Issue 15: Review of Trading Query Deadlines

Since the introduction of P107, we believe that Suppliers have been severely disadvantaged where an error with HH data becomes apparent outside of the settlement deadlines and where the party had no ability to highlight the error through normal validation processes. P131 has further exacerbated the issue, by preventing the supplier from correcting even 20 months of the error as only data within the Settlement window of 14 months will be altered.

An Example:

A new build site, that has no previous history, is supplied by party A from the contract start date for 3 years.

Customer is happy with bills received and pays on time.

Following a routine check on the meter it is discovered that the meter has been over recording x 2 since connection.

Party A will correct 14 months of data through reconciliation process but will be unable to dispute any further as error was present in first settlement run, **although undetectable**, and a query was not raised with ELEXON within deadlines.

Customer requires a re bill for whole 3 year period and Supplier has no recourse to refuse.

Other scenarios would include gaining a customer with no previous history or that the original error occurred whilst with another Supplier, who took no action, and you have inherited a 'now' undetectable problem.

These scenarios, and there must be others, raise two possible issues:

Is the 20 month rule really fair when the only party that could be disadvantaged is the Supplier – customer can demand a re bill for whole of disputed period and indeed Distributors are not restricted by time for DUoS billing.

Should there be a clause within Section W, that allows for 'exceptional circumstances' to cover scenarios such as above? Even if the 20 month rule remained, it would at least give Suppliers the opportunity to be compensated for 20 months of the settlement error, if they could prove that they could not have queried with ELEXON within time scales as the error was undetectable at that time.

It would seem that Generators, Distributors and Customers are mostly protected from any financial loss. However, Suppliers are at a severe disadvantage where errors are not immediately obvious. It would seem that the savings gained from P107, as far as data retention are concerned, have been far outweighed for Suppliers by the loss of financial recompense for

settlement errors. Indeed, both Suppliers and Distributors have been unable to take direct advantage of any data retention reductions, as data well beyond 20 months has had to be retained for the purposes of DUoS billing.

This must conflict with the achievement of the Applicable BSC Objective (C): 'Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity'