

## DCP 439 Working Group Meeting 05

12 July 2024 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
David Fewings [DF]	Inenco
Edda Dirks [ED]	SSE
Emma Clark [EC]	SSE
Joe Boyle [JB]	SPEN
Michael Hewitson [MH]	Trident Utilities
Peter Waymont [PW]	UKPN
Robert Mottershead [RM]	Sedulity Energy
Simon Vicary [SV]	EDF
Victoria Burkett [VB]	SSE
Chris Ong [CO]	UKPN
Georgia Preece[GP]	NPg
Donna Jamieson[DJ]	IDCSL
<b>Code Administrator</b>	
Andy Green [AG]	Chair
<b>Apologies</b>	
Hannah Proffitt [HP]	Secretariat
Ryan Farrell[RF]	NPg
Jo Brown [JB]	NGED
Jenny Harvey[JH]	NGED

## 1. Administration

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### Recording

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted after 15 Working Days.

### Apologies

- 1.2 Apologies are noted in the table above.

### Competition Law Guidance and Terms of Reference

- 1.3 The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting and agreed to the Terms of Reference.

### Minutes of the previous meeting

- 1.4 The group reviewed the minutes and agreed to add in some more detail on the topic of fairness and how this change currently reduces the obligation on customers to identify issues within the 6-year statute of limitations window and reducing this window to align to RF places an additional burden on customers to identify issues sooner.

### Action Log

- 1.5 The group reviewed the actions. A summary can be found in the Appendix.

## 2. Purpose of the Meeting

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- 2.1 The Chair set out that the purpose of the meeting was review the responses to the consultation and agree on next steps.

## 3. Review of Consultation Responses

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- 3.1 There were thirteen responses to the consultation and below is a summary of the Working Groups conclusions.

### Do you understand the intent of the Change Proposal?

- 3.2 All thirteen respondents agreed with the intent of this change proposal.

### Are you supportive of the principles that support this Change Proposal?

- 3.3 Five respondents stated that supported the change, seven stated they did not support the change and one stated whilst they appreciated the intent of the change, reducing the window for backdating tariff changes, reducing the timescale from 6 years to RF (14 months reducing to 4 months post HMMS) was quite a leap.

- 3.4 The reasons given by those for not supporting the change ranged from reducing the window from 6 years to align to RF would have a detrimental impact on customers who had been placed on incorrect tariffs due to no fault of their own, would lead to suppliers having to change their T's&C's to accommodate the new window
- 3.5 It was noted that changing the window for backdating of tariff changes to align with RF is consistent with other industry processes, including the forward fix approach the MHHS programme and faster switching programme had taken.

**What's your experience of backdating DUoS tariffs in practice (what works well, what doesn't work well etc)?**

- 3.6 The majority of respondents believe that whilst the current process has some areas that could be improved, it generally works well.
- 3.7 Some of the barriers raised were, customers not being able to locate the meter as they can be in substations so inaccessible, distributors requiring substantial evidence, suppliers always not proactively refunding customers.
- 3.8 It was noted that instances of incorrect tariffs are usually highlighted by the customer or their consultants/broker rather than being raised by industry parties ie suppliers, DNOs etc.

**For suppliers only- If you're no longer the supplier for an MPAN, what is your process for back billing customers and refunding/debt collection? Do you follow the same process for COT customers?**

- 3.9 It was noted that suppliers use the same process for COT and COS customers which consists of them being contacted by the DNO to notify them a refund is due and then the suppliers contact the customer to pass on the refund.
- 3.10 The Distributors contact each supplier during any periods they held the MPAN to inform them of the credit and then suppliers refund each customer for the period they were the supplier or for the period was responsible for the site.

**Are there any other industry codes that may be impacted by this change? Please elaborate on what these codes are.**

- 3.11 It was noted that the reduction of the RF window from 14 months to 4 months would be impacted by this change however, the MHHS programme does not have any other interactions with this change.
- 3.12 It was also noted that the P402 report that is sent to the ESO may also need to change, however that change is not in scope for this DCP and will be required to be raised with the BSC separately.

**If this change is not implemented what are the potential impacts ie system constraints, additional manual intervention etc.**

- 3.13 The majority of respondents stated that there would be no significant change if this CP isn't approved.

- 3.14 One DNO respondent stated that if this change is not approved, this would lead to inconsistencies in supplier owned and Distributor owned data.
- 3.15 Two DNO respondents noted that if this change wasn't approved this would lead to inconsistent data between DNO systems and MPRS as MPRS can only be backdated 14 months resulting in the data in the registration system not aligning to DNO billing records.
- 3.16 Four respondents stated that post MHHS legacy systems would require to be maintained to process backdating tariffs where the backdating crossed over into the legacy system.

**Are there any solutions that have not been considered by the Working Group? Please elaborate on what these solutions are.**

- 3.17 Two respondents stated that there should be more consideration given to the continuation to the maintenance of legacy systems.
- 3.18 Another responder suggested, if possible, could the data in the legacy system could be extracted and retained for use in instances of tariff changes that required back dating that crossed over into the legacy system.
- 3.19 Another responder advised that they have a system for calculating DUoS charges from half hourly data which accurately calculates any DUoS refund values and is used to validate refunds which they would be happy to share with the wider industry. This responder also stated that the issue of backdating where periods cross over to legacy systems will become less of an issue in the passage of time within the current process of backdating 6 years.

**Are there any other time periods that may be considered more appropriate. Please elaborate on which timescales, barriers to implementation and ways to overcome these?**

- 3.20 No new time periods were offered as an alternative in the consultation responses.
- 3.21 One respondent stated that the time period should remain aligned to the 6 year imitations act as per current code. The Working Group confirmed that currently the DCUSA doesn't reference the 6 year act as the backstop for backdating tariff changes.

**What would be the impact to customers if this change were to be implemented?**

- 3.22 It was highlighted by the majority of respondents that the main impact to customers would be that they would have the length of time that they could claim for a refund for being billed on incorrect tariffs reduced and that it also reduces the window that a customer has available to identify errors.
- 3.23 One responder noted that the analysis carried out by the Working Group and shared within the consultation document shows that there are sites that are billed incorrectly beyond the proposed time periods therefore there is potential for customer detriment as this could lead to unrecoverable over-billing.
- 3.24 Some respondents highlighted that the RFI showed that the numbers of customers who have backdated tariff changes are low.

**Is the RF period a suitable time for these errors to be identified and resolved? Who do you believe should be responsible for identifying any network charging errors within the RF period (14 months currently, 4 months post MHHS), i.e. customers, suppliers, distributors etc? Please provide rationale.**

- 3.25 The majority of respondents did not support aligning the backstop for backdating tariff changes to RF. Reasons given were, it reduces the window that customers could be reimbursed and places a lot of emphasise on customers to find errors.
- 3.26 The majority of respondent believed that the responsibility for identifying these errors was shared across all parties. A number of respondents stated that it would be unfair to place the responsibility of identifying and correcting error on the customer, although some respondents stated that these errors are usually identified by customers, usually by a customer's consultant or broker.
- 3.27 One respondent stated that they would prefer a set number of months to be the backstop rather than aligning to RF. The working group considered a fix number of months but agreed that aligning to RF future proofs this change and ensure it is consistent with the forward fixing principles mentioned previously that have been adopted by other industry changes/programmes.
- 3.28 The Working Group run out of time so agreed to re meet to finish reviewing the responses to the consultation.

## 4. Next Steps

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- 4.1 The Working Group agreed to reconvene on Thursday 18 July 2024 at 1pm to conclude the consultation review.

## 5. Any Other Business

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- 5.1 No other business was raised.

## New and Open Actions

Action Ref.	Action	Owner	Update
04/01	PW to confirm if there is a strict limitation on back dating tariffs/LLFC post migration in the new DNO billing system.	HP	Closed

## Closed Actions

Action Ref.			Update
02/01	The Chair to draft a pre consultation RFI and issue to Distributors following the meeting.	The Chair	Action closed. RFI issued on 20 May 2024.
03/01	Secretariat to review the recording of the previous meeting to find discussion on why LV to HV should not be included in the table.	HP	Closed
03/02	Members to remove irrelevant cases from 'other' column of question 2 and provide updated volume.	Members	Closed
03/03	The Chair to contact the Market-wide Half-Hourly Settlement (MHHS) Programme to see how they are approaching similar scenarios regarding backdating.	The Chair	Closed
03/04	The Chair to send WGs questions to Gowling and to ask Gus Wood to attend the next meeting to discuss.	The Chair	Closed