

DCP 439 'Backdating Tariff Changes'

COLLATED RFI RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. Have you backdated tariff changes for any of the following reasons? <ul style="list-style-type: none"> the voltage of connection; import/export details; metering location; Multi MPAN sites (associated MPANs); LV or HV Substation Tariff 	Working Group Comments
NGED	Non-confidential	yes	Noted
UK Power Networks	Non-confidential	LV substation, see table below	Noted
Northern Powergrid	Non-confidential	Yes, we have backdated tariff changes for all of the above reasons.	Noted
Working Group Conclusions: All of the respondents had backdated tariff changes for at least one the reasons highlighted.			

Company	Confidential/ Anonymous	2. Please complete the table to highlight how many times backdated tariff changes have been made in the last 12-month period.						Working Group Comments
Industry wide View		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	

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		<table><tr><td>12-24 months</td><td>93</td><td>2</td><td></td><td></td><td>95</td></tr><tr><td>24-36 months</td><td>18</td><td>3</td><td></td><td></td><td>15</td></tr><tr><td>36-48 months</td><td>6</td><td>2</td><td>1</td><td></td><td>3</td></tr><tr><td>48-60 months</td><td>14</td><td>10</td><td></td><td></td><td>4</td></tr><tr><td>60-72 months</td><td>19</td><td>14</td><td></td><td></td><td>5</td></tr><tr><td>72 and above</td><td>25</td><td>24</td><td>1</td><td></td><td></td></tr></table>	12-24 months	93	2			95	24-36 months	18	3			15	36-48 months	6	2	1		3	48-60 months	14	10			4	60-72 months	19	14			5	72 and above	25	24	1			
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72 and above	25	24	1																																				
Working Group Conclusions: Due to some of the respondents submitting their response as confidential, it was agreed to aggregate all responses to this question into one table. Please note that these volumes are a best industry view at this time. It is worth noting that some DNOs included numbers for residual banding changes resulting from sites submitting 'non-final demand' certificates, but others did not.																																							

Company	Confidential/ Anonymous	3. Where you have volume in the 'Other' column, please expand on these scenarios.	Working Group Comments
NGED	Non-confidential	Correcting incorrectly billed Capacity charges or where wrong disconnection date has been used. Also where a customer has submitted a Non-Final	

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		demand certificate necessitating a change to their fixed charges which needs backdating.	
UK Power Networks	Non-confidential	The 34 are all >1yr retrospective changes of measurement class from NHH to HH. This is BAU and not an error on our part but is provided for information. I have ignored any LLFC changes NHH to NHH. I have ignored banding changes.	Where it is referred as NHH to NHH this is due to dom to non dom or vice versa.
Northern Powergrid	Non-confidential	1 backdated change in capacity which resulted in a change in allocation to residual charging band. The annual reallocation process in September 2023, under Paragraph 6.10 of Schedule 32 of the DCUSA also resulted in circa 5900 back dated tariff changes, which were backdated to a maximum of 14 months under the DCUSA derogation approved by the panel in September 2023.	
<p>Working Group Conclusions:</p> <p>The working group noted that there would be exceptional circumstances that currently allow backdating that would need to be updated/reviewed and that a consultation question would be asked to identify what these circumstances were.</p> <p>All of the respondents had volumes in the 'other' column and the reasons for these were correcting incorrectly billed capacity charges or where an incorrect disconnection date had been used, customers sending in Non Final demand certificates, changes of measurement class (usually where a site changed from domestic to non-domestic and vice versa), the annual reallocation process, incorrect tariff assignments and rebanding updates.</p>			

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Company	Confidential/ Anonymous	4. What are the root causes of backdating tariffs beyond 14 months?	Working Group Comments
NGED	Non-confidential	Re-banding enquiries from customers and queries raised by Energy Brokers	
UK Power Networks	Non-confidential	Apart from banding, the majority of backdated tariff changes are caused by >1yr retrospective Change of Measurement Class.	
Northern Powergrid	Non-confidential	Generally, this is done where a site has been erroneously allocated to a voltage level, with the majority occurring for LV to LV Sub where we backdate to the lesser of the date that the error occurred or the maximum 6 year statue of limitation.	
Working Group Conclusions: There were several reasons as to the root causes of back dating tariffs beyond 14 months. These ranged from rebanding requests raised by energy brokers, greater than one-year retrospective Change of Measurement Class, sites that have been erroneously allocated to a voltage level and non final demand certificates being processed.			

Company	Confidential/ Anonymous	5. What are the perceived system limitations you may have in backdating beyond 14 months?. Does this change after MHHS?	Working Group Comments
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NGED	Non-confidential	You can only backdate MPAS/CSS/EES 14 months, so MPRS registration system does not fully align with the DUOS billing system. Can't anticipate any difference post MHHS go live.	
UK Power Networks	Non-confidential	Changing the LLFC beyond 14 months requires super user changes in MPRS. After MHHS our billing system will move forward on entirely new modules, giving an opportunity to mothball the legacy modules if this change is approved	
Northern Powergrid	Non-confidential	The limitations are as described in the DCUSA Derogation Application approved by the DCUSA panel in September 2023 and relate to complications for settlements data after the RF run is complete.	
<p>1.1 Working Group Conclusions:</p> <p>Several limitations were provided as part of the RFI responses.</p> <ul style="list-style-type: none">• Can only backdate MPAS/CSS/EES 14 months, so MPRS registration system does not fully align with the DUoS billing system.• Changing the LLFC beyond 14 months requires superuser changes in MPRS.• Manual updating of LLFCs• NHH changes will be impossible due to the 14-month settlement Calendar reduction. <p>One response noted that the limitations are as described in the DCUSA Derogation Application approved by the DCUSA panel in September 2023 and relate to complications for settlements data after the RF run is complete.</p> <p>It was noted that these system limitations will not disappear post MHHS and in the event of the NHH limitation, this will not change post MHHS either.</p>			

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Company	Confidential/ Anonymous	6. Do you have any other comments?	Working Group Comments
NGED	Non-confidential	We only backdate if in the end customers interests to do so. They do stand to benefit quite substantially in most instances so is worthwhile doing so.	
UK Power Networks	Non-confidential	<p>As part of the introduction of MHHS, the settlements window is reducing to 4 months and restrictions will apply in the Registration system changes to standing data. We also understand that the design principle of MHHS is to fix forward. As a result, we believe that tariff corrections should align to these arrangements in order to ensure consistency across industry data.</p> <p>To put this in context, we have 71,000 HH MPANs. Implies an error rate of 0.01% for the reasons being considered.</p> <p>We have an additional 8.6m NHH MPANs for which DUoS billing cannot be changed beyond the RF date.</p>	
Northern Powergrid	Non-confidential	No.	
Working Group Conclusions: One respondent highlighted that they only back date if it is in the customers interest to do so.			

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Another responder stated that as part of the introduction of MHHS, the settlements window is reducing to 4 months and restrictions will apply in the Registration system changes to standing data. We also understand that the design principle of MHHS is to fix forward. As a result, we believe that tariff corrections should align to these arrangements in order to ensure consistency across industry data.

This responder also drew attention to the low volumes of MPANs that are backdated greater than 14 months (0.01%).

It was also noted in the Working Group that several parties backdated as far as 6 years as this was in line with the limitations act.