

DCUSA Change Report		At what stage is this document in the process?
<h1>DCP 433</h1> <h2>Limitation for backdating of rebates/charges under Schedule 32</h2> <p>Date Raised: 5 January 2024 Proposer Name: Chris Barker Company Name: Electricity North West Limited Party Category: DNO</p>	01 – Change Proposal	
	02 – Consultation	
	03 – Change Report	
	04 – Change Declaration	
<p>Purpose of Change Proposal:</p> <p>The intent of this Change Proposal (“CP”) is to amend Schedule 32 to ensure that processes which may result in the backdating of rebates/charges are reflective of the limitations within the current industry arrangements.</p>		
	<p>This document is issued in accordance with Clause 11.20 of the DCUSA. Parties are invited to consider the proposed amendment and submit their votes using the voting form (attachment 2) to dcusa@electralink.co.uk by 7 June 2023.</p> <p>The voting process for the proposed variation and the timetable of the progression of the CP through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011.</p>	
	<p>Impacted Parties</p> <p>CVA Registrants, Suppliers, DNOs and IDNOs</p>	
	<p>Impacted Clauses</p> <p>Schedule 32, Paragraph 6.11</p>	

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Any questions?

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Timetable

Activity	Date
Initial Assessment Report Approved by Panel	17 January 2024
Consultation issued to Parties	18 March 2024
Change Report issued to Panel	15 May 2024
Change Report issued for Voting	16 May 2024
Party Voting Ends	07 June 2024
Change Declaration Issued to Parties	11 June 2024
Change Declaration issued to Authority	11 June 2024
Authority Decision	Pending
Implementation	June standard release / 5 Working Days after approval

1 Executive Summary

What?

- 1.1 An issue has been identified due to the implementation of DCP 389 'TCR – Clarification on Exceptional Circumstances and Allocation Review for 'New' Sites' on 01 April 2023. DCP 389 introduced a process for an annual allocation review of any new Final Demand Sites as well as those Final Demand Sites which were initially allocated to a Residual Charging Band based on no recorded data (i.e., by using a best guess approach). The process currently obliges DNOs/IDNOs to backdate rebates/additional charges to the date on which the Final Demand Site was first charged the Old Charging Band residual fixed charge. The proposer considers this to be past a point which is realistically possible/practical, but the issue has only now been picked up on by the DNOs/IDNOs, following the completion of the Annual allocation review for the first time in September 2023.
- 1.2 The DNOs/IDNOs requested and the DCUSA Panel approved a Derogation from Paragraph 6.11 of Schedule 32 during their meeting on 20 September 2023 (DNO/IDNO Derogation – Paragraph 6.11 of Schedule 32).

Why?

- 1.3 As part of the above Derogation, the Panel has specified that the term of the Derogation is until 31 March 2024. The Panel also encouraged a Party to raise a Change Proposal as soon as possible to amend the relevant text in the DCUSA (i.e., Paragraph 6.11 of Schedule 32) such that it reflects the reality of how sites are billed and the limitations for backdating of sites on the basis of LLFC IDs. This Change Proposal has been raised in order to fulfil that request.

How?

- 1.4 The intent behind the Derogation was for all DNOs/IDNOs to follow the inferred obligations in Paragraph 6.11 of Schedule 32 to the extent possible (i.e., by backdating the LLFC ID for applicable sites through settlement processes to a maximum of 14 months) and to raise a Change Proposal to amend the relevant text in the DCUSA (i.e., Paragraph 6.11 of Schedule 32) such that it reflects the reality of how sites are billed and the limitations for backdating of sites on the basis of LLFC IDs. It would be expected that the change can be raised to the next applicable Panel meeting and that if approved, would be in place for the next Annual Allocation Review in September 2024, pending Ofgem's decision on this CP.

2 Governance

Justification for Part 1 Or Part 2 Matter

- 2.1 This CP is classified as a Part 1 matter and therefore will go to the Authority for determination, after the voting process has completed.

3 Why Change?

- 3.1 As noted above, DCP 389 introduced a process for an annual allocation review of any new Final Demand Sites as well as those Final Demand Sites which were initially allocated to a Residual Charging Band based on no recorded data (i.e., by using a best guess approach).
- 3.2 Paragraph 6.11 sets out the need for DNOs/IDNOs to backdate any rebates/additional charges “to the date on which the Final Demand Site was first charged the Old Charging Band residual fixed charge”. By 15 September each year, the DNO/IDNO Party must provide suppliers with a list of sites which have been reallocated to a New Charging Band. The New Charging Band is to be applied from the next billing period, i.e. 1 October.
- 3.3 Paragraph 6.11 has been identified as an issue in that billing systems between DNOs/IDNOs and suppliers use settlement data from specific settlement runs that end with the final Reconciliation Run at 14 months. Therefore, the proposer’s view is that it would only be possible to backdate rebates or additional charges as far as 14 months due to the limits in settlement data availability. Given any New Charging Band must be applied from 1 October, the rebate or additional charge would be backdated to 1 August in the previous year.
- 3.4 Consideration was given to moving to a manual process for periods beyond the 14 months, but that would not be possible, especially in the NHH market due to the use of aggregated data used for billing. Within the 14 months adjustments are made within the billing runs, which updates settlement automatically. Beyond 14 months, nothing can be settled within current settlement arrangements and all required adjustments will need to be completed manually on an MPAN-by-MPAN basis. This would result in manual invoices and rebates, potentially covering multiple Suppliers over the course of the period of the changes, for potentially thousands of MPANs. In the case of NHH data, this would require billing data to be manually created on an individual MPAN basis, which would be resource intensive, and cannot be reconciled back to the aggregated data by the DNO. Whilst for the HH market, there is less of an issue, due to the use of Site Specific data for billing, both the NHH and HH sites are affected by the 14 month limitation in terms of being able to backdate/change the LLFC IDs in the settlement processes. DNOs discussed whether using the ‘Dispute Final (“DF”) run’ would allow them to go beyond 14 months, up to 30 months from the settlement day, but noted that this process wasn’t designed for such instances and in any case would normally be a Supplier instigated process.

4 Working Group Assessment

- 4.1 This Working Group consist of DNO, Supplier, IDNO, and generator 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 The Working Group explored why this change was necessary and determined that there are a few scenarios where a customer may currently be eligible for a backdated rebates or backdated charges beyond 14 months. The Proposer created an information pack, attached to this Change Report as attachment 5, which outlined these.

4.3 The following table summarises these scenarios – column 1 refers to DCUSA Schedule 32:

Customer Category	Site Type	Qualifying Criteria	Requirement to be Included in the Review	Maximum Potential Backdating
4.1 (b) (ii)	Site with MIC	No MIC data available (possibly a new connection with unconfirmed capacity)	Minimum of 12 months of MIC data	Up to 23 months (only 11 months available for prior review, so reviewed next year giving an extra 12 months) plus 3 months for the review process
4.2 (a) (iii)	HH settled no MIC	Less than 12 months of annual import consumption	Minimum of 12 months of metered data	Up to 23 months (only 11 months available for prior review, so reviewed next year giving an extra 12 months) plus 3 months for the review process
4.2 (b) (ii)	NHH settled no MIC	No EAC, so used default EAC	EAC from up to and including May of the review year	Depends on EAC availability, unclear what time scales might be.
4.2 (b) (iii)	NHH settled no MIC	No EAC or default, so used other basis	EAC from up to and including May of the review year	Depends on EAC availability, unclear what time scales might be.

4.4 The Working Group issued a consultation to gather information and feedback from market participants.

5 Consultation Responses Review

5.1 The consultation was issued on 18 March 2024. There were a total of seven responses received, one of which was a joint response.

5.2 Set out below are the questions that the Working Group sought views on, and a summary of the responses received. The full set of responses and the Working Group’s comments are provided in attachment 3.

Question 1 - Do you understand the intent of DCP 433?

5.3 The Working Group noted that all consultation respondents understood the intent of the CP.

Question 2 - Are you supportive of the principles of DCP 433?

5.4 The majority of consultation respondents supported the principle of the CP.

5.5 One consultation respondent was undecided and shared the following views:

- that they believed more optioneering and impact analysis is required in order to form a considered view and that the impacts of any solutions, on both suppliers and their demand customers, should be assessed more thoroughly;

- that the solution potentially creates a lottery for new demand network users, depending on when they became liable for residual charges, (e.g., up to 14 months ago, or beyond (up to 23 months ago));
- that the impacts on suppliers' processes need to be examined; and
- that more efforts should be made to find a technical solution to ensure consistent treatment of demand network users, regardless of the date on which they started being subject to residual charges.

5.6 The Working Group noted the majority support for the principles of this CP.

5.7 The Working Group noted the comments made by one of the respondents and noted that the same respondent had provided additional options to a later question in the consultation. The Working Group's assessment of these and its response to the proposed alternative solutions can be found under question 4, later in this report.

Question 3 - Do you agree with the proposal that the date for backdating rebates or charges under Schedule 32 should be limited to 1 August in the previous year, in line with the 14-month data availability for the Final Reconciliation ("RF") settlement run? Please provide your rationale.

5.8 The majority of consultation respondents agreed with the proposal that the date for backdating rebates or charges under Schedule 32 should be limited to 1 August in the previous year.

5.9 One respondent noted that, whilst it agreed with the proposal and considered it to be practical and reasonable, BSCP706 may impose other limitations, and provided the following draft legal text:

BSCP706 Supplier Meter Registration Service for MHHS Metering Systems Version 0.92

4.4.1 LDSO Mastered Data Items

<u>Data Item</u>	<u>Retrospectivity Rule(s)</u>
<u>Connection Type</u>	<u>Revised Connection Type should be the latest (most recent) of Supply Start Date (SSD), Final Reconciliation (RF) Date at the point of making the change, or the MHHS Migration Date</u>
<u>Market Segment</u>	<u>Derived automatically from Connection Type and Meter Type – Constrained to latest of SSD, RF Date or MHHS Migration Date</u>
<u>Energy Direction</u>	<u>Can only change once</u>
<u>Metered Indicator</u>	<u>Can only be changed once from Metered to Unmetered</u>
<u>GSP Group Effective From Date</u>	<u>Revised GSP Group EFD should be the latest of SSD or RF Date</u>
<u>DUOS Tariff ID*</u>	<u>Revised DUOS Tariff ID cannot be backdated beyond or pre-date the MHHS Migration Date.</u>

*Retrospective changes to Supplier(s) DUoS liability arising as a result of a DUoS Tariff ID change should be managed according to existing DCUSA guidelines.

- 5.10 The Working Group agreed that additional clarification should be sought from the respondent. As such, the Secretariat took an action to reach out to them.
- 5.11 Following this clarification, which noted the conflict between the final bullet point (DUoS Tariff ID) and the footnote, the Working Group agreed that this would need to be picked up as part of a separate Change Proposal as it is outside the scope of DCP 433.
- 5.12 The majority of respondents noted, as rationale for their support of the proposal, that the proposed solution reflected the limitations in the current arrangements and would eliminate the possibility of going beyond the 14-month data availability period.
- 5.13 One respondent noted that the solution aligns with the derogation applied for the 2023 annual reallocations and further noted that it resolves the issue introduced by DCP 389, noting that they believed it was an oversight.
- 5.14 One consultation respondent was undecided. They noted that the Working Group had considered moving to a manual process for periods beyond 14 months, but that the views of the majority of the Working Group was that this would not be possible, especially in the NHH market due to the use of aggregated data used for billing. The respondent requested clarification on why the use of using aggregated data for billing the NHH market within the 14-month period is not an issue, but after the 14-month period it is an issue. The Working Group's response to this can be found in the table under question 4, below.
- 5.15 The Working Group noted the majority of respondents supported the proposal that the date for backdating rebates or charges under Schedule 32 should be limited to 1 August in the previous year.
- 5.16 The Working Group noted the queries raised by one of the respondents around the use of aggregated data after the 14-month period and gave consideration to a manual process alongside the other alternative options proposed under question 4, later in this report.

Question 4 - Do you have any other solutions which could resolve the issue identified in this Change Proposal.

- 5.17 The majority of respondents did not propose any alternative solutions.
- 5.18 One respondent suggested that:
- changes to industry billing arrangements could allow for longer backdating, but also noted that this could not be put in place ahead of the next annual allocation review and that this CP was therefore still required; and
 - another option might be to redesign the residual charging arrangements but noted that these had recently been reviewed after an exhaustive process, and that this could not be put in place ahead of the next annual allocation review and that this CP was therefore still required.
- 5.19 The Working Group noted the above.
- 5.20 One respondent provided four possible alternatives for consideration by the Working Group:
- using the DF run;

- creating an additional settlement run;
- increasing the frequency of the allocation review; and
- creating a manual process.

5.21 The Working Group considered whether there would likely be cross code impacts for the above alternatives and whether the above alternatives were within the scope of the CP when considered against the intent of the CP, restated for convenience of the reader:

“The intent of this Change Proposal is to amend Schedule 32 to ensure that processes which may result in the backdating of rebates/charges are reflective of the limitations within the current industry arrangements.”

Alternative Solution	Cross Code (or other) Impacts	Scope Assessment
<p>Using the DF run</p> <ul style="list-style-type: none"> • Allow the use of the DF run to go beyond 14 months. • Allow disputes to be brought to the relevant subcommittee of the BSC Panel. 	<ul style="list-style-type: none"> • This would require interaction with, and possibly changes to, the BSC. • The change would need to be implemented far sooner than March, for any real benefit to be achieved. • A manual process would be required to manage this. 	<p>The Working Group discussed that this solution would not fall within the current intent of the Change Proposal, as the intent is to amend Schedule 32 to reflect limitations within the current industry arrangements.</p>
<p>Creating an additional settlement run</p> <ul style="list-style-type: none"> • Create an additional settlement run at 23 months for the purpose of the annual allocation review. 	<ul style="list-style-type: none"> • This would require changes to the BSC. • The creation of an additional settlement run would be a large and complicated undertaking. 	<p>The Working Group discussed that this solution would not fall within the current intent of the Change Proposal, as the intent is to amend Schedule 32 to reflect limitations within the current industry arrangements.</p>
<p>Increased frequency of the Allocation Review</p> <ul style="list-style-type: none"> • Perform the annual allocation review on a monthly basis. 	<ul style="list-style-type: none"> • This would require changes to the BSC. • Monthly reviews would not be possible due to 	<p>The Working Group discussed that this solution would not fall within the current intent of the Change Proposal, as the intent</p>

	<p>limitations on the frequency of the data (at most, this could be quarterly).</p> <ul style="list-style-type: none"> • This does not remove the need for limiting 14-month backdating. 	<p>is to amend Schedule 32 to reflect limitations within the current industry arrangements.</p> <p>The Working Group noted that whilst out of scope, this solution would have had the positive effect of improving data quality.</p>
<p>Develop a manual process</p> <ul style="list-style-type: none"> • Develop a manual process to ensure that residual charge adjustments at final demand sites shall be backdated to the date on which the Final Demand Site was first charged the Old Charging Band residual fixed charge 	<ul style="list-style-type: none"> • This would require MPAN-level adjustments to be made, likely in the thousands, resulting in a high workload. • The extra resources and costs required would not be inline with DCUSA Charging Objective 6 (efficiency). 	<p>The Working Group discussed that this solution would not fall within the current intent of the Change Proposal, as the intent is to amend Schedule 32 to reflect limitations within the current industry arrangements.</p> <p>The Working Group noted that the option of a manual process had been considered for the 2023 annual allocation review and had not been taken forward.</p>

Question 5 - Do you consider that the proposal better facilitates the DCUSA Charging Objectives? Please give supporting reasons.

5.22 Three respondents stated that DCUSA Charging Objectives 2, 3 and 6 were specifically better facilitated by this proposal. One respondent stated the proposal better facilitates the DCUSA Charging Objectives 'in the round'. Two respondents stated that they agreed the DCUSA Charging Objectives were better facilitated.

5.23 The above respondents noted the following rationale for their assessments:

- the proposal aligns to current industry arrangements, taking into consideration settlement timetables;
- the proposal ensures the administration of changes for backdated charges follow, and aids efficiency by following, standard industry billing processes rather than requiring manual billing calculations;
- the proposed limit is practical and reasonable for all involved;

- the proposal is fair in its application;
- existing arrangements are not compatible with the goal of promoting efficiency of administration; and
- the proposal 'codifies' the existing fix that was implemented for the previous annual allocation review.

- 5.24 One of the above respondents noted the proposal 'might have an adverse impact on some customers who might otherwise have hoped for refunds going back before the back-stop date', but that the derogation, which was required after the previous re-banding review, meant that such refunds were not available to consumers in any event. They therefore considered that the proposal does not result in adverse marginal impact from this change, which is codifying the fix addressed temporarily by the derogation, and thus supported the proposal.
- 5.25 The Working Group noted that the majority of respondents considered that the proposal better facilitated the DCUSA Charging Objectives
- 5.26 One respondent stated it was not clear how the proposal better facilitated DCUSA Charging Objective 2, in facilitating competition in generation or supply, and considered the impact to be neutral at best.
- 5.27 The same respondent stated that, in their view, in relation to DCUSA Charging Objective 3, arbitrary application of charging adjustments means that sites which were incorrectly banded beyond the 14-month period creates a situation where the DNO has in fact not applied charges which reflect the costs actually incurred.
- 5.28 The above respondent requested, in relation to DCUSA Charging Objective 6, that the Working Group explore in more detail the costs and benefits of retaining the existing provision for the backdating of charging adjustments against those of the proposed solution(s).
- 5.29 The Working Group noted the above comments.
- 5.30 The Proposer noted that the main purpose of the change was to support objective 6, and the potential benefits to 2 and 3 are seen as secondary. The Proposer's view was that the change could potentially better facilitate objectives 2 and 3 by ensuring equal treatment of all charges and rebates resulting from the annual residual allocation review. It is the view of the Proposer that current drafting could potentially result in differences in how rebates or charges would be processed because it would be possible to administer the retrospective charges for site specific billed beyond the final reconciliation settlement run using older settlement data, but more difficult for those customers who are aggregate billed. This could potentially create distortions in the application of charges which may affect competition, equally this would impact the costs reflected to individual customers.

Question 6 - Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

- 5.31 Two respondents identified the Market-wide Half-Hourly Settlement (MHHS) Programme as potentially impacting this proposal in the longer term.

- 5.32 One of the above respondents noted that if not considered under this proposal, a further change proposal may be required in the future.
- 5.33 One of the above respondents considered the implementation of the MHHS reforms could increase the effect of this proposal, shortening what is currently proposed to be a 14-month period.
- 5.34 The Working Group noted the above comments.
- 5.35 The Working Group considered whether it was possible to future proof the legal text but agreed it would be complicated to do so. The Working Group also considered that as the change from 14 months to 4 months is significant, it would be beneficial to have this fully assessed under a separate Change Proposal.
- 5.36 The Working Group noted that the annual allocation review process in Section 6 of Schedule 32 would need to be amended in the future for any changes to the settlement runs as a result of the MHHS reforms.

Question 7 - Are you supportive of the proposal to implement this CP in the June 2024 DCUSA standard release or, if later than this, 5 Working Days after Authority approval?

- 5.37 The majority of respondents supported the proposed implementation timescales.
- 5.38 One respondent did not support the proposed implementation timescales as they believed more optioneering and impact analysis was required.
- 5.39 The Working Group noted the majority support for the implementation timescales and the request for more optioneering and impact analysis.

Question 8 - Do you have any comments on the draft legal text?

- 5.40 The Working Group considered the proposed alternative legal text and, following some amendments, incorporated this into the draft legal text.

6 Working Group Conclusions & Final Solution

- 6.1 The Working Group reviewed the responses and noted that:
- the majority of consultation respondents supported the intent and the principles of the CP;
 - the majority of consultation respondents agreed that the proposed solution better facilitated the DCUSA Charging Objectives; and
 - the majority of consultation respondents supported the proposed implementation timescales.
- 6.2 The Working Group considered the potential alternative solutions provided by the respondents in this consultation, and noted that:
- in assessing the potential solutions, one of the respondents had considered its own proposals would not be implemented in time for the next annual allocation review, and as such this proposal was still required; and

- in its assessment of the other alternative proposals brought forward, these had been determined to be out of scope of this proposal as they did not fall within the intent of this proposal.
- 6.3 The Working Group also determined that, in each case, there would be cross-code impacts, the need for significant manual intervention, or a combination of both.
- 6.4 The Working Group noted the concerns raised about MHHS impacts and recognises the potential impacts of the MHHS reforms on this solution. The Working Group agreed that, due to time constraints and the details of the MHHS solution still being developed, a future change proposal would be required to amend the legal text to accommodate any changes resulting from the MHHS reforms.
- 6.5 A Working Group member highlighted that they believed the changes proposed by DCP 439 to be similar to those proposed under this CP and that the two CPs ought to be progressed in parallel. The Working Group considered the impact on the timescales and the need for a derogation if this CP is not progressed to the May Panel and decided through a majority vote that the CP should continue to be progressed according to the current timetable.
- 6.6 A Working Group member noted that the aforementioned DCP 439 referenced the statutory limitations on how far back companies may go for claims under a breach of contract, which is six years in England and Wales, as per the Limitation Act (1980), and five years in Scotland, as per the Prescription and Limitation (Scotland) Act 1973.
- 6.7 The Working Group member suggested that the Working Group explore whether the Limitation Act affects the proposed solution. If so, the Working Group member thought that the law takes precedence over industry code provisions which could prevent the proposal going ahead.
- 6.8 The Secretariat obtained guidance from its legal advisors, which is attached to this change report as attachment 6, which explained that *“there are statutory limitations which prevent claims (e.g., for breach of contract) being brought after a period of time (i.e., 6 years for E&W breach of contract claims). However, these are limits – not minimum requirements. There is nothing to prevent parties agreeing shorter time periods within which claims must be brought.”*
- 6.9 The Working Group considered the advice sought from DCUSA’s legal advisors.
- 6.10 The Working Group discussed that the statutory limitations would only be applicable to where errors have been made, which is not the case in the Annual Allocation Review activity and where DNO Parties will follow this process correctly. It was also noted that this proposal would not prevent a dispute being raised with the disputes committee.
- 6.11 The Working Group also noted that as this CP will be sent to the Authority for a decision, it is anticipated that the Authority’s lawyers will complete a review of the proposed change and legal text.
- 6.12 Taking into consideration the above discussions, the Working Group agreed that the CP could therefore still be progressed.

7 Relevant Objectives

Assessment Against the DCUSA Objectives

- 7.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. This Change Proposal has been assessed against the DCUSA Charging Objectives.
- 7.2 The majority of the Working Group considers that the following DCUSA Charging Objectives are better facilitated by this CP:

	DCUSA Charging Objectives	Identified impact
<input type="checkbox"/>	That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence	Neutral
<input checked="" type="checkbox"/>	2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)	Positive
<input checked="" type="checkbox"/>	3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business	Positive
<input type="checkbox"/>	4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business	Neutral
<input type="checkbox"/>	5. That compliance by each DNO Party with the Charging Methodologies facilitates 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; and	Neutral
<input checked="" type="checkbox"/>	6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.	Positive

- 7.3 The majority of the Working Group believes this CP supports Charging Objective 2 and 3 by aligning to industry practices in terms of charging based on settlement timetables and because it could be expected to facilitate and not distort competition. It also should also reflect the costs incurred, or reasonably expected to be incurred by DNOs, due to the nature of the costs being considered by this CP being corrected via additional charges or the provision of rebates but only back to a specific point in time which is reasonable and practicable for all involved.

7.4 The majority of the Working Group believes this CP also supports objective 6 by ensuring administration is efficient as it will allow standard industry billing processes to be used for back-dated charges, rather than potentially requiring manual billing calculations to be undertaken.

8 Impacts & Other Considerations

8.1 It was acknowledged that Suppliers would prefer to be in a position of receiving invoices that account for all relevant rebates/charges backdated to the date on which the Final Demand Site was first charged the Old Charging Band residual fixed charge, and indeed DNOs/IDNOs would prefer to be issuing invoices accordingly. However, DNOs/IDNOs consider that it is not technically feasible to apply additional charges past the standard Final Reconciliation Run. Equally, where rebates are owed, and if a manual process was to be used, this would cause issues with Suppliers validation processes, given the volume/scale of sites impacted by the initial Annual Allocation Review (i.e., 79,590 sites).

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

8.2 The Working Group does not believe that this CP impacts upon any current SCR or other significant industry change projects.

Does this Change Proposal impact Other Codes?

8.3 The Working Group does not consider that there are any impacts to any other 'Industry Codes' as a result of the implementation of this CP.

BSC.....	<input type="checkbox"/>	MRA.....	<input type="checkbox"/>
CUSC.....	<input type="checkbox"/>	SEC.....	<input type="checkbox"/>
Grid Code.....	<input type="checkbox"/>	REC.....	<input type="checkbox"/>
Distribution Code..	<input type="checkbox"/>	None.....	<input checked="" type="checkbox"/>

Consumer Impacts

8.4 As per paragraph 5.7 in this consultation, the Working Group noted that if this CP was approved, a proportion of sites which would have become eligible for a rebate, or liable for a charge, beyond the proposed 14-month period, would miss out on the rebate, or avoid the additional charge, for the period between the date they were first charged the Old Charging Band residual fixed charge and the 1 August in the year of the Annual Allocation Review.

8.5 There is uncertainty around the number of sites and customers affected due to the lack of experience of ongoing allocation reviews. The initial allocation review, which was undertaken last year, is not expected to be entirely representative of the ongoing process.

Consideration of Wider Industry Impacts?

8.6 The Working Group has considered that this proposal may be impacted by future MHHS reforms and that, as such, a future CP may be required to amend the legal text accordingly.

Environmental Impacts

8.7 In accordance with DCUSA Clause 11.14.6, the Working Group assessed whether there would be a material impact on greenhouse gas emissions if this CP was implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

9 Implementation

9.1 The proposed implementation date for this CP is the June 2024 standard release, or 5 Working Days after Authority approval.

10 Legal Text

10.1 The legal text for this CP is provided as attachment 1.

10.2 The Working Group has considered the legal text and is satisfied that it meets the intent of the solution.

11 Code Specific Matters

Modelling Specification Documents

11.1 N/A

Reference Documents

11.2 N/A

12 Recommendations

Panel's Recommendation

12.1 The Panel approved this Change Report on 15 May 2024. The Panel considered that the Working Group has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 433.

12.2 The Panel has recommended that this report is issued for Voting and DCUSA Parties should consider whether they wish to submit views regarding this CP.

13 Attachments

- Attachment 1 – DCP 433 Legal Text
- Attachment 2 – DCP 433 Voting Form
- Attachment 3 – Consultation Responses & Working Group Comments
- Attachment 4 – DCP 433 Change Proposal Form
- Attachment 5 – Information Pack
- Attachment 6 – Legal Advice re Limitation Act (1980)