

DCUSA RFI		At what stage is this document in the process?
<h2>DCP 439:</h2> <h3>Backdating Tariff Changes</h3> <p><b>Date Raised:</b> 14/03/24</p> <p><b>Proposer Name:</b> Peter Waymont</p> <p><b>Company Name:</b> Eastern Power Networks</p> <p><b>Party Category:</b> DNO</p>	01 – Change Proposal	
	02 – RFI	
	03– Consultation	
	03 – Change Report	
	04 – Change Declaration	
<p><b>Purpose of Change Proposal:</b></p> <p>The purpose of this change proposal seeks to add a sensible backstop to backdating.</p>		
	<p>This document is an RFI issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 439</p> <p>Parties are invited to consider the questions set in section 5 and submit comments using the form attached as Attachment 1 to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by <b>31 May 2024</b>.</p> <p>The Working Group will consider the RFI responses and determine the appropriate next steps for the progression of the Change Proposal (CP) to the Consultation phase.</p>	
	<p><b>Governance:</b></p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> <li>• Treated as a Part 1 Matter</li> <li>• Treated as a Standard Change</li> <li>• Progressed to the Working Group phase</li> </ul> <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p><b>Impacted Parties:</b></p> <p>Suppliers/ DNOs/ IDNOs/ CVA Registrants</p>	
	<p><b>Impacted Clauses:</b> Schedule 16</p>	

Contents		?	Any questions?
1	Summary	2	Contact: Code Administrator
2	Governance	3	 DCUSA@electralink.co.uk
3	Why Change?	3	 020 7432 3011
4	Working Group Assessment	4	Proposer: Peter Waymont
5	RFI Questions	6	 Peter.Waymont@ukpowernetworks.co.uk
6	Attachments	6	
Timetable			Other: Insert name
The timetable for the progression of the CP is as follows:			
<b>Change Proposal timetable</b>			
Activity	Date		
Initial Assessment Report	17 April 2024		
RFI Issued to Industry Participants	20 May 2024		
Consultation Issued to Industry Participants	10 June 2024		
Change Report Approved by Panel	21 August 2024		
Change Report issued for Voting	22 August 2024		
Party Voting Closes	12 September 2024		
Change Declaration Issued to Parties	16 September 2024		
[Change Declaration Issued to Authority]	16 September 2024		
Authority Decision	TBC		
Implementation			

## 1 Summary

### What?

- 1.1 Currently where an MPAN is identified as having an incorrect LLFC due to the Distributor's oversight, the charging statements say it must be corrected up to six years back. This proposal seeks to change that to a more sensible time period, and enshrine that timeframe in the DCUSA.

## Why?

1.2 With MMHS migration, some DNOs will use a new billing system for migrated MPANs and will look to wind down their legacy systems post migration. The current six year period for backdating means that legacy systems could require supporting for six years on the chance that an LLFC/DUoS Tariff is found to have been wrong. The ability to correct data in registration systems is already time limited and the existing six-year period causes workarounds. Moreover, under MHHS, the registration system is recognised as the master for this data and so we should at least reflect the backdating limitations already agreed for use there.

## How?

1.3 By amending Schedule 16 to introduce a timeframe for LLFC/DUoS Tariff ID changes.

## 2 Governance

### Justification for Part 1 and Part 2 Matter

2.1 This is a change to the methodology.

### Requested Next Steps

2.2 This Change Proposal should:

- Be treated as a Part 1 Matter;
- Be treated as a Standard Change; and
- Proceed to the Working Group phase.

## 3 Why Change?

3.1 As detailed above, this change has been raised to develop an appropriate timeframe to limit the backdating of tariff changes where there has been an identified error in the allocation of the incorrect LLFC/DUoS Tariff. The charging statements state that distributors will backdate tariff changes up to six years however it is proposed to amend this timeframe in keeping with adjustments made to other data such as consumption and energisation status.

## 4 Working Group Assessment

### DCP 439 Working Group Assessment

4.1 The DCUSA Panel established a Working Group to assess/develop DCP 439. This Working Group consists of representatives from DNOs, Suppliers, IDNOs and Generators. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – [www.dcusa.co.uk](http://www.dcusa.co.uk).

- 4.2 The Working Group developed this request for information document to gather information and feedback from market participants on this DCP.
- 4.3 During the consultation for DCP 433 'Limitation for backdating of rebates/charges under Schedule 32', various concerns were identified.
- 4.4 Currently where an MPAN is identified as having an incorrect LLFC due to the Distributor's oversight, the charging statements say it can be corrected up to six years back. This proposal seeks to change that to a more sensible time period.
- 4.5 With MMHS migration, some DNOs will use a new billing system for migrated MPANs and will look to wind down their legacy systems post migration. The current six-year period for backdating means that legacy systems could require supporting for up to six years on the chance that an LLFC/DUoS Tariff is found to have been wrong. The ability to correct data in registration systems is already time limited and the existing six-year period causes workarounds.
- 4.6 Moreover, under MHHS, the registration system is recognised as the master for this data and so should at least reflect the backdating limitations already agreed for use there.
- 4.7 It was noted that the charging statement outlines tariff changes will be backdated up to a maximum of six years in line with the Limitation Act. On reviewing the Limitation Act, the Working Group revised its understanding to mean that is a limitation for the period in which someone can bring an action for a breach of contract, meaning that a Party could bring an action going back up to six years. This period has been used as a benchmark. However, this CP will amend the timeframe for backdating any resulting adjustments due to the MPRS and DUoS billing system restrictions, as set out above.
- 4.8 As part of DCP 433, the question of backdating in line with the Statute of Limitations Act had been raised and this was referred to the DCUSA legal advisers, Gowling WLG, who confirmed that although there are statutory limitations which prevent claims being brought after a period of time (6 years for E&W & 5 years for Scotland breach of contract claims) however, these are limits and not minimum requirements. The legal advisor advised that there was nothing to prevent parties agreeing shorter time periods within which claims could be brought forward, if this change was agreed.
- 4.9 It was agreed that it would be useful for the Working Group to understand how often a DNO/IDNO Party has back dated tariff changes for the below reasons:
  - The voltage of connection
  - Import/export details
  - Metering location
  - Multi MPAN sites (associated MPANs)
  - LV or HV Substation Tariff

**Question 1: Have you backdated tariff changes for any of the following reasons?**

- the voltage of connection;
- import/export details;
- metering location;
- Multi MPAN sites (associated MPANs);
- LV or HV Substation Tariff

4.10 The Working Group also agreed that it would be beneficial to understand for each of the reasons listed above, how often a party backdates tariffs and within individual timescales i.e. 12 months, 24 months etc.

4.11 The Working Group created the below table for Parties to complete so they could identify for each scenario how often a Party backdates a tariff change and within each window.

Period being back dated for	Overall volumes	Volume of the voltage of connection from LV to LV Sub	Volume of HV to LV sub	Volume HV to LV	Others
12-24 months					
24-36 months					
36-48 months					
48-60 months					
60-72 months					
72 and above					

**Question 2: Please complete the table above to highlight how many times backdated tariff changes have been made in the last 12-month period.**

**Question 3: Where you have volume in the ‘Other’ column, please expand on these scenarios.**

4.12 The Working Group believe that it would also be useful t to gather examples of where a tariff change has been backdated therefore, they are seeking examples from Parties to help develop the solution.

**Question 4: What are the root causes of backdating tariffs beyond 14 months?**

4.13 One Working Gorup member highlighted that with the implementation of MHHS, this should help to ensure that customers are being billed on the correct tariffs as data should be received on a more regular basis. It was agreed that whilst this would be the case for most customers, there would still be instances where a customer could be on an incorrect tariff without any indication.

4.14 The Working Group further discussed the issues that the new DNO billing system would introduce, specifically that legacy systems would need to be supported for up to 6 years if there was no cut off for the back dating of tariffs in place..

**Question 5: What are the perceived system limitations you may have in backdating beyond 14 months?. Does this change after MHHS?**

**Question 6: Do you have any other comments?**

## 5 RFI Questions

5.1 The Working Group is seeking industry views on the following RFI questions:

No.	Questions
1	<p>Have you backdated tariff changes for any of the following reasons?</p> <ul style="list-style-type: none"> <li>• the voltage of connection;</li> <li>• import/export details;</li> <li>• metering location;</li> <li>• Multi MPAN sites (associated MPANs);</li> <li>• LV or HV Substation Tariff</li> </ul>
2	Please complete the table in attachment 1 to highlight how many times backdated tariff changes have been made in the last 12-month period.
3	Where you have volume in the 'Other' column, please expand on these scenarios.
4	What are the root causes of backdating tariffs beyond 14 months?
5	What are the perceived system limitations you may have in backdating beyond 14 months?. Does this change after MHHS?
6	Do you have any other comments?

5.2 Responses should be submitted using Attachment 1 to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) no later than, close of play on **31 May 2024**.

5.3 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.

## 6 Attachments

- Attachment 1 – DCP 439 RFI Response Form
- Attachment 2 – DCP 439 Change Proposal Form