items do not currently appear on our pdf invoices so this would be a major change for what we do not believe are legal requirements for invoices. If these additional columns are also reported in the e-billing D2021 data flow, this also impacts our assessment of Option B for the same reason – our system would need to be updated to hold those data items.	Noted

UK Power Distribution	Non-confidential	If the proposed template is ever rolled out, we suggest it is complemented by an explanation for each field, so as to ensure consistency across users. We also note that there is no field that refers back to the "Account reference" that is generally associated with a supplier on an invoice and Purchase Order. We would also seek reassurance that an excel spreadsheet constitutes a valid VAT invoice.	Noted
BUUK	Non-confidential	Yes, we believe the proposed template captures all the necessary information. However, from a more cosmetical point of view, we are accustomed to locating the 'Billing Period Start/ End' at the beginning of an invoice, consequently, should columns AK-AL and their content be moved forward at front of the template?	Noted
Leep Electricity Networks Ltd	Non-confidential	(no response)	N/A
Working Group Conclusions: Most who responded believed that the spreadsheet captured everything needed. The Working Group noted that there could be additional notes added to the Excel spreadsheet to explain each data item in response to one respondent's comment, if Option A was progressed further.			

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Company	Confidential/ Anonymous	4. If option B is your preferred solution, do you agree that a six-month lead time is appropriate? If not, provide your rationale.	Working Group Comments
Utiltia Energy	Non-confidential	We already operate the E-billing service; therefore, we do not require any lead time for implementation ourselves, therefore we are not best placed to comment on this being appropriate or not.	Noted
	Anonymous	N/A	N/A
UK Power Networks	Non-confidential	Yes	Noted
ESP Utilities Group	Non-confidential	If option b is the chosen option, we would suggest that a minimum of 12 months would be an appropriate lead time to enable all market participants to conduct necessary system upgrades and staff training.	Noted
ScottishPower Energy Retail Ltd	Non-confidential	This seems sensible as it allows everyone to test the solution. However, we are happy to discuss other options if other parties have an issue with the timescale.	Noted
Energy Assets Networks Ltd	Non-confidential	It is an industry standard that IT systems changes to implement an industry change are supported by a six-month lead time. As both options will require system changes, both should have a six-month lead time (the same question hasn't been asked for Option A).	Noted
UK Power Distribution	Non-confidential	Six months seems reasonable, as long as Electralink is comfortable that it too can support the transition within that timeframe.	Noted

		In addition to lead time, we invite the working group to consider the issue of timing. As mentioned in answer to Question 2, Spring and Summer 2022 will be a busy period for the teams involved in registration and billing as we move to implementing the Faster Switching programme and planning for the system to support MWHHS.	
BUUK	Non-confidential	We believe that a six-month lead time would be appropriate to make all the necessary amendments to our internal systems and incorporate ElectraLink's e-billing service.	Noted
Leep Electricity Networks Ltd	Non-confidential	A 6-month lead time is appropriate, anything less may be hard to achieve	Noted
Working Group Conclusions: A majority of respondents believed that a six-month lead time is appropriate if Option B is implemented. One respondent believed the lead time should be a minimum of 12-months. Some respondents suggest a six-month transition for Option A if this was the preferred solution and the Working Group agreed that if Option A was progressed a six-month lead time would also be appropriate for this solution.			