

DCUSA Consultation v2.0

At what stage is this document in the process?

DCP 416:

Electronic Invoicing Post MHHS

Date raised: 14 November 2022

Proposer Name: Peter Waymont

Company Name: Eastern Power Networks

Company Category: DNO

01 – Change Proposal

02 – Consultation

03 – Change Report

04 – Change Declaration

Purpose of Change Proposal (CP):

To create a new DCUSA owned DIP data message for electronic Distributor billing post MHHS.



This document is a Consultation issued to DCUSA Parties and any other interested parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 416 'Electronic Invoicing Post MHHS'.

Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by **16 March 2023**.

The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).



Impacted Parties:

Suppliers, DNOs and IDNOs [CVA Registrants]



Impacted Clauses:

21.5

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Any questions?

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report	16 November 2022
Consultation Issued to Industry Participants	29 December 2022
Consultation 2 issued to Industry Participants	02 March 2023
Change Report Approved by Panel	19 April 2023
Change Report issued for Voting	21 April 2023
Party Voting Closes	12 May 2023
Change Declaration Issued to the Authority	14 May 2023
Authority Decision	TBC
Implementation	April 2024

1 Summary

What?

- 1.1 A new flow needs to be introduced for site specific electronic billing in the post MHHS environment.

Why?

- 1.2 MHHS introduces new data flows using the DIP and JSON format, including for the HH consumption data.

How?

- 1.3 By introducing a new DIP flow in JSON format, to be sent for electronic invoicing of counterparties post the implementation of the MHHS environment.

2 Governance

It is considered that this is a Part 2 matter.

Next Steps

- 2.1 Following a review of the Consultation responses, the Working Group will work to agree the final detail of the solution for this CP and if appropriate progress to the Change Report phase.
- 2.2 We have included CVA Registrants as being impacted in square brackets as it is unclear whether they will be using the DIP in future.

3 Why Change?

Background of DCP 416

- 3.1 The change is required in order to be able to operate an electronic invoicing process in the MHHS environment.
- 3.2 We have included a straw man DIP flow structure as an attachment within Attachment 4 DCP 416 Straw Man Flow Structure. We have called this REP-ebill for the time being.

4 DCP 416 Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess this CP. This Working Group consists of Supplier, DNO and IDNO representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.

- 4.2 It was agreed after reviewing the straw man flow structure that it would be useful to understand if there were any other data items the flow should include or items within the straw man that would need to be amended. A consultation question was created to ask parties if they had any comments on the flow structure and if there were data items that would need to be included or removed.

Consultation 1

- 4.3 The Working Group issued an initial Consultation seeking wider views around the proposed e-billing implementation.

Question 1: Do you understand the intent of DCP 416?

- 4.4 All bar one responder stated that they understand the intent of the CP – one responder stated that they believe there is a level of ambiguity about the scope.

Question 2: Are you supportive of the principles of DCP 416?

- 4.5 All responders understand the principles of this CP. Three responders support the introduction of a new dip flow, however mentioned that they support it for the post-MHHS environment, the potential to modify the current D2021 flow (as opposed to a new dip flow) and not supportive of e-billing being mandatory without further scrutiny.
- 4.6 The Working Group discussed the processes between modifying the current D2021 flow and a new DIP flow, and mainly due to futureproofing it was agreed that a new DIP flow would be the most appropriate process to follow.
- 4.7 There was a concern raised around the tight timescales for switching over to a new DIP flow, however it was confirmed that there will be some time provided to prepare for the switch and will not be an immediate process.
- 4.8 The Working Group noted that the new DIP flow would be within the governance of the DCUSA. The Working Group agreed that the legal text would need to change if the DIP flow becomes mandatory.

Question 3: Do you have any comments on the strawman flow structure for site specific billing? Are there any other data items that you would add or remove?

- 4.9 A variety of responses were received regarding feedback on the strawman flow structure and the Working Group reviewed and noted each comment provided.
- 4.10 One suggestion provided was to include an indicator to say that the site is a 'mis-aligned' multi-MPAN site, as this is likely to assist Suppliers in validating invoices and suggested it would be simple to include. The Working Group discussed this and agreed that this would be useful to include.

- 4.11 Following on from the comments provided, the Working Group agreed that the strawman flow structure will need further updates, especially if the intention is to use the new DIP flow for other invoicing processes.

Question 4: Would you support expanding E-Billing to other invoice types? If so, which invoice types?

- 4.12 The majority of responders agreed that the new DIP flow could be expanded to other processes, specifically NHHSC, IDNO and DUoS. One responder was not supportive of expanding e-billing to other invoices, and one responder remained neutral dependant on the cost-benefit analysis.
- 4.13 The one responder who was not supportive of expanding e-billing to other invoices stated that it should not be taken wider without a robust cost-benefit analysis and stated that it would also depend on the timelines for new invoices to be considered as part of this change due to the current volume of industry change. The Working Group agreed with this and noted that robust impact assessments will be carried out before bringing in other invoicing processes and that sufficient time will be given to allow parties to make appropriate changes.
- 4.14 One Working Group member queried how this change would impact DCP 415 'Replacement of D0242/D0315 for MHHS' that if this change proposes to add NHH invoicing – The Working Group noted that both DCP 415 and DCP 416 are related, but there is not an overlap, and no impacts would occur.

Question 5: Would you be supportive of E-Billing being mandatory? Please provide your rationale.

- 4.15 All bar one responder were supportive of E-billing being mandatory.
- 4.16 The one responder who was not supportive stated that the system costs incurred to produce the E-billing format, and potential for additional administration in implementing this change are unrecoverable by INDOs. They also stated that it would not be appropriate for DCUSA to mandate a party to make a commercial decision to procure the E-billing system which is owned by Electralink.
- 4.17 Reflecting on these comments, the Working Group confirmed that the intent of this change is not to mandate the E-billing service offered by ElectraLink but create a new service within open governance. Following this information, the responder advised that they would be supportive of mandatory E-billing so long as robust cost-benefit analysis and additional impact assessment were to be carried out initially.
- 4.18 Following this discussion, the Working Group agreed that the intent to create a new E-billing service within open governance should be made clear within the change report.

- 4.19 One responder stated that some parties (i.e., small Suppliers and CVA Registrants) would not find it cost effective to develop a system to load such a file. The Working Group discussed this and noted that having a caveat to exclude CVA Registrants within the legal text would be preferable.

Question 6: Do you have any preferred lead time to implement any of the potential E-Billing changes and what would that lead time be?

- 4.20 The majority of responders preferred a lead time for any potential E-billing changes to align with the implementation of MHHS. One responder did not have a lead time preference, and another responder suggested a minimum of 6 months lead time.
- 4.21 The Working Group noted that billing in respect to MHHS Customers is intended to be within the DIP.

Question 7: Would you be supportive of cutting over to the new flow at a point in time, or running both flows in parallel? Is there an impact from credit/re-bills?

- 4.22 The majority of responders supported running both parallel processes during the transition period as opposed to a cut over date. One responder did not have a preference.
- 4.23 The Working Group noted that a current billing provider has confirmed that both parallel process can run during the transition period.

Question 8: Do you currently use the D2026 flow? If so, is further consideration needed?

- 4.24 The majority of responders confirmed that they do not currently use the D2026 flow; however, it was noted and agreed by the Working Group that a remittance flow would not be needed within the dip.

Question 9: Do you consider that the proposal better facilitates the DCUSA General Objectives?

If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons.

If not, please provide supporting reasons.

- 4.25 All the eight responders stated they believed the CP better facilitated DCUSA objective 4.
- 4.26 Seven of the respondents also believed that DCUSA objective 1 would be better facilitated.
- 4.27 The reasons given by respondents for why they believed objectives 1 and 4 were better facilitated were more consistency across the industry with these billing processes and that utilising E-billing for multiple invoices supports future proofing within the industry.

- 4.28 One responder raised a concern that it may create a barrier for new industry parties, the Working Group discussed this, and re-iterated that the intent of this change is not to use the ElectraLink e-billing service and therefore no additional costs would be applicable. The responder who raised this concern noted within the Working Group that the explanation given had helped them to understand the change in greater detail and they were satisfied that this change would not mandate the use of the Electralink E-billing service.
- 4.29 One responder did originally state that they were not supportive that this change better facilitates DCUSA Objectives 1 and 4; however, following discussions held during this meeting, the responder confirmed that they are now supportive.

Question 10: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

- 4.30 All bar one responder stated that they were not aware of any wider industry developments that may impact upon or be impacted by this CP (other than what has been stated within the CP).
- 4.31 One responder stated that changes in tariff structure may impact the data structure required for this DIP flow structure. The Working Group discussed this and stated that the new DIP flow will include DUoS tariff IDs. The view of the Working Group is that if there are no changes to tariff structures within changes (i.e., DUoS SCR) then they would have to be accommodated within the flows.

Question 11: Do you have any comments on the proposed legal text?

- 4.32 A number of amendments to the draft legal text were suggested by one responder.
- 4.33 The Working Group reviewed the suggested amendments and both the proposer, and the Working Group were happy for the suggested amendments to be made.

Question 12: How might the legal text need to be changed if other invoice types are included?

- 4.34 A number of responders stated that further amendments to the current definition of ‘electronic invoice’ may be required if the legal text is changed to include other invoice types.
- 4.35 One responder suggested amending the current legal text definition to:
- “electronic invoice” means, an account providing the data items set out in the [REP-ebill] sent using the DIP, save that for non-MHHS customers invoiced pursuant to Clause 20.2B it shall mean data flow D2021 (as amended from time to time) sent using the Data Transfer Network.

- 4.36 The Working Group noted this suggestion and stated that if other invoices were brought in scope, then changes to the electronic clauses definition may be needed, alongside changes to additional clauses (such as 20.4B and 22.2B).

Question 13: Do you have any other comments on DCP 416?

- 4.37 The majority of responders had no further comments on this change. One responder stated that their response may be subject to change following an impact assessment, and another responder suggested that it would be more beneficial if the change was mandatory for migrated sites as his would remove the need to retain the PDF option for these Customers.
- 4.38 The Working Group noted both comments and agreed that it would be more beneficial to mandate the process as it would mitigate the need for numerous processes.

Working Group's View

- 4.39 The Working Group believe that to further progress this change, a second Consultation seeking wider industry views will be beneficial to further development of the solution. Please consider the following questions below:

Consultation 2

- 4.40 As the majority of respondents agreed that taking the new DIP flow to other invoicing processes would be beneficial, the Working Group believed that the following invoicing processes could utilise the new DIP flow-meter asset provision, transactional charges under the DCUSA and late payment charges.

Question 1: Would you support the inclusion of the following invoice types- meter asset provision, transactional charges under the DCUSA and late payment charges?

- 4.41 A billing provider noted within their consultation response that it would be useful to have a 'multi-Site MPAN' indicator as this would support suppliers in validating invoices and it would also help to identify miss-aligned sites. It was agreed within the Working Group that this could assist suppliers and the Working Group welcomes views from suppliers on the below question.

Question 2: Would it be useful to include an identifier for misaligned multi-site MPANs?

- 4.42 A number of respondents to the first consultation had noted that system changes would be required to facilitate taking this change wider to include other invoices. It was also noted that there may be other costs and impacts. The Working Group decided it would be useful to understand any potential impacts to systems, costs, resourcing etc that this change may bring to light if it was taken wider to include other processes.
- 4.43 For the purposes of this consultation, a mis-aligned multi-MPAN site means '*Has a single connection agreement which covers multiple MPANs and where one or more of the MPANs have*

a different supplier from the other(s). This can occur because there are no restrictions in CSS / MPRS which enforce change of supplier to occur on the same day for all MPANs in a site. From a DUoS billing perspective, the billing of the site must be split between the affected suppliers.'

Question 3: Are there any wider system changes, costs or resourcing impacts as a result of this change being approved?

4.44 After discussing if E-Billing should be made mandatory, all respondents stated they did support mandating the DIP flow. The main reason being that it would support consistent processes. It was noted that exclude CVA registrants from the process would be preferable. The Working Group decided to ask the below question to seek views on whether all the E-billing processes mentioned in paragraph 4.38 should be mandated.

Question 4: Would you support making this flow mandatory for all bill types mentioned in Q1? If no, do you support HH DUoS being mandatory and if so, should the other invoice types be optional or not included?

4.45 The Working Group would also welcome views on the drafted legal text within **Attachment 2: DCP 416 Draft Legal Text** and also if parties had any other additional comments in regards to the change.

Question 5: Do you have any comments on the drafted legal text?

Question 6: Do you have any further comments?

5 Assessment Against the DCUSA Objectives

5.1 For a DCUSA CP to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. DCP 416 will be measured against the DCUSA General Objectives, which are set out in the table below:

DCUSA General Objectives		Identified impact
Please tick the relevant boxes. (See Guidance Note 9)		
<input checked="" type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Positive
<input type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	None
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None

<input checked="" type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

5.2 The proposal cited the following objective as being met. Objective 1 - The ability to charge DUoS in a governed process enables the Distributors to recover their revenue and hence maintain the network. Objective 4 - Moving the processes into the post MHHS environment enhances the efficiency of processes administrated under the DCUSA.

6 Impacts & Other Considerations

Significant Code Review (SCR) or other significant industry change projects

- 6.1 The proposer believes this potentially impacts REC and BSC, so should be raised and discussed at the Cross Code Steering Group.
- 6.2 It also impacts the MHHS Programme.

Cross Code Impacts

BSC..... ☒ REC..... ☒ Distribution Code.. ☐

CUSC..... ☐ SEC..... ☐ Grid Code..... ☐

None..... ☐

Consideration of Wider Industry Impacts

- 6.3 No furthers impacts identified beyond developing the flow.

7 Implementation

- 7.1 The proposer stated that the DCP should be implemented in readiness for start of MHHS migration for the legal text and the new flow to be ready for any required testing in advance of this.
- 7.2 As stated earlier in the consultation paper in paragraph 4.8, it is believed that the implementation date of this DCP could be April 2024 as this would fall in line alongside SIT (System Integration Testing).

8 Legal Text

Legal Text

8.1 Amend Clause 21.5 as shown

““electronic invoice” means, an account providing the data items set out in the [REP-ebill] sent using the DIP, save that for non-MHHS customers invoiced pursuant to Clause 20.2B it shall mean data flow D2021 (as amended from time to time) sent using the Data Transfer Network.

8.2 Add Clause 20.4B as shown.

Where the Company submits, and the User agrees to receive, accounts by sending an electronic invoice it shall use an electronic invoice for all of that User's accounts (including revised accounts and credit-notes). For the avoidance of doubt, where this Clause 20.4B applies, Clause 59.4 shall apply to the sending of accounts during any period in which the Data Transfer Network is unavailable.

8.3 Add Clause 22.4B as shown.

Where the Company submits, and the User agrees to receive, accounts by sending an electronic invoice it shall use an electronic invoice for all of that User's accounts (including revised accounts and credit-notes). For the avoidance of doubt, where this Clause 22.4B applies, Clause 59.4 shall apply to the sending of accounts during any period in which the Data Transfer Network is unavailable.

Text Commentary

8.4 The text is drafted based on the concept that during transition it may be that both the existing D2021 will be required for non-migrated customers and the new flow will be required for migrated customers. A hard cutover to the new flow should be possible if it is understood that for non-migrated customers the DUoS Tariff Id field can be populated with the LLFC (assuming each is unique or that any use of the same coding is for the same tariff). A “MHHS yes/no” flag could be added, for example. In that case the legal text would need to introduce a cutover date e.g. replace the proposed red text with “until [date] and the [REP-ebill] thereafter”. This may be a better solution given any cancellation and rebilling of prior period invoices. However, consideration would need to be given to the impact if suppliers do not all use the DIP at the same time as part of a migration.

8.5 It should also be noted that the legal text proposed does not seek to mandate the use of electronic invoicing using the new flow. However, as many systems are changing for MHHS there may be opportunities for more/all parties to incorporate such functionality and an alternative solution could be developed by the working group to mandate electronic billing using the new flow. We believe changes to Clause 21.2B would be required e.g. “The Company shall submit and the User agrees to receive, accounts by sending an electronic invoice using the [REP-ebill] for all the User's accounts (including revised accounts and credit-notes).”

- 8.6 We have focussed on site specific billing data in the attachment and have not sought to develop a flow that could be used for other billing types under DCUSA. However the working group may wish to widen the scope of the solution or propose an alternate that does so. This would suggest needing to move the relevant clauses (21.2B and 21.5) out of Clause 21 and possibly into the “Invoicing of Charges” section of Clause 19. Also the structure of the flow would need consideration.

9 Code Specific Matters

Reference Documents

N/A

10 Consultation Questions

- 10.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	Would you support the inclusion of the following invoice types-meter asset provision, transactional charges under the DCUSA and late payment charges?
2	Would it be useful to include an identifier for misaligned multi-site MPANs?
3	Are there any wider system changes, costs or resourcing impacts as a result of this change being approved?
4	Would you support making this flow mandatory for all bill types mentioned in Q1? If no, do you support HH DUoS being mandatory and if so, should the other invoice types be optional or not included?
5	Do you have any comments on the drafted legal text?
6	Do you have any further comments?

- 10.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than, **16 March 2023**.

- 10.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

11 Attachments

- Attachment 1: DCP 416 Consultation v2 Response Form
- Attachment 2: DCP 416 Draft Legal Text
- Attachment 3: DCP 416 Change Proposal Form
- Attachment 4: DCP 416 Straw Man Flow Structure
- Attachment 5: DCP 416 Consolidated consultation 1 responses