

Modification proposal:	<b>Distribution Connection and Use of System Agreement (DCUSA) DCP312 – Standardisation of the reporting of HH portfolio billing data by EDNOs</b>		
Decision:	The Authority <sup>1</sup> directs this modification <sup>2</sup> be made <sup>3</sup>		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested parties		
Date of publication:	18 July 2018	Implementation date:	1 November 2018

## Background

DCP312 is seeking to ensure a consistent approach to the formatting of Half Hourly (HH) portfolio billing data by Embedded Distribution Network Operators (EDNOs)<sup>4</sup> for reporting purposes under Schedule 19 of DCUSA.

The proposer has indicated that Distribution Network Operators (DNOs) and EDNOs currently experience administration issues with EDNO Portfolio Billing, as there is no consistency in the format of credit/rebilling reporting. These administrative issues are growing due to the increasing number of EDNOs entering the market. DCP312 proposes standardising the reporting format, by amending Schedule 19 to clarify requirements and including an Excel template.

DCP312 follows a previous proposal which sought to introduce a similar change, DCP281.<sup>5</sup> That proposal was subject to industry 'self-governance' and did not achieve majority support by DCUSA parties for it to be implemented. The difference between DCP312 and DCP281 is how the multiple Metering Point Administration Numbers (MPANs) associated with an invoice would be reported and the costs to implement.

## The modification proposal

DCP312 was raised by ESP Electricity Limited ('the proposer') on 10 October 2017. It proposes that DCUSA Schedule 19 is changed to ensure portfolio billing data is provided in a consistent manner by all EDNOs and that it includes all MPANs associated with any invoice (for DNOs reconciliation purposes), and that credit/rebilling is consistently reported.

Two solutions were considered by the Working Group, differing on how they dealt with multiple-MPAN invoices.

- Option 1: Each MPAN on a multi-MPAN invoice has its own row on the spreadsheet, with the first 'lead' MPAN containing all consumption data and all other MPANs set to zero. Credits and re-bills under this option are displayed on a separate row, as a negative value, against the lead MPAN.
- Option 2: Each MPAN on a multi-MPAN invoice has its own row on the spreadsheet, with consumption spread across each MPAN based on active consumption for that MPAN, with any other data associated with the lead MPAN.

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> 'Change' and 'modification' are used interchangeably in this document.

<sup>3</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>4</sup> Defined in DCUSA Schedule 19 as any IDNO party or any DNO Party acting outside of that DNO Party's Distribution Services Area, which (in each case) has a Distribution System within a GSP Group associated with that DNO Party.

<sup>5</sup> See DCUSA Change Proposal DCP281, available at: <https://www.dcusa.co.uk/Lists/Change%20Proposal%20Register>

Credits and re-bills under this option would appear on a separate row, as negative values, under each MPAN.

A consultation was conducted on the two proposed options and to seek views on the change proposal in general. A total of 8 responses were received, six from DNOs and two from IDNOs. While all respondents agreed with the principles of the change and would support both options, IDNOs preferred option 2, while 4 out of the 6 DNOs supported option 1 (the other two DNOs were neutral).

After consideration of the responses and costs to implement provided during the consultation, the working group agreed to support option 1. DCP312 is therefore on the basis of option 1.

### DCUSA Parties' recommendation

In each party category where votes were cast (no votes were cast in the DG party category),<sup>6</sup> there was unanimous support for the proposal and for its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP312 is accepted. The outcome of the weighted vote is set out in the table below:

DCP312	WEIGHTED VOTING (%)							
	DNO <sup>7</sup>		IDNO/OTSO <sup>8</sup>		SUPPLIER		DG <sup>9</sup>	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100%	0%	100%	0%	100%	0%	n/a	n/a
IMPLEMENTATION DATE	100%	0%	100%	0%	100%	0%	n/a	n/a

### Our decision

We have considered the issues raised by the proposal and the Change Declaration and Change Report dated 13 June 2018. We have considered and taken into account the vote of the DCUSA Parties on the proposal which is attached to the Change Declaration. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the Applicable DCUSA objective (d), and neutral on all others<sup>10</sup>; and
- directing that the modification is approved is consistent with our principal objective and statutory duties.<sup>11</sup>

### Reasons for our decision

<sup>6</sup> There are currently no gas supplier parties.

<sup>7</sup> Distribution Network Operator

<sup>8</sup> Independent Distribution Network Operator/Offshore Transmission System Operator

<sup>9</sup> Distributed Generation

<sup>10</sup> The Applicable DCUSA Objectives are set out in Standard Licence Condition 22.2 of the Electricity Distribution Licence.

<sup>11</sup> The Authority's statutory duties are wider than matters that the Parties must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

We are satisfied with the panel's recommendation and consider this modification proposal will better facilitate Applicable DCUSA Objective (d)<sup>12</sup> and has a neutral impact on the other applicable objectives.

***Applicable DCUSA Objective (d) – the promotion of efficiency in the implementation and administration of the DCUSA arrangements***

The Working Group unanimously agreed that DCP312 would better facilitate objective (d) because the change will provide a clear and standardised method to provide HH Portfolio data to the DNO. They stated that it will enable DNOs to manage all EDNOs' HH Portfolio billing data in a consistent manner, and give clarity to new entrant EDNOs as to the expectations in this area. The administrative burden and cost on all parties could be reduced.

There were no votes against the proposal from the panel.

We are satisfied with the working groups assessment of the benefits of DCP312, and that it therefore better facilitates this objective.

**Decision notice**

In accordance with standard licence condition 22.14 of the Electricity Distribution Licence, the Authority hereby directs that modification proposal DCP312: Standardisation of the Reporting of HH Portfolio Billing Data by EDNOs be made.

**Chris Brown**

**Head of Electricity Strategy and Emerging Issues, Systems and Networks**

Signed on behalf of the Authority and authorised for that purpose

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<sup>12</sup> See the Distribution Connection And Use Of System Agreement (DCUSA), section 3.1.4