

## Part A: Generic

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 344:</h1> <h2>Solutions for new approach to billing and remittance</h2> <p><i>Date raised: 26 February 2019</i></p> <p><i>Proposer Name: Claire Towler</i></p> <p><i>Company Name: SSE Electricity Ltd &amp; SSE Energy Supply</i></p> <p><i>Company Category: Supplier</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<p>Purpose of Change Proposal:</p> <p>This Change Proposal seeks to introduce a new approach for billing that will create efficiencies for DCUSA Parties and better facilitate competition.</p>		
	<p>Governance:</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; and</li> <li>• Proceed to a Working Group.</li> </ul> <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties: Suppliers, DNOs and IDNOs</p>	
	<p>Impacted Clauses: 20. ‘Aggregated Billing And Payment’ and 21. ‘Site-Specific Billing And Payment’</p>	

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Indicative Timeline	
<b>The Secretariat recommends the following timetable:</b>	
Initial Assessment Report	20 March 2019
Consultation Issued to Industry Participants	TBD
Change Report Approved by Panel	19 June 2019
Change Report issued for Voting	21 June 2019
Party Voting Closes	12 July 2019
Change Declaration Issued to Parties	16 July 2019
Change Declaration Issued to Authority	16 July 2019
Authority Decision	20 August 2019

 Any questions?

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## 1 Summary

### What?

- 1.1 DCUSA Parties currently have two options for processing billing; manual billing or using the Data Transfer Network (DTN) to transmit D2021 and D2026 flows (known as DUoS e-billing). The e-billing route enables automated processing of large amounts of data over a secure network, while manual billing is time and labour intensive by comparison which is prone to errors and is less secure.
- 1.2 While the DUoS e-billing service offers significant advantages, this is a commercial product owned by ElectraLink that Parties must pay to use. ElectraLink's DUoS e-billing service was developed with the intention that the initial price of e-billing is offset by the benefits it brings to Parties' billing practices. For some Parties this cost is justified and manageable, but for some this price is not manageable. The indirect result is that predominantly larger parties with greater revenues have access to the DUoS e-billing service and the benefits it brings, while smaller Parties and market entrants with smaller budgets are outpriced of this service and have no option but to use manual billing.
- 1.3 We believe there should be another option that is accessible for all Parties, does not discriminate based on their size or revenues, and is an improvement on some of the inherent issues in manual billing.

### Why?

- 1.4 As a large Supplier that uses the DUoS e-billing service, SSE raised DCP 307 'Requiring IDNOs to comply with D2021 Billing'<sup>1</sup> because the variation in billing approaches in the industry created a significant amount of manual processing for us. Growing numbers of new market entrants mean that the volume of invoices and remittances that require processing is increasing. New market entrants should be encouraged, but the price of effective billing can be a barrier for the optimal performance of these Parties and creates discrepancies in the service they experience.
- 1.5 If left unaddressed, smaller Parties and new market entrants will continue to have only one option for billing that inherently puts them at a disadvantage on the basis of cost, and Parties currently paying for the DUoS e-billing service will need to manage the rising demands for manual processing.

*"Sending and receiving Distribution Use of System (DUoS) invoice and remittances electronically enabled electricity suppliers and distribution network operators (DNO's) to achieve economic, operational and cash flow improvements"*

*Electralink's DUoS E-billing Service: Factsheet*

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<sup>1</sup> [DCP 307](#)

- 1.6 SSE believe that these improvements should not be limited only to the Suppliers and Distributors that can afford the cost of the DUoS e-billing service as it risks excluding new entrants from accessing these improvements when they have the most to gain from economic, operational and cash flow improvements.

## How?

- 1.7 SSE would like to agree a new solution that offers improvements in comparison with manual billing, and that does not place any class of Party at a disadvantage in terms of the service they can provide and receive.
- 1.8 There are currently two options available to Parties; manual billing (using Parties' preferred medium) and the DUoS E-billing service. In addition to these, a further 2 new options have been proposed for Parties to consider.
- Manual Billing;
  - DUoS E-billing;
  - Introducing a new DTC flow that enables billing to be sent across the DTN; and
  - Creating an agreed format/template for electronic billing outside of the DTN.
- 1.9 It is our intention to explore the above options, as well as any additional suggestions in the Working Group discussions. These will be considered against criteria discussed in Section 3, to ensure that the proposed solution is a demonstrable improvement upon existing arrangements.

## 2 Governance

### Justification for Part 1 Matter

- 2.1 This Change Proposal should be treated as a Part 1 Matter as the solution aims to address an issue that undermines effective competition and therefore, would require Authority determination.

### 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 a Working Group
- 2.3 This Change Proposal should be discussed at a Working Group in order to evaluate the options presented, establish if alternatives exist, and agree the best solution so that it can be progressed.

### 3 Why Change?

- 3.1 In the initial Working Group discussions of DCP 307, there was agreement that while the current options are effective routes to administer billing, there is scope for improvement with both. A representative from Ofgem present at the Working Group meetings provided their criteria for determining whether the methods used are sufficient and fit for purpose;

*“A customer should receive the same level of service regardless of whether they are dealing with an IDNO or DNO. So any assessment should take a holistic approach, looking at costs and benefits from a customer viewpoint”.*

- 3.2 When assessing new solutions, this is the criteria the Working Group will use to assess effectiveness. Any new solutions should also;
- Offer greater efficiency than manual billing; and
  - Any costs associated should be less than that of DUoS E-billing, within an affordable and reasonable range for new market entrants.

## Part B: Code Specific Details

### 4 Solution and Legal Text

#### Legal Text

- 4.1 Legal text will be provided once the solution has been decided upon by the proposed Working Group, but it is expected that Clause 20 and 21 will require amendment as a result of this CP.

#### Text Commentary

- 4.2 None

### 5 Code Specific Matters

#### Reference Documents

- 5.1 Not Applicable

## 6 Relevant Objectives

DCUSA General Objectives	Identified impact
<input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	None
<input checked="" type="checkbox"/> 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	Positive
<input type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<input checked="" type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/> 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

- 6.1 This Change Proposal will better facilitate DCUSA General Objective 2 as it seeks to deliver a solution that rectifies an arrangement that undermines effective competition between Suppliers and Distributors.
- 6.2 This Change Proposal will better facilitate DCUSA General Objective 4 as it seeks to deliver a solution that addresses inefficiencies in current processes that lead to avoidable errors and unnecessary risk.

## 7 Impacts & Other Considerations

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

7.1 No

### Does this Change Proposal Impact Other Codes?

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

## Consideration of Wider Industry Impacts

7.2 N/A

## Confidentiality

7.3 None

## 8 Implementation

### Proposed Implementation Date

8.1 An appropriate implementation date can be confirmed once the solution is agreed upon, due to the possibility of an agreed lead time being needed prior to implementation so that any internal systems/processes can be put in place.

## 9 Recommendations