

DCUSA DCP 143 Supplementary Questions Responses – Collated Comments

| Question One | How will DCP 143 affect your organisation? Please provide supporting comments. | Working Group Comments |
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| British Gas | We will have to change our validation routine in our business systems to accommodate any changes to the calculation of the charges. | |
| EDF Energy | Considering the size of reactive data, this should not have significant impact on our business. However the change should be considered from a “commonality” charging structure. | |
| ENWL | <p>We do undertake estimation when there is missing HH advances. The impact on our organisation is therefore associated with the need to use a default of 0.9 for reactive values, and is two-fold:</p> <p>Changes to the IT system that undertakes the estimation of missing data associated with reactive values. As indicated in our consultation response document we do use the default value of 0.9 for RI, but as a last resort, and we use zero in line with the</p> | <p>The Working Group noted that they have agreed to remove the second channel and only keep RI relevant for the legal text.</p> <p>The Working Group noted that depending upon the outcome with export customers; you would need to ensure the issues with the data.</p> |

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| | <p>Elxon guidelines for RE. The estimation logic will therefore need to be amended.</p> <p>From a business perspective we are reasonably comfortable with the import sites however we can foresee a number of potential impacts associated with Export customers:</p> <ul style="list-style-type: none">• A charge for exceeded capacity where the Maximum Export Capacity is breached for the first time;• An increased charge of exceeded capacity where the Maximum Export Capacity is continually breached but potentially greater than it should be;• As a consequence of the two above resultant discussion/s with the customer over exceeded capacity and the need to increase such a capacity for their requirements (that may/may not be | |
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| | <p>justified) and no doubt subsequent discussions between the customer and their supplier in letting this occur in the first instance; and</p> <p>In some instances, where actual values have subsequently been received that make such a breach invalid, it will have caused unnecessary discussions between ourselves and the customer, which is not good customer service and an impact on our reputation.</p> | |
| GTC | We will need to make changes to our billing system in order to accommodate this change. | The Working Group noted the comments. |
| Northern Power Grid | Northern Powergrid does not estimate for missing reactive data and therefore if DCP143 were approved a change to our billing system would be required. | The Working Group noted the comments. |
| Scottish Power Energy Retail | We do not believe that the DNO is best placed to estimate missing reactive data or that an arbitrary PF of 0.9 is appropriate. We are concerned that this "one size fits all" approach will cause an increase in disputes raised by customers and the resource that is required to manage these. | The Working Group noted the comments |
| SSE Distribution | This will affect us. Currently we estimate missing reactive data using a power factor of 0.95 so a change to our core systems will be required to update to 0.9 and also our charging statements will | The Working Group noted the comments |

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| | need to be updated to reflect this. | |
| SSE Energy Supply | If the DNO does have to put in a 0.90 Power Factor value, then it attracts Excess Reactive Power charges on the DUoS invoice. This in turn is passed through to the Customer which may trigger a dispute (Metering points with a calculated Power Factor 0.95 or greater do not attract Reactive charges). | The Working Group noted the comments |
| UKPN | No effect, we already do this | |
| WPD | <p>We do not currently have an automated process within the billing system to estimate missing reactive data. We have calculated that it would take more than one WTE to complete this task each month with current processes, so we would need to get changes made to the billing system to provide this.</p> <p>In addition to the completion of missing data this will increase the number of queries we are receiving as customers and suppliers quite rightly question the bills they are receiving.</p> <p>It is also unclear from this CP what action should be taken where no AI data has been received either, will there be an onus on the DNO to estimate AI data and then RI data, or would we assume zero for both? Assuming zero for both seems to be contradictory to the idea of DNOs estimating it in the first place.</p> | The Working Group noted that estimating AI is discretionary, but if you do estimate this, you have to estimate RI at 0.9 |

| Question Two | Will there be any associated costs with implementing DCP 143? Please provide supporting comments. | |
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| British Gas | Yes, changes to our business systems will incur costs; these are still to be confirmed. | |
| EDF Energy | No | |
| ENWL | <p>One off system costs:</p> <p>There will be a need to undertake system changes to cater for the amendment to the estimating logic. Our IT service provider needs more time to evaluate this and the other system changes within this pack (one week is not sufficient). It is therefore difficult to give actual costs but we can provide a high level impact based on internal discussions on the likely impacted areas we have identified. It is likely that this is considered to be a medium impact (in the region of 20-50 man days effort), with significant business testing and project management resources being added on top of this. The cost therefore is in</p> | <p>The Working Group noted the comments regarding the costs.</p> <p>The Working Group noted that the 2nd comment is in relation to DCP 114 and 115 being implemented, and that they are still in the Working Group stage. This CP should be considered on its own merit.</p> |

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| | <p>the region of £25k to £40k.</p> <p>Business costs:</p> <p>Due to the limited time it is difficult to assess what this impact is, but based on the data we produced when evaluating DCP114/115 – over/under utilisation of capacity, the number of HH sites that are within 11% of the agreed Maximum Capacity (calculated capacity value/0.9) is 6938 (47%). Those greater than 70kVA represent 5051 (34%). This number being where there may be a potential impact on the network. Export sites represent 2% of all the HH sites so based on the customers above 70kVA this equates to 101 sites being potentially impacted. Each of these would result in opening a dialogue with the customer usually after the third occurrence. This may well occur for all at some point dependent on their load profile and may result in an additional 0.5 full time equivalent resource being required spread amongst the capacity management team and the billing team dependent upon how often they occur each month and how many result in a rebilling requirement.</p> | |
| GTC | Yes as we will need to make changes to our billing system | |
| Northern Power Grid | Yes. Our billing system will need to be redeveloped with indicative costs of c. £75k. This relates to the technical specification of system and there is no current functionality to estimate reactive data. | The Working Group noted the costs, and the NPG working group member noted that they will seek further clarity about these costs and report back to the Working Group. |

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| Scottish Power Energy Retail | There is a potential for additional charges linked to excess reactive to be incurred which must be either absorbed by the supplier or passed onto the customer. Given that this approach does not account for different customer types these charges may not be accurate. | The Working Group noted that this is re-billed when the actual data is provided. |
| SSE Distribution | Yes there will be costs. At this time we estimate it to be a medium cost project as it involves IT development. | |
| SSE Energy Supply | No | |
| UKPN | No foreseen cost | |
| WPD | Estimated costs of £40k based on previous similar billing system changes. | The Working Group noted the comments. |