

Implementation Date Consultation Responses

Revised Implementation Date for P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'



This Consultation was issued on 1 August 2014, with responses invited by 1 September 2014.

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
IMServ Europe Ltd	0 / 1	Supplier Agent
TMA data Management Ltd MPID UDMS	0 / 1	Supplier Agent
Scottish and Southern Energy Power Distribution (SOUT) and(HYDE)	1 / 0	Distributor
Electricity North West	1 / 0	Distributor
First Utility Limited	1 / 0	Supplier
GDF SUEZ Energy UK	1 / 0	Supplier
ScottishPower	9 / 0	Supplier, Distributor, Supplier Agent
BES Commercial Electricity	1 / 0	Supplier
SSE Energy Supply Ltd	1 / 0	Supplier
SmartestEnergy	1 / 0	Supplier
Siemens Operational Services	0 / 1	Supplier Agent
Gazprom Marketing & Trading Retail Ltd	1 / 0	Supplier
Haven Power Ltd	1 / 0	Supplier
RWE npower	1 / 0	Supplier, Supplier Agent
EDF Energy	10 / 0	Generator, Supplier, Non Physical Trader, ECVNA, MVRNA, Supplier Agent, Exemptable Generator, Consolidator
E.ON	5 / 4	Generator, Supplier, Non Physical Trader, Supplier Agent

P272
Implementation Date
Consultation Responses

2 September 2014

Version 1.0

Page 1 of 24

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Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
British Gas	1 / 0	Supplier

Question 1: Whilst considering the interaction with DCP179 and P300, do you agree with the revised proposed Implementation Date for P272?

Summary

Yes	No	Neutral/No Comment	Other
10	6	0	1

Responses

Respondent	Response	Rationale
IMServ Europe Ltd	Yes	As stated in the proposal, the timing of the proposed dates for DCP179 and P300 support and enable the implementation of P272 on 01/04/2016.
TMA data Management Ltd MPID UDMS	Yes	<p>Yes, we support the implementation of P272 and to take into account the lengthy implementation timescales required by other Industry Players, we support a revised implementation date for P272 of 01/04/2016. However we would like to make it clear that the date of P272 implementation is the date by which all PC5-8 sites should be moved to Half-Hourly Settlement. As soon as P300 is implemented, Suppliers can start moving the relevant registrations from NHH to HH.</p> <p>The way the data is settled is not linked to the contractual arrangements between Suppliers and Customers. It is likely that contractual arrangements will be unchanged until they run their course, then customers and Suppliers can negotiate new terms. Using an argument that customers might not allow a change until it is mandatory is a gross misdirection.</p> <p>As Party Agents, we would welcome a close working relationship with Suppliers and other Agents in the COMC processes resulting from P272 implementation, with clear advance planning to ensure the change-over is achieved smoothly and efficiently.</p>
Scottish and Southern Energy Power Distribution (SOUT) and(HYDE)	Yes	-
Electricity North West	Depends	When you consider the three modification implementation dates:

Respondent	Response	Rationale
		<p>DCP179 – 1 April 2015;</p> <p>P300 – 5 November 2015; and</p> <p>P272 – 1 April 2016</p> <p>the proposed implementation date for P272 is appropriate.</p> <p>However this really does depend on the Ofgem decision date associated with both DCP179 and P300.</p> <p>We would urge that the Ofgem (P272) decision is made to approve such a date at the same time as the approval of DCP179 and P300 i.e. the 5 November 2014 at the latest. This will ensure that one of the main concerns associated with P272 (the difference in DUoS charges between Half-Hourly and Non Half-Hourly tariffs) is resolved. It will also provide a 17 months (rather than 13 months) migration window for Profile Class 5-8 customers with CT metering and a 5 months migration window for Profile Class 5-8 customers with whole current metering.</p> <p>The November 2014 deadlines are critical to both DCP179 and P300.</p> <p>With regards to DCP179, a decision in November is important to ensure that the distribution indicative charges can be produced in December 2014 for implementation in April 2015. Failure to do so may result in a 12 months delay in its implementation which will therefore not provide for any migration period associated with P272. In other words a bulk migration on the 1 April 2016 for all Profile Class 5 – 8 customers. This would be inappropriate and may result in a twelve months delay for P272.</p> <p>P300, on the other hand, is tied into BSC release dates and should the Ofgem decision be delayed beyond the 5 November then the implementation date would be the 25 February 2016 which will make the migration of Profile Class 5-8 customers with whole current metering far more difficult to achieve (just over four weeks if implementation date is April 2016), and as such perhaps if this occurs the implementation date should be pushed back until June 2016.</p>
First Utility Limited	Yes	-
GDF SUEZ Energy	Yes	Both DCP179 and P300 should be live and their

Respondent	Response	Rationale
UK		processes embedded, removing any impediment to P272. April 2016 is the earliest date allowed by OFGEM following their request for a revised implementation date.
ScottishPower	Yes	<p>We agree with the proposed implementation date on the proviso that a phased approach of migrating Customers from NHH to HH is allowed, which should be completed by 31/12/2016. (Rationale for this is covered in question 3).</p> <p>The proposed implementation of P300 aligned with DCP179 in late 2015 removes the perceived DUoS charging barrier that previously existed, which may have resulted in higher customer DUoS charges if P272 had been implemented prior to DCP179 and P300.</p>
BES Commercial Electricity	No	After some analysis on the cost implications to us, the differences in DNO charges are fairly significant in their current state, and the financial impact on the business when applied to several hundred of our larger sites could be huge. BES Commercial Electricity LTD would prefer to wait to see if P300 is agreed and the DCUSA is updated with new tariffs before we agree to the implementation date of April 2016 so that we can quantify the impact on us.
SSE Energy Supply Ltd	No	<p>We propose P272 is scheduled to be implemented on 1st November 2016.</p> <p>The existing Measurement Class E allows us a 12 month lead time to migrate CT metering systems to Half Hourly prior to P272 being implemented in April 2016. However, with P300 likely not to be implemented until November 2015, this would not provide the same 12 month lead time to successfully migrate WC metering systems to the new Measurement Class G.</p> <p>We maintain that there should be a minimum 12 month window between the implementation of DCP179/ P300 and P272. Our migration exercise will need to consider existing Customer contract arrangements, and we are keen to reduce the potential customer detriment through making changes to part way through these contracts. An implementation for P272 no sooner than 1st November 2016 will help mitigate unintended impact on our customers.</p>
SmartestEnergy	Yes	We are assuming that there is no official migration period but that between 5th November 2015 and

Respondent	Response	Rationale
		1st April 2016 suppliers are expected to move PC 5-8 sites to HH settlement so that the process is complete by 1st April 2016 and any sites not migrated by that time will be deemed to be non-compliant.
Siemens Operational Services	Yes	We welcome the opportunity to comment on this consultation. We are supportive of the proposed implementation date however we believe that conditions should be set for its approval. See our response to Question 3 for more details.
Gazprom Marketing & Trading Retail Ltd	Yes	Yes, we agree with the revised proposed implementation date. We believe there are benefits for customers and suppliers in profile class 5-8 customers being settled half-hourly and so implementation should not be delayed later than 1st April 2016.
Haven Power Ltd	No	<p>Consistent with our discussions with Ofgem, we believe the implementation date of P272 should be no less than two but preferably three charging years after a decision on this consultation has been made.</p> <p>Transferring all of our (and all other suppliers') profile class 5-8 customers within less than a year of the planned implementation date of 1st April 2016 is not reasonable and perhaps not even feasible, without significant risk to the customer experience and central settlement activities for the following reasons:</p> <ul style="list-style-type: none"> • HH settlement for all profile class 5-8 MPANs will more than double the number of MPANs treated in this way, having implications for suppliers and their agents, as well as ELEXON and the DTN. Parties will be required to make a substantial investment in systems in order to cope with the increasing volumes of meter and settlement data. • Customers will see disruption to their contractual arrangements if changes are to be made mid-contract (for both supply and metering arrangements). In particular customers that have made their own metering agent appointments may be left with invalid contracts if their chosen agent is not HH accredited. • This change follows hot on the heels of the obligatory rollout of AMR Meters to this customer group, and the messages given by

Respondent	Response	Rationale
		<p>suppliers to customers when the meter was installed could be undermined and supplier trust eroded further if this change is rushed. There is an added risk that any change to charges or charging structures, could damage the wider rollout of smart meters if this group of customers has negative experience as a result of this change and levels of supplier trust fall even further as a result.</p> <ul style="list-style-type: none"> The implementation of this change would benefit from a centrally-led, coordinated programme approach that engages with the affected customers and considers their needs. We believe it is essential that customers are aware of the change and the reasons behind it. <p>We do not feel as though all of the options for introducing this change have been fully explored. There are a number of ways in which this could be introduced that, in our view, would ease the burden of change on both customers and suppliers, whilst still achieving the desired outcome in a reasonable timeframe. For example this change could be customer-led and require the switch at the end of the customer's fixed term contract or alternatively, phased on a geographical area-by-area basis.</p>
RWE npower	No	<p>We do not agree with the proposed implementation date for the following reasons:</p> <p>1 – Why specify an explicit date?</p> <p>There is a very clear dependency on P300 and DCP179 being implemented before suppliers can carry out the necessary Change of Measurement Class (CoMC) activity from non half-hourly (NHH) to half-hourly (HH) settlement. We believe a more prudent implementation method would be to state that P272 is implemented a defined time period (to be determined by the risk to settlement accuracy and view from industry) after the implementation of both P300 and DCP179. This method would give certainty to parties and would future proof the implementation date of the modification should there be a delay in implementing P300 and DCP179 without the need for future consultation.</p> <p>2 – Settlement risk:</p> <p>DCP179 is anticipated to be implemented in April 2015 with P300 currently expected to be</p>

Respondent	Response	Rationale
		<p>implemented in November 2015 or February 2016. This means suppliers will be in a position to move Current Transformer (CT) metered sites to the HH market following the implementation of DCP179 (but prior to P300 implementation) which would provide up to 12 months to undertake this activity should the current proposed dates be used. Following implementation of P300, suppliers then be able to begin moving Whole Current (WC) metered sites to the HH market giving suppliers either 5 or 2 months to undertake this activity.</p> <p>It is our understanding that approximately 55% of Profile Class 5-8 sites are WC metered meaning suppliers will be obligated to collectively move around 92,000¹ WC sites to the HH market within the space of either 5 or 2 months. On the basis of 21 working days per month, this equates to 975 or 2,190 CoMCs per day over this period. We believe this unprecedented level of CoMC activity poses a significant risk to settlement accuracy, particularly given the current process for CoMC is not fit for purpose and the improvements to this process (identified via Issue 49) have either been rejected by industry or where approved, have not yet been implemented. As a result, it is still commonly felt that the CoMC process is not fit to see 166,000² MPANs go through it within the proposed period.</p> <p>Further, we note that some GSP Groups have a higher percentage of Profile Class 5-8 sites with WC meters (66% in certain GSP Groups) and given the propensity for certain suppliers to have larger portfolios in certain GSP Groups the relative number of CoMCs per day could be much higher. This again increases the risk to settlement accuracy. For these reasons, the April 2016 proposed date cannot be supported.</p> <p>3 – Other considerations:</p> <p>When agreeing a reasonable timescale for implementing P272, the Authority must give consideration to concerns that are wider than the BSC and Code Subsidiary Documents such as:</p> <ul style="list-style-type: none"> • Doubling the size of the HH market will lead to some industry parties needing to invest in their systems (registration / settlement /

¹ Figures sourced from analysis carried out by DCP179 working group.

² Figures sourced from analysis carried out by DCP179 working group.

Respondent	Response	Rationale
		<p>contractual etc...) to ensure they can manage the increased volumes. Sufficient time should be given for parties to do this and carry out relevant testing to protect the integrity of settlements and customer service performance. Increasing the volume of HH settled sites may require some agents to seek re-qualification which should be given consideration prior to agreeing an implementation date.</p> <ul style="list-style-type: none"> • Customer impact is reduced if suppliers can avoid making a contract change mid-way through a supply contract. Mandating HH settlements from a specific date, before the end of an existing supply contract could see customers adversely impacted. Suppliers will have already signed contracts with customers that extend (in some cases a number of years) beyond the proposed date, the impacts of this need to be carefully considered. • There will be implications for customers due to the agreements they have in place with their agents (Data Collectors and Meter Operators). If their existing agent is not HH accredited this will involve an agent change and further cost implications to both customer and supplier. • A number of industry participants do not currently issue electronic DUoS invoices. Doubling the number of HH MPANs in the market may increase the burden on other participants to manually process these additional related invoices. • There are significant volumes of regulatory change at present within the industry. Appropriate consideration should be given to the wider impact of mandating P272 with short implementation time scales and the knock on effect this may have across the industry. <p>4 - Our preference:</p> <p>In our view, supplier preference would be to migrate an agreed volume of MPANs daily and then industry can take account of the constraints and issues the migrations throw up. This requires detailed planning by the industry to achieve. Paramount should be the customer experience as the CoMC process should be painless for the</p>

Respondent	Response	Rationale
		<p>customer.</p> <p>a) P272 should be implemented at least 24 months after the implementation of P300 and DCP179 (whichever modification is implemented latest).</p> <p>b) There is a centrally coordinated roll out of CoMC plans to ensure that impacts to end customer and settlements are minimised.</p>
EDF Energy	No	<p>Although we support more HH settlement in principle, the benefits are small in the short term and more notice would allow more cost-effective implementation as part of a planned and budgeted programme of work in conjunction with numerous other regulatory and commercial changes, including P300 and DCP179.</p> <p>An extra 3 months notice (ie. decision by mid-November 2014) would allow preparatory and implementation work during 2015-16 to be more effectively budgeted and planned.</p> <p>Extra notice together with implementation on 1 July 2016 (ie. decision by mid-February 2015) would also allow better budgeting and planning of work.</p> <p>Two years notice, with implementation in 2017 (say April 2017), would probably allow implementation of HH settlement for PC5-8 under the existing settlement data framework at minimum cost.</p> <p>There are numerous previously documented practical difficulties, including reconfiguring/changing meters and communications, changing registration details including measurement class, changing meter agents, switching DUoS and customer pricing and billing, and re-allocating internal resources between NHH and HH activities. Although we should be able to achieve these activities within the proposed 13.5 month notice period, more notice would allow more efficient use of limited resources.</p> <p>The potential requirement for parallel changes associated with DCUSA proposal DCP179 and BSC proposal P300 adds to the practical difficulty and cost associated with the change. These related proposals would affect settlement data processing, DUoS processes and DUoS charges, and require different measurement classes for different meters within profile classes 5-8. These parallel</p>

Respondent	Response	Rationale
		<p>developments were not originally envisaged for P272, and merit additional notice for the various interacting changes that would be required. Note that EDF Energy has no requirement for either of these other changes to directly support P272, but would have to accommodate them if they are approved.</p> <p>We have previously indicated that implementation of half-hourly settlement in association with new Smart/DCC data collection and processes would avoid potentially wasteful expenditure on temporary solutions based on existing processes. We originally anticipated this being possible by 2017. This now seems ambitious given smart metering complexities in detail and resource commitment to other regulatory changes.</p>
E.ON	No	<p>We do not believe that migrating consumers from NHH to HH mid contract is in the customers' best interests. Consumers may incur increased DUoS costs and will incur higher agent costs in transferring to HH. For consumers who have appointed their own agents, there is also the risk that they may incur termination fees if their contracted agents are not HH accredited. We have provided Ofgem with a view of the number of customers directly contracted with agents in response to their RFI.</p> <p>As well as the potential increased costs, the structure of HH tariffs is significantly different to that of NHH. Generally, NHH tariffs include all costs in the standing charge and unit rate as there has been no demand for more complex tariffs. HH tariffs do not include costs such as DUoS and agent costs which are passed through to the customer separately. Whilst tariff structure is the suppliers' choice and they could choose to replicate the NHH tariff structure in a HH settled world, neither option offers a consumer friendly journey if carried out prior to contract renewal. If the NHH structure is retained the consumer will see an increase in price, if the consumer is migrated on to a HH structured tariff, there may be confusion due to the differing format as well as an increase in costs.</p> <p>We believe that allowing for migration to HH at contract start/renewal offers the best possible consumer experience. This would not prevent any consumers who wished to go HH during the contract period from doing so, it would just allow</p>

Respondent	Response	Rationale
		<p>suppliers to manage the customer experience for those who would see an increase in costs or may be less engaged and therefore need greater hand holding through the process. The transfer of all PC 5-8 consumers through a very manual CoMC process potentially within a 5 month window would be very stretching as a supplier leaving little resource for hand holding.</p> <p>We would welcome a discussion with Ofgem to review the details of a roll out linked to contract start/renewal.</p>
British Gas	Yes	<p>Providing DCP 179 is implemented in April 2015 and P300 is implemented in November 2015 we agree with the proposed implementation date of April 2016. If these modifications are subject to any delay then we would require an equivalent delay to P272.</p>

Question 2: Do you agree that the draft legal text in Attachment B delivers the intention of the P272 Alternative Modification?

Summary

Yes	No	Neutral/No Comment	Other
12	1	3	1

Responses

Respondent	Response	Rationale
IMServ Europe Ltd	Yes	<p>The draft legal text provides the necessary changes to the relevant section of the BSC however we do have a comment regarding some of the wording used.</p> <p>We are slightly unsure as to the objective of the new paragraph 2.6.1.a. We had assumed that this paragraph would be used to clarify and confirm obligations for both outgoing and incoming agents, i.e. to process and submit data to SVAA for all respective, appointed settlement dates (i.e. either prior to/ or after 31/03/14) for all settlement runs through to RF.</p> <p>The section appears however to only state that data should be submitted promptly.</p> <p>This may have been the intention as it may be considered that obligations do not need to be stated in such a way – if that is the case then the wording of the section is acceptable.</p>
TMA data Management Ltd MPID UDMS	Yes	2.2.2 allows no doubt that from 01/04/2016 all advance metering will be Half-Hourly equipment and should be settled as such.
Scottish and Southern Energy Power Distribution (SOUT) and(HYDE)	Yes	-
Electricity North West	Depends	The only change to the original legal text is the implementation date. This date really depends on the decision date made by Ofgem as indicated in the response above.
First Utility Limited	Yes	-
GDF SUEZ Energy UK	Yes	No Comment

Respondent	Response	Rationale
ScottishPower	Yes	Based on our proposal of a phased approach of moving Customer's from NHH to HH, the legal text would need to be amended to reflect this.
BES Commercial Electricity	Yes	-
SSE Energy Supply Ltd	Yes	-
SmartestEnergy	No comment	-
Siemens Operational Services	Yes	-
Gazprom Marketing & Trading Retail Ltd	-	We have not reviewed the draft legal text.
Haven Power Ltd	Yes	N/A
RWE npower	No	<p>Npower have concerns that the proposed legal text mandates that suppliers must install HH equipment and settle all Profile Class 5-8 sites in a HH capacity from the agreed implementation date. It may not be realistically possible for the supplier to remotely access HH data at all sites and the requirement to install is more burdensome than the related licence requirement. In particular, we have identified the following scenarios where there may be exceptions which need to be taken into account:</p> <ul style="list-style-type: none"> • When, despite the supplier taking all reasonable steps (as per SLC12.21/22) the supplier may not be able to install an advanced meter to a PC5-8 site. • An advanced meter has been fitted to a PC5-8 site but it is unreasonable (e.g. particularly uneconomic) to expect the supplier to gain access to the HH data remotely. For example, the advanced meter is correctly installed however, there is no feasible communications solution e.g. remote water pumping station. • An advanced meter has been fitted to a PC5-8 site however there is a communications failure. • Where a supplier gains a PC5-8 site through a Change of Supplier and there is no advanced meter installed. <p>Possible impacts of moving meters to the HH</p>

Respondent	Response	Rationale
		<p>market when they are not physically capable of functioning in that manner are:</p> <ul style="list-style-type: none"> • Potential to contribute unallocated volume to the GSP to the same extent as other NHH meters but only treated in the Group Correction Factor algorithm as HH meaning the sites would not be picking up a reflective weighting of unallocated volume. • Artificially reduced performance under PARMS serials SP08 b / c, thus impacting its usefulness to the industry. <p>Omitted sites could be included in the HH market as the situation on site changes, for example the UK communications infrastructure evolves allowing remote access or the supplier manages access to install an advanced meter.</p> <p>Our suggestions:</p> <p>1 – Amend the definition of Advanced Meter as below or define within the BSC itself:</p> <p style="padding-left: 40px;">"Advanced Meter":</p> <p style="padding-left: 40px;">Metering Equipment installed in accordance with the obligation set out in condition 12.1817-22 of the Standard Conditions of each Electricity Supply Licence;</p> <p>Thereby capturing the reasonable steps to install, ability to remotely access 'such data' and that "Advanced Meter" definition relates only to PC 5-8 sites.</p> <p>2 – Clarify the obligation to install and settle in a HH capacity and allow for the above documented scenarios.</p> <p>Amendments to suggested legal text:</p> <p style="padding-left: 40px;">2.2.2 Where a Supplier is under an obligation in its Supply Licence to install an Advanced Meter at a premises and/or supply electricity to a premises through an Advanced Meter then:</p> <p style="padding-left: 40px;">(a) prior to 1 April 2016 the Advanced Meter shall, for the purposes of the Code, be deemed to be either Half Hourly Metering Equipment or Non-Half Hourly Metering Equipment as the Registrant shall choose; and</p> <p style="padding-left: 40px;">(b) as from 1 April 2016 the Advanced Meter</p>

Respondent	Response	Rationale
		<p>shall be Half Hourly Metering Equipment. This does not apply where the licensee is unable to install or arrange for the installation of any advanced meter at the relevant premises in question despite taking all reasonable steps to do so. (This is the same wording as SLC12.21/22)</p> <p>2.6.1A In respect of each SVA Metering System which is an Advanced Meter in relation to which it is registered with a Supplier Meter Registration Agent, a Supplier shall submit, or procure the submission of, the appropriate data (as specified by BSCP01 (Overview of Settlement Process)) to the SVAA promptly after collection of such data and, in any event:</p> <p>(a) in respect of the data from Settlement Days before 1 April 2016, before the relevant Final Reconciliation Volume Allocation Run; and</p> <p>(b) in respect of the data from Settlement Days on or after 1 April 2016, before the relevant First Reconciliation Volume Allocation Run,</p> <p>(c) in respect of the data from Settlement Days on or after 1 April 2016, before the relevant Final Reconciliation Volume Allocation Run where the supplier is unable to remotely access half-hourly data at the relevant premises in question despite taking all reasonable steps to do so, in each case, in accordance with BSCP01 (Overview of Settlement Process).</p> <p>2.2.8A Where any Half Hourly Metering Systems referred to in paragraph 2.2.8 are Advanced Meters and the data to be provided thereunder relates to Settlement Days occurring on or after 1 April 2016 then the Supplier shall ensure that the actual values provided thereunder shall be provided in time for the relevant First Reconciliation Volume Allocation Run. This does not apply where the supplier is unable to remotely access half-hourly data at the relevant Advanced Meter premises in question despite taking all reasonable steps to do so.</p>
EDF Energy	-	In broad terms it delivers the intention of the revised alternative modification proposal, including

Respondent	Response	Rationale
		<p>the revised implementation date.</p> <p>Because of lack of clarity in the licence conditions concerning advanced meters, and slight variations in references to advanced meters in the proposed BSC legal text, we remain unsure exactly which metering systems would be captured by the proposed modification. In particular, the proposed BSC text refers variously to a licence obligation in relation to advanced meters (noting the licence actually refers to a prohibition in relation to supply); to an SVA Metering System(s) which is (or are) an Advanced Meter, and to a HH Metering System(s) which is (/are) an Advanced Meter. In reality there may be PC5-8 sites where advanced meters are not installed at all despite taking all reasonable steps, sites where an advanced meter is installed but remote communications allowing it to fully meet the licence definition are not available despite taking all reasonable steps, as well as sites fully meeting the licence definition. We believe a non-trivial number of metering systems currently in Profile Classes 5-8 (PC5-8) are currently not covered by the prohibition on supply other through an advanced meter. We assume these would not be captured by P272 until such time as the licence prohibition does apply to those sites, which would be when reasonable steps succeed in meeting all the licence requirements for an advanced meter.</p>
E.ON	Yes	<p>Although we believe that the redlining of the text delivers the intention of the modification, it does not support a roll out approach linked to contract renewal. If our proposed implementation linked to contract renewal was to be adopted, the dates in the redlining would have to be amended.</p> <p>Also the dates in the redlining of Section L should be 1st April 2016 not 2014 in light of the consulted implementation date.</p>
British Gas	Yes	-

Question 3: Do you have any further comments on P272, or the interaction between the proposed implementation timescales for DCP179/P300 and P272?

Summary

Yes	No
13	4

Responses

Respondent	Response	Comments
IMServ Europe Ltd	No	-
TMA data Management Ltd MPID UDMS	Yes	The time lapse between the DCP179 and P300 implementation, allows for industry preparation and the time lapse between P300 and P272 implementation allows for the COMC processes to take place. It provides ample time for party readiness and migration of PC5 to 8 sites from NHH to HH settlement as soon as P300 is implemented and before 01/04/2016.
Scottish and Southern Energy Power Distribution (SOUT) and(HYDE)	No	-
Electricity North West	Yes	<p>We recognise that there are difficulties with this Modification beyond that of DUoS charges. These difficulties have been known for the past three years. We acknowledge that there is no guarantee of approval since all three modifications have a bearing on the end solution, and we do accept that some supply contracts will go beyond the April 2016 date however when you consider that:</p> <ul style="list-style-type: none"> the Ofgem consultation in October 2013 was based on a minded to accept the Modification; Ofgem's letter to the BSC Panel in February 2014 seeking a consultation on an alternative implementation date provided at least a two year lead time (suggesting April/June 2016); and if the decision is made for April 2016 it is almost five years after the modification was raised; <p>we believe the industry have had sufficient time to mitigate any risks associated with the</p>

Respondent	Response	Comments
		<p>implementation of P272.</p> <p>The industry, within its consultations and working group meetings, did consider the impact that all three changes (P272, DCP179 and P300) have on each other, and what was the best implementation order and timescale between each. It did recognise the majority of the industry could meet the proposed dates and that those who couldn't can seek derogations to either a code or their respective licences. We believe that the proposed timescales are achievable but this is only so if Ofgem make such a decision for all three proposals by the 5 November 2014 to allow for a sensible migration timetable.</p>
First Utility Limited	Yes	<i>Confidential Response</i>
GDF SUEZ Energy UK	No	No Comment
ScottishPower	Yes	<p>P272 will require a substantial number of customers to move from NHH to HH and as such there will be a requirement for a large scale COMC exercise to be carried out for all customers. With an expected implementation date of late 2015 for P300, aligned with DCP179 we believe there is not sufficient time for industry to carry out the required COMC prior to P272 implementation, therefore we would suggest that while P272 is implemented from 1 April 2016 there is a period of grace given to allow the industry to manage the COMC process. This period could be 9 months, i.e. All customers impacted by P272, which was implemented at 1 April 2016 must meet the P272 requirements by 31 December 2016.</p>
BES Commercial Electricity	Yes	<p>We would also prefer to perform the CoMC at contract end or where there is a change of tenancy so that customers are affected as little as possible, so instead of a definitive "set" date, a window of 1-2 years to fully implement the changes would be better for us.</p> <p>If the change from NHH to HH metered occurs midway through an existing contract period (as inevitably it will in most cases) on the current HH tariffs in DCUSA, we would potentially see our expected margin from that customer being significantly eroded due to higher associated HH costs than were assumed when the contract was priced as a NHH meter.</p> <p>What protection would suppliers (particularly</p>

Respondent	Response	Comments
		<p>smaller suppliers less able to absorb such losses) receive in these circumstances?</p> <p>Our appointed agents are not HH accredited, therefore we would need to look at changing agents in all cases (around 1000 MPAN's), for which settlement implications cannot be quantified at this stage. For this reason, we would disagree until we see the tariffs set out in the P300 changes.</p>
SSE Energy Supply Ltd	Yes	<p>When the original date for P272 was being considered, Elexon were looking for Suppliers to submit a single migration plan. With the proposed alternative date for P272 of April 2016 we believe two migration plans will need to be required, one for CT and one for WC metering systems. Elexon's view would be welcomed.</p>
SmartestEnergy	No	-
Siemens Operational Services	Yes	<p>We are supportive of the proposed implementation date; however we believe that as a condition of approval a deadline date should be set by which Suppliers will have drawn up plans with their Agents as how they intend carry out the execution of P272 for the existing metering systems that will transfer from NHH to HH Settlement.</p> <p>We note in the P272 Final Modification Report dated 18/12/2012 that on page 7 there was the requirement for Suppliers 'to submit a high-level transitional plan to the PAB', however the two dates mentioned are no longer relevant, we therefore suggest a date of 31 May 2015 for the submission of plans under the P272 implementation date of 1st April 2016. The submitted plans should demonstrate to the PAB that the Suppliers have consulted with their Agents as they will be engaged in the process, and any plans should have been agreed by all bilateral parties involved.</p> <p>End customers should be made aware by the Supplier that where the MOP is HH accredited that the relationship between the MOP and end customer is unaffected.</p> <p>Potentially there are a variety of options that could be used: Outside BSCP processes; Phased approach – one supplier at a time; Phased approach – max number of mpans per day per supplier; bulk CoMC. With the current timescale to the proposed implementation we would encourage a reconsideration of a standard industry wide agreed</p>

Respondent	Response	Comments
		<p>approach rather than bilateral arrangements between Suppliers and their Agents.</p> <p>As a minimum we would want all the plans submitted to the PAB to detail the volume of mplans involved in the CoMC process, as this would be required to ascertain the number of data flows going through the industry DTN gateway. We felt that the PAB should set up a group within ELEXON to coordinate the various Supplier plans and avoid any potential data conflicts in volumes, timing and techniques that may arise between different Suppliers as this could be detrimental to Industry systems. The Supplier plans would be treated as confidential by ELEXON.</p>
Gazprom Marketing & Trading Retail Ltd	Yes	<p>There are a number of interactions and dependencies between P272, P300 and DCP179. While there will be a number of customers that need to be, or have the option to be, transitioned between different measurement classes and DUoS tariffs during the implementation periods. It would be helpful if there was clear guidance document on the processes required/available and timings during the transition period to aid suppliers and customers.</p>
Haven Power Ltd	Yes	<p>This change requires DCP179 and P300 to be approved before implementation. Both of these modifications enable super customer HH billing that is imperative to the change being deployed. We don't believe enough emphasis has been placed on the interaction and impacts of these changes as a whole piece. The granular approach adopted has not been beneficial for customer interests. The coordinated approach we refer to above would help with this.</p>
RWE npower	Yes	<p>Npower agrees with the underlying principles and aims of P272 and recognise there are benefits to the industry by increased HH settlement which is more accurate than NHH. However, current industry conditions will not facilitate the benefits predicted. Wider than this consultation, the costs continue to outweigh the benefits of P272 and we cannot support a modification that would see costs increase at a time where pressure is being placed on the market to reduce costs where possible.</p> <p>Further, mandating HH settlement removes customer choice. HH settlement should be customer led and the industry may soon be in a position where a significant barrier to elective HH</p>

Respondent	Response	Comments
		<p>settlement is removed (DCP179 will deliver a proportional HH DUoS charge for PC 5-8 customers once they change to being HH settled). If DCP179 is approved and implemented, the infrastructure will be present to see competitive forces naturally drive customer uptake of HH products and tariffs where it is beneficial to that customer whilst not penalising those customers who will not benefit from being settled HH.</p> <p>Npower's preference would be for Ofgem to reject P272 and for the industry to use the rest of this decade, up to 2020, to better define the benefits of universal HH settlements. If benefits exist for the end customer, there will be an organic shift to HH settlement over this period. Advanced meter customers have access to HH data already and will be able to use that information to make an informed decision whether or not to move to full HH settlements. Industry can learn from advanced meter customers who choose to opt into HH arrangements and apply that understanding post smart-rollout.</p>
EDF Energy	Yes	<ol style="list-style-type: none"> 1. If BSC performance level targets are interpreted to capture sites where a capable meter has been installed but working communications have not been achieved despite taking all reasonable steps, then an obligation to settle advanced meters half-hourly (SP04) and to achieve 99% actual reading performance target at R1 (SP08b) may be unrealistic, and may lead to unjustified costs for affected suppliers. 2. Changes made to Code of Practice 10 during 2009 raise doubt about the suitability of some early advanced meters for half-hourly settlement. Some of these meters might need to be changed to meet reactive data requirements for HH DUoS billing, dependent on solutions for DCP179. 3. It is not clear what benefit there would be implementing DCP179 (01 April 2015 suggested) in advance of P300 (05 November 2015 with 12 months notice suggested), given that P300 appears to be necessary to support new charging methods. Is a two stage implementation of DCP179 intended, with (new) "generic" site-specific DUoS tariffs for below 100kW HH meters used until P300, followed by aggregate DUoS tariffs with P300? Or is there expectation of using aggregate reporting functionality introduced later to bill/reconcile for

Respondent	Response	Comments
		earlier dates?
E.ON	Yes	<p>The current proposed implementation date of November 2015 for P300 would only allow a 5 month window for migrating PC 5-8 consumers. We do not believe that it is possible to deliver the changes required to support P300 any earlier as we have estimated a lead time of 12 months from Ofgem approval. However, we do not feel that 5 months is sufficient time to migrate all customers given the manual nature of the CoMC process, added to this the potential need to carry out a parallel change of agent the process will be complicated and onerous.</p> <p>Suppliers could begin to migrate consumers which match the new definition of measurement class E immediately, as they would not require a further change of measurement class when P300 is implemented, however, if this is done prior to the new measurement classes being in place, these customers will not benefit from the new charging structure and both the customer and the supplier would be detrimentally impacted.</p> <p>Again, we would urge Ofgem to consider a consumer centric approach to the roll out of P272 to allow for the smoothest transition possible for the consumer. We also believe a communications campaign lead by Ofgem to raise awareness of the reasons and benefits of the transition would greatly improve the consumers' perception of P272.</p>
British Gas	Yes	<p>Whilst we believe an implementation date for P272 of April 2016 is achievable we would only support this provided we have a minimum of 13 ½ months lead time from Ofgem's approval date and 1st April 2016 (as recommended by the P272 working group). We would need this time to put in place commercial HH agent arrangements for our PC 5-8 customer base. Currently our existing PC 5-8 agent is not HH accredited and we would need to either migrate our PC 5-8 customer base to a new agent or arrange for our existing agent to become HH accredited.</p> <p>We also have real concerns regarding the accuracy of some of the inputs used by Ofgem in the impact assessment. With the benefit to consumers being so marginal over a 20 year period (NPV £0.4m), the benefits case is highly sensitive to variations in either costs or benefits. Even minor variations in</p>

Respondent	Response	Comments
		<p>underlying assumptions results in a negative business case (meaning P272 would be net detrimental for consumers). This is highly relevant, given we believe the benefits are materially overstated.</p> <p>With regard to interactions with DCP 179 we have estimated that if approved this methodology change will add on average 2.2% to our PC 5-8 customer's annual Duos bill. We strongly recommend that Ofgem factor this additional cost into the regulatory impact assessment produced in October 2013 in order to make a fair and accurate assessment of costs and benefits for this category of customer.</p> <p>We believe it would be wrong for Ofgem to approve P272 whilst it is conducting a wider review of the electricity settlement arrangements through its smarter markets programme. Our view is that the smarter markets programme will provide a mechanism for a fuller and more holistic assessment of costs and benefits and allow a proportionate approach for moving to half hourly settlement to be adopted and P272 should be considered within this programme of work.</p>