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|  | Solution A - Default | Solution B – Tariff |
| Changes to CDCM/LC14 | * None | * New tariff name and new LLFCs required |
| Lead in time | * None | * Time for changes to CDCM and LLFCs opening in MDD * Need an Ofgem derogation and form approval for LC14 |
| Migration (LLFC) | * Single migration to HH LLFC * Re-banding may be required for some sites later on | * Two migrations required   + First to migrate to HH aggregated tariff   + Second to migrate to HH site specific tariff (or back to NHH) |
| Capacity charges | * Initially default MIC is applied to all MPANs (unless an agreed capacity already exists) * Following transition the DNO calculates a new MIC. * Three scenarios:   + Default capacity is appropriate – capacity charges are correct and banding is correct   + Default is too low – excess capacity charges are incurred until the MIC is revised. MIC is backdated to date of migration and site is rebilled. Site initially receives higher charges but will have these refunded later on. May require a change to a higher residual band. This should not be backdated.   + Default is too high – customer pays higher capacity charges initially until the MIC is revised (agreed capacity tariff applied to higher kVA than needed). MIC is backdated to date of migration and the site is rebilled. Site initially receives higher charges but will have these refunded later on. Default will likely be in residual band 1 so no change to the band allocation should be required. | * During transition the site continues to be billed on aggregated tariffs so no separate capacity charge applies * Post transition the new MIC is applied (which is either agreed with the customer or calculated from actual data) and this is set at the correct level so there should be no overcharging of capacity charges. * Post transition all sites will need to be allocated to a residual band. * Suppliers/Consultants don’t have to keep track of default MICs for different areas |
| Communication | * Initially Supplier contacts customer * DNO contacts customer directly to agree the MIC * DNO has 6 months to agree the MIC with the customer after 12 months of data has been received. | * Initially Supplier contacts customer * DNO contacts customer directly to agree the MIC * DNO has 6 months to agree the MIC with the customer after 12 months of data has been received. |
| MIC calculation | * DNO has to have a default MIC to apply * MIC is either agreed with the customer or calculated based on 12 months of actual meter data. * DNO has 6 months to calculate and then contact the customer to agree the calculated value. | * No default MIC required * MIC is either agreed with the customer or calculated based on 12 months of actual meter data. * DNO has 6 months to calculate and then contact the customer to agree the calculated value. |