CP1414 v2.0 'Combining LDSO and Embedded LDSOs UMS Inventories on to single LDSO MSID'

This CP Consultation was issued on 8 December 2014 as part of CPC00749, with responses invited by 9 January 2015.

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Knowsley Metropolitan Borough Council	2/2	Supplier; Distributor; Other (Unmetered Supplies Customer)
Hampshire County Council	0/1	Other (Unmetered Supplies Customer)
Glasgow City Council	0/1	Other (Unmetered Supplies Customer)
Denbighshire County Council	0/1	Other (Unmetered Supplies Customer)
West Sussex County Council	0/1	Supplier Agent; Other (Unmetered Supplies Customer)
Durham County Council	1/0	Supplier; Distributor; Int. Administrator
Derby City Council	0/1	Other (Unmetered Supplies Customer)
Dudley MBC	0/1	Other (Street Lighting Authority)
Coventry City Council	0/1	Other (Unmetered Supplies Customer)
Falkirk Council	0/1	Other (Unmetered Supplies Customer)
Norfolk County Council	0/1	Other (Unmetered Supplies Customer)
Kent County Council	0/1	Other (Local Authority; Unmetered Supplies Customer)
Hertfordshire county council	0/1	Other (Unmetered Supplies Customer)
TMA Data Management Ltd	0/1	Supplier Agent
Power Data Associates	0/1	Supplier Agent
GTC	2/0	Distributor

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Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Western Power Distribution	4/0	Distributor
Electricity North West Ltd	1/0	Distributor
Northern Powergrid	1/0	Distributor
IBM on behalf of ScottishPower	3/0	Supplier; Distributor; Supplier Agent
British Gas	1/0	Supplier
RWE npower	9/0	Supplier
ESP Electricity Ltd	1/0	Distributor
EDF Energy	10/0	Generator; Supplier; Non Physical Trader; ECVNA; MVRNA; Supplier Agent; Other (MOP; NHHDC; NHHDA; Consolidator)
SSEPD	2/0	Distributor
Harlaxton Energy Networks Ltd	1/0	Distributor
UK Power Networks	3/0	Distributor
Energetics Electricity	1/0	Distributor

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Summary of Consultation Responses

Respondent	Agree?	Impacted?	Costs?	Impl. Date?
Knowsley Metropolitan Borough Council	✓	✓	✗	✓
Hampshire County Council	✓	✗	✗	✓
Glasgow City Council	✓	✗	✗	✓
Denbighshire County Council	✓	✗	✗	✓
West Sussex County Council	✓	✓	✗	✓
Durham County Council	✓	✓	✓	✓
Derby City Council	✓	✓	✗	✓
Dudley MBC	✓	✓	✗	✓
Coventry City Council	✓	✓	✗	✓
Falkirk Council	✓	✓	✗	✓
Norfolk County Council	✓	✗	✗	✓
Kent County Council	✓	✗	✗	✓
Hertfordshire county council	✓	✗	✗	✓
TMA Data Management Ltd	✓	✗	✗	✓
Power Data Associates	✓	✓	✗	✓
GTC	✓	✓	✓	✓
Western Power Distribution	✓	✓	✗	✓
Electricity North West Ltd	✗	✓	✓	✗
Northern Powergrid	✗	✓	✓	✗

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Respondent	Agree?	Impacted?	Costs?	Impl. Date?
IBM on behalf of ScottishPower	✗	✓	✓	✗
British Gas	✓	✗	✗	✓
RWE npower	✓	✗	✗	✓
ESP Electricity Ltd	✓	✓	✓	✓
EDF Energy	✓	✗	✗	✓
SSEPD	✗	✓	✓	✗
Harlaxton Energy Networks Ltd	✓	✓	✗	✓
UK Power Networks	✗	✓	✓	✗
Energetics Electricity	✓	✓	✗	✓

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Question 1: Do you agree with the CP1414 v2.0 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
23	5	0	0

Responses

Respondent	Response	Rationale
Knowsley Metropolitan Borough Council	Yes	• Reduce administrative burden for Local Authorities, who have less administrative resource in recent years as a result of austerity measures. • Reduce the requirement for multiple MPANS and costs for Local Authorities. • Simplify inventory submission.
Hampshire County Council	Yes	Proposal leads to reduce costs and administration for local authorities.
Glasgow City Council	Yes	It will simplify our administrative activities. It will simplify our inventory recording and reporting. It will be easier to deal with future proposals from IDNOs. Overall these proposals will ease the operations of the involved tasks.
Denbighshire County Council	Yes	N.A
West Sussex County Council	Yes	Dealing with additional inventories is onerous and unlikely to be kept accurate. Our MA has informed us that the loads are too insignificant to register and therefore is not interested in managing them. We currently have two choices, either do not include the equipment on the inventory submission and defraud the DNO of this balancing item or submit the IDNO equipment along with the DNO supplied equipment thereby not defrauding the DNO, and put it down as a mistake. Neither of these solutions is an acceptable way forward and therefore the proposed solution is only practical way forward.
Durham County Council	Yes	Reduce cost, time and support for multiple monthly energy returns for Half Hourly and Non Half Hourly submissions.

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Respondent	Response	Rationale
Derby City Council	Yes	Avoidance of multiple MPAN numbers and billing and unnecessary burden of extra administration
Dudley MBC	Yes	This will enable us to include all our equipment connected to an Embedded LDSO supply on our street lighting Central Management System (CMS), including it on the Host LDSO Event Log for charging purposes – hitherto we were unable to do this as the Embedded LDSO MPAN was too small to be traded HH.
Coventry City Council	Yes	N.A
Falkirk Council	Yes	It will reduce Meter Administration charges to the Council, reduce the workload in supplying multiple inventories and allow HH trading of the small IDNO loads.
Norfolk County Council	Yes	It maintains a simple clear method of data submission with the burden of responsibility allocated to the appropriate parties. This also ensures that given austerity measures within Local Government that the Local Authority is not absorbing addition workload and its associated costs.
Kent County Council	Yes	Combining inventories will simplify inventory management and billing for local authorities.
Hertfordshire county council	Yes	As HCC only have DNO supplied Unmetered equipment this has no effect.
TMA Data Management Ltd	Yes	N.A
Power Data Associates	Yes	• it simplifies the administration of inventories for UMS customers • it reduces the number of inventories which a UMS customer must manage • it minimises the opportunity for double counting, which is currently occurring, hence causing overbilling to customers and incorrect settlement allocation Our customers are currently confused how to deal with the IDNO supplies. It is apparent that a number of them incorrectly add them to the LDSO inventory and expect the industry to 'sort it out', which is not unreasonable and will be achievable via this solution. Many local authorities are requiring developers to

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Respondent	Response	Rationale
		install CMS controlled lighting equipment as part of the design criteria for a new development. But once the equipment is installed it is not possible to manage the equipment using CMS in a NHH MPAN. The customer then approaches us about trading a small MPAN on a HH basis, which is not economic. "UK plc" may be missing out on the potential carbon savings from use of CMS.
GTC	Yes	• BU UK agrees with the proposed solution as it addresses the current scenario where Embedded LDSO UMS customers (Street Lighting Authority (SLA) customers in particular) are faced with an additional burden, as a result of having their inventory items connected to an EDNO network. This additional administration exists only to enable the host DNO to bill the EDNO for the use of its distribution system (i.e. inter-distributor billing), a bill which often, for the EDNO's largest UMS customers, amounts to no more than a few hundred pounds per customer per annum. Currently for most EDNO UMS customers the annual inter-distributor charge is less than £100. • The proposed changes will deliver improved service to UMS customers by simplifying the current administration process for customers with unmetered connections. The simplification of this process will allow customers (e.g. property developers) to award contracts to embedded LDSOs without the fear of highway adoption issues, this in turn will promote effective competition in the provision of connections and distribution services to distribution networks. Currently, some highway authorities are indicating that they will not adopt roads or UMS equipment connected to IDNO networks, (constructed as extensions to the existing host DNO network) because of increased costs and complexity. This has the potential to significantly distort competition in connections. • If the same network extension was adopted by the host DNO there would be no impact on the SLA other than a requirement to update their existing inventory. This requirement has the potential to put EDNOs at a disadvantage over the host DNO for new development sites as

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Respondent	Response	Rationale
		almost all developers are required to complete a highways adoption agreement with the SLA; the current arrangements make this process significantly more difficult if the developer awards the site to an EDNO. By allowing the customer the choice to trade its inventory under the host DNO's MSID regardless of whether the network extension is adopted by the Host DNO or another EDNO, this potential barrier to competition is removed and the customer receives improved service through reduction in administration. • Currently, a customer with unmetered connections to more than one licensed distributor within a GSP group is required as a minimum to maintain multiple inventories against multiple MSIDs (at least one per licensee within the GSP group). This can result in a significant increase in the administration of inventories and in the supply costs to the customer. • Should the customer wish to trade in the HH market, they have to appoint a Meter Administrator. Anecdotally we are advised that the meter administration charges are often levied on a per MSIDs basis resulting in substantially higher cost to the customer if their UMS connections are made to EDNO networks as opposed to the host DNO network. • We understand that only a limited number of suppliers are active in offering contracts for unmetered supplies. This is likely to be more so the case where inventories are very small. Therefore competition in supply is restricted. Also we understand that many suppliers do not offer contracts for UMS on IDNO networks. We understand that this may be because supplier systems do not have the capability to handle MSIDs other than from the former 14 ex PES distribution businesses. • These issues would be removed if the SLA can add the IDNO inventory to the existing DNO MSID and therefore apply the same rates. • UMS customers who wish to benefit from HH metering of their IDNO MSIDs will be able to add their IDNO connections to their DNO connections inventory thereby removing the

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Respondent	Response	Rationale
		need for additional meter administration charges. Furthermore UMS customers with connections from IDNO networks are often unable to take advantage of Pseudo HH MSID arrangements as IDNO inventories too small to warrant HH trading. Again this issue would be removed by this change proposal. • The change will improve the overall accuracy of settlement as it removes the current problem of the consumption being so low on IDNO MSIDs, which leads to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows, meaning that the IDNO cannot charge the Supplier and the DNO cannot charge the IDNO for consumption. Also the requirement to maintain multiple inventories is in itself a source of inaccuracy since UMS apparatus could be "double counted" by being included in different inventories or wholly missed off any inventory (A distributor would not know whether apparatus was included in the inventory of another distributor). • This change will provide governance around what is already happening in the industry, i.e. customers accidentally and also purposely adding IDNO inventories on DNO MSIDs. • The DNOs already provided UMSO services for connections that are not directly connected to their networks for some unmetered customers such as the Highways Agency and many local authorities in Scotland who effectively run licence exempt distribution networks to provide unmetered connections to their street furniture. What is being proposed through CP1414 has similarities although it is important to note that the requirements of the DNO are far less onerous under CP1414 as the EDNO retains full responsibility for the auditing and validation of the inventory of connections made to its network. In our view it would be very difficult for DNOs to argue against the implementation of CP1414 whilst continuing to provide this service to their customers noting that the EDNO's customer is contributing to the maintenance of the DNO's distribution system through the inter-distributor charges levied on the EDNO by the host DNO. • During the working group meeting to review

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Respondent	Response	Rationale
		CP1414 the DNOs present raised some of their concerns with the proposal. IDNO's made a presentation to the working group to address these concerns and we believe they have been addressed in this version of CP1414. The presentation have appended to our response for information.
Western Power Distribution	Yes	The changes will enable customers to list all their unmetered connections on one inventory. This will minimise the risk of items being listed on wrong inventories, or not at all. It will also reduce costs associated with administering additional embedded DNO MPANs.
Electricity North West Ltd	No	We provided a comprehensive response to the initial consultation on this change proposal and are appreciative of the opportunity to comment once again. In this section we identify our main concerns over this change proposal. As we stated in our initial response we do understand that from a customer's perspective one inventory and one bill from their Supplier of choice is beneficial. It does however seem to place an administrative burden on the distribution community and perhaps other industry parties to facilitate this, and in certain circumstances it cannot be achieved. A far easier solution would be for the Customer to mandate a consolidated bill from their Supplier as part of their contract discussions. We may have identified an unintended consequence should this change proposal be successful, in that it would put Supplier's in breach of the BSC by providing data to another Distributor (LDSO). When comparing the two versions of the change proposal there seems to be very little changed apart from an attempt to beef up the change proposal documentation, clarify some areas and respond to the early consultation questions, many of which unfortunately are not an acceptable response to us. As indicated above the intent to move to a single inventory will not always be achievable since the move is one way (upstream only) and only if the inventory is larger than the downstream one. An example of this is since this change proposal is open to all UMS Customers, including the NHH Market; there can be instances whereby builders and developers may have more sites in an Embedded LDSO's network than in an Upstream LDSO's

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Respondent	Response	Rationale
		network especially if it is a new builder to the area. These Customers are therefore being penalised and discriminated against. If you want an inventory consolidation it should be both ways and irrespective of consumption to be truly competitive. There does not seem to be any quantitative evidence provided with this change proposal. There seems to be no recognition of the Request for Information, and the feedback received from the Local Authority community, which as stated in our initial consultation response indicated that the perceived concerns were inconclusive, and indeed adoption agreements were now taking place (this was one of the main reasons for this change proposal being raised). For a response to the consultation document to indicate that breaches are currently taking place so it is acceptable to combine inventories is not a reason to approve this change proposal. Unfortunately the legal text is far from complete. On the one hand it makes it optional then on the other it is at a customer's choice. It does not follow through on all of the processes and actually identifies one process where there should be no change. This CP identifies that the problem/issue is with the portfolio billing arrangements for unmetered supplies under the Distribution Connection and Use of System Agreement (DCUSA), in that those current arrangements, including the inter-distributor billing process, result in Embedded LDSO's raising many separate MSID's and yet the solution proposed is to make amendments to Balancing & Settlement Code Procedure 520, and the Operational Information Document, to provide a customer with the option of submitting their unmetered inventories, irrespective of whose network the equipment is on, to the Host LDSO. In response to the first part, the billing, be it via portfolio billing or via the HH data flows will make no difference whatsoever to the volume traded and as such no impact on settlement, and on the second part we have seen no amendment to the Operational Information Document. Has this been reviewed or not? This CP cannot be approved until the necessary DCUSA changes obligate such a requirement. This is recognised in one of the clauses, yet omitted in

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Respondent	Response	Rationale
		another. It would seem appropriate that changes to the DCUSA be impacted/implemented first, indeed this should be DCUSA led, yet this proposal advises that the DCUSA change that has already been raised (DCP 203) does not affect the progression of CP1414 v2.0, even though its identified as a solution to the DCUSA issue identified in the paragraph above, and neither would the two further changes mentioned (1) to the National Terms of Connection within the DCUSA to ensure the term UMSO captures all inventories and (2) to enable the Embedded LDSO to recover its share of the revenue by the Host LDSO in respect of all the customers inventory connected to both the Host LDSO and any Embedded LDSO networks and yet the latter two are the key to delivering this change and provide a far greater understanding of the impact on parties so that a true assessment can take place when considering the relevant code objectives. In summary, we do not believe this CP should be progressed any further. If it is, a significant amount of work is still required.
Northern Powergrid	No	Northern Powergrid still feels it would be inappropriate to change the current industry process and fundamental roles of parties to as proposed by CP1414; although we recognise the work done by the working group to improve Version 1 to create Version 2. The consultation process for CP1414 does not establish that UMS customers will adopt the new arrangements; customer choice is important, however there is a need for a level of certainty that the proposed arrangements would work in practice before such a BSC change to rewire a process, fundamentally changes Party roles and responsibilities, and transfers additional administration to the Host LDSO. Such significant changes would be inappropriate unless it is clear that the vast majority of lighting authorities understand the proposals under CP1414 would benefit from the changes and would adopt the new arrangements. We have a number of concerns in this area: ▪ Whether a sufficient number of lighting authorities have been consulted; ▪ Whether sufficient numbers of lighting authorities have responded;

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Respondent	Response	Rationale
		▪ Whether sufficient numbers of lighting authorities have demonstrated that the proposed changes are understood, workable; and would deliver clear benefits to the lighting authorities; and ▪ Whether sufficient numbers of lighting authorities have confirmed that they would utilise and adopt the proposed arrangements. We note that only 16 lighting authorities responded to the Version 1 consultation which appears to be a small proportion of the total number of authorities apparently affected by issues driving CP1414, it is understood that there is a total of 146 authorities in England alone and so this level of response only represents circa 10% of that total number. The vast majority of lighting authorities were not party to the circulation for consultation and therefore, despite the efforts to forward the change proposal consultation onto interested parties, a wider circulation is needed for a full and representative view of stakeholder understanding. There is insufficient analysis to show the financial magnitude of the suggested costs of Suppliers and Meter Administrators from the existing arrangements i.e. on the costs that may be communicated through administration charges to SLA customers on a per MPAN basis. We feel it is important to understand the full impact of what is indicated as being one of the root causes of any current problems, and it was discussed in the working group that an indicative cost should be provided to allow for parties to understand the impact. Furthermore, there is no analysis of the additional costs being proposed on DNOs, it was indicated by members of the working group that system changes would be required to accommodate the additional data items and processes, and so no sufficient cost benefit analysis has been carried out. In addition, the proposal as drafted will not reduce the burden on the lighting authority in terms of separately identifying Embedded LDSO connected UMS items and it remains a concern that many SLA's may not be aware that they are required to separately identify street furniture connected to Embedded LDSOs. The change proposal states some customers already combine the inventories from different networks,

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Respondent	Response	Rationale
		but that does not make this the right solution and appears to be non-compliant with current arrangements. As indicated by a response to the version 1 consultation it is not clear that there will be a reduction in auditing costs, as the proposal indicates that the embedded LDSO would be required to carry out checks in respect of the equipment on its network. In fact it may increase the auditing required to be undertaken by the BSC to ensure that settlement is not being affected by processing data twice, and that the communication between the embedded LDSOs connected to an LDSOs network accurately reflects the inventory associated with each customer. Our view is that this may add to the burden of administration and so does not better facilitate BSC Objective (d) promoting efficiency of the balancing and settlement arrangement. We also have an additional concern in relation to potential increase in additional administration costs if this change proposal is approved. Unless clear sign-on to this change is achieved for all (or the vast majority of) lighting authorities it seems possible that the public lighting community's approach to treatment of IDNO connected assets could be spread across the following scenarios: ▪ Nil-recording, where no such connections are recorded on any inventories; ▪ Incorrect/incomplete application of the current procedure; ▪ Correct application of the current arrangements; ▪ Correct application of the new CP1414 arrangements; or ▪ Incorrect/incomplete application of the new CP1414 arrangements. A programme to educate the relevant parties on their responsibilities in relation to unmetered connections and Embedded LDSOs should be put in place (perhaps by Elexon and the Embedded LDSOs), whether the change proposal progresses further or not. As we previously indicated it is understandable and entirely logical that Embedded LDSOs have targeted housing and commercial developers to promote competition in connections as the controlling entities for contracts for utilities

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Respondent	Response	Rationale
		on any given new site. However, this approach may have left some lighting authorities on the side-lines and blind to the fact that their street furniture would be connected to an Embedded LDSO network (rather than to an upstream LDSO's network) until the latter stages of a development (the adoption phase), a point that was highlighted by a customer in the consultation for version 1 of this change proposal. It is understood from the working group's activities that Suppliers reserve the right to refuse to register supplies; however electricity supplies should not be left in a position where the energy is not being accounted for and settled and a default position should be explored for all unmetered supplies. If one of the aims of this change is to establish a supplier for smaller inventories this change proposal does not fully address that problem. In respect of this issue this change proposal is only a partial solution and this should be specifically addressed separately (perhaps by a subset of Suppliers working with Elexon). Incorporating Embedded connected equipment on to LDSO inventories appears to rely on the assumption that the supplier's contract for the electricity consumption of LDSO connected equipment can also accommodate the consumption of Embedded LDSO connected equipment. Under the proposed arrangements would the relevant supplier need to confirm to the UMS customer that Embedded LDSO equipment can be included on the LDSO inventory? There is no indication in the CP1414 proposals as to whether suppliers would simply accommodate the proposed arrangements in existing supply contracts or if customers would be required to renegotiate their supply contracts in order to achieve any of the perceived benefits of this change and whether the customer would be financially penalised for doing so. The question of relevant licence obligations does not appear to have been fully addressed i.e. where obligations on Distributors to bill DUoS may not create right to bill in respect of other Distributor's DUoS. We note that the change proposer may be satisfied that no breech of distribution licence conditions would arise from this change proposal, however is this the view of the working group? While it is understood that inter-distributer billing

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Respondent	Response	Rationale
		arrangements will be handled under a DCUSA change that is outside of the scope of this change it is important to highlight that the proposal as drafted would also cause other issues, including potentially serious issues for Use of System billing.
IBM on behalf of ScottishPower	No	This proposal follows on from DCUSA DCP 168 which was withdrawn in the face of significant concern from the DNOs as to the lack of evidence behind it and the lack of full understanding from the proposer of the wider effects of the proposal on existing Industry Processes. We also note that an amended proposal DCP203 has replaced this and seeks to reduce the DUOS tariff options (LLF categories) from the existing choices to a single overall charge level – if successful, this in itself will significantly reduce the volumes of tariffs/MPANs in the system and in effect remove the main basis behind this CP1414 proposal. SPEN consider that the previous and this current CP is attempting to address a what is in essence a relatively small issue impacting narrow and specific sectors of the EDNO and Local Authority Market, with the root cause relating to Supplier billing processes around MPAN Management and Billing procedures (specifically the application of Standing Charges for every MPAN created), as well as the Administrative costs around MA HH Trading profiling activities – on this basis, rather than introducing significant changes to DNO and other LDSO processes, SPEN believe that it is the Supplier Billing and Meter Administration processes that should be challenged. SPEN and other DNOs have continually pressed for evidence of volumes and values, and indeed have provided our own evidence as follows: The DUOS values confirmed as currently applying to ALL EDNO UMS portfolios within SPEN equate to £775 per month (see figures below). Allowing for a "discount factor" to apply to throughput, clearly this proposal cannot reasonably be considered as cost-efficient for the LDNOs or even the wider market. We feel that the scale of this issue has been overstated. The CP states that '…a UMS customer could potentially be required to trade, 180 separate MSIDs against its portfolio of UMS connections.' SPEN's actual figures (showing combined totals across ALL EDNO parties) as presented to the

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Respondent	Response	Rationale
		DCP168 working group were as follows: ▪ SPOW had 4 EDNOs with 68 MPANs at LV (DUoS of £400 per month) ▪ MANW had 2 EDNOs with 24 MPANs at LV (DUoS of £50 per month) ▪ SPOW had 3 EDNOs with 62 MPANs at HV (DUoS of £300 per month) ▪ MANW had 2 EDNOs with 18 MPANs at HV (DUoS of £25 per month) ▪ Both SPD & SPM had 0 EDNOs with 0 MPANs at EHV (DUoS of NIL) ▪ Both SPD & SPM had 0 EDNOs Billing UMS at HH (DUoS of NIL) Thus the potential is not at all proven when evidencing the actual volumes of MSIDs. On this point, SPEN are minded to point out that in the section relating to the 'Items and Questions raised by Issues Group Members' – Item 7 (concerns around Adoption responsibilities) are dismissed on basis that 'this view does not reflect the actual case of the ground', which is exactly our point above. We believe that contrary to the statement in the proposal, the integrity of settlement values is compromised by this change. DNOs will require to submit EAC D0052 flows containing values not relating to just their own Network, but to those of several other EDNO Networks. Thereafter LDNOs would be billing DUoS to the Suppliers based on falsely inflated D0052 volume. From the Revenue side, this means that DNOs would also then have to change their Sales Reporting and Losses calculations mechanisms/methodologies to take account of this newly created inaccuracy (overstatement of units relevant to the LDNO actual market), introducing new functionality to record and deduct all relevant EDNO UMS values within the process as well as introducing new processes around Accounts Payable activities which do not currently form part of DNO Accounts Receivable processes within existing DUOS Billing systems. The proposal seeks to combine inventory management processes and effectively transfer administrative processing responsibility from LAs and EDNOs to DNOs, and suggests efficiency gains

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Respondent	Response	Rationale
		throughout. We do not believe that this change reduces costs and administration, as the additional administration being introduced within LDNOs will more than offset any perceived reduction across the other parties (see question 2a). Sections of the proposal refer to the need for the LA to continue to maintain separate records for the DNO and EDNO parties, the need for the EDNO to continue to validate and confirm each separate part of that inventory, and advise DNOs accordingly by means of EAC Certificates, and finally introduces a new party 'Nominated Collection Agent' (see 'Items and Questions raised by Issues Group Members' – Item 3, whose role is to receive every inventory submitted to the host LDSO, and forward an 'extract' of the Embedded LDSO items to the Embedded LDSO, presumably for validation. In our opinion, these activities are not therefore reduced at all, across any party, with significant additional activities impacting DNO Inventory processing activities, as well as the new 'Collection Agents' activities, which we believe will inevitably add further steps and therefore delays to the overall process. SPEN have serious concerns that this suggested process is ill-considered as it adds significant delays to existing inventory updating process, as the process states that Host LDSO's will receive a UMS Certificate to confirm that the Embedded LDSO Inventory has been validated – this adds a considerable burden to all Host LDSOs to ensure that they receive all certificates from every Embedded LDSO and combine them to validate against each customer submission. Even in a perfect world this is likely to take considerable time and will not meet demands on Host LDSOs to process all Inventories timeously to meet internal and settlement timescales. SPEN have further and significant concern with as yet unknown 'Collection Agents' automatically being given free access to Customer detailed UMS Inventory data across the host DNO Network, as well as across other Embedded Networks. Thus in our view BSC Objectives c and d are not better met by this proposal.

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Respondent	Response	Rationale
British Gas	Yes	N.A
RWE npower	Yes	N.A
ESP Electricity Ltd	Yes	The changes proposed greatly improve the service for all UMS customers by removing the additional costs and extra admin they incur when adopting UMS inventories on Embedded LDSO networks. These additional costs and admin are mainly brought about by the requirements imposed on Embedded LDSOs to support inter-distributor billing. The additional costs come about mainly due to following reasons: ▪ The UMS customer not being able to take advantage of their already agreed contracted competitive rates with their preferred supplier. ▪ Additional MA charges on HH MSIDs ▪ Additional standing charges for additional MSIDs. The change allows UMS customers to trade Embedded LDSO inventories HH and take advantage of the carbon reduction incentives as Embedded LDSO inventories are typically too small to warrant HH trading. The change removes the barrier on competition by allowing the UMS customer (without the concerns of incurring additional MSID costs) to planning applications for developers who intend to contract with an Embedded LDSO for their development. The change also improves accuracy in Settlements as it removes the current problem of the consumption being so low on Embedded LDSO MSIDs that it leads to consumption in kWh not appearing in the 3 decimal MWh fields in the industry billing flows (D0030 for NHH and D0036 for HH). This results in the Embedded LDSO applying a zero charge to the Supplier and the Host LDSO applying the same zero charge to the Embedded LDSO for consumption, increasing losses as a result. This zero charge however does not make it through to the UMS Customer, who is billed for their consumption. Additionally the change also puts governance around what in practice is already happening in many instances i.e. the UMS customer deliberately (to avoid additional costs) or accidentally adding

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Respondent	Response	Rationale
		Embedded LDSO inventories to Host LDSO MSIDs. This change reduces the number of separate small inventories required to be traded by UMS customers. There is a relatively small number of electricity Suppliers in the UMS market and smaller inventories are less attractive to many Suppliers. This change will significantly reduce the number of small inventories in the market, which in turn will make the UMS market more attractive to competition in supply. The change can already be supported by many parties in the industry: ▪ Many UMS customers have the ability to 'split' and record inventories between different LDSOs (e.g. when a Local Authority operates across more than one GSP); ▪ Suppliers will not see any effect on their billing processes; ▪ no adverse effects on Settlement; ▪ small impact on admin process for Host LDSOs. Having discussed the change with a number of Host LDSOs, it is our understanding that this change would not require a significant increase in administration on the Host LDSO – the Embedded LDSO would still have the obligation to ensure the inventory is valid for their connections (via connection agreements with the customer ensuring audits are carried out etc.) and would investigate any discrepancies. Finally, at the Issue Working Group on the CP, some LDSOs raised concerns over collected DUoS for exit points not connected to their own systems. In response to this it was stated that the LDSOs already provide UMSO services for exit points that are not directly connected to their networks for some unmetered customers such as the Highways Agency and many local authorities in Scotland who effectively run licence exempt distribution networks to provide unmetered connections to their street furniture. What is being proposed through CP1414 has similarities although it is important to note that the requirements of the LDSO are far less onerous under CP1414 as the EDNO retains full responsibility for the auditing and validation of the inventory of connections made to its network. In our view it

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Respondent	Response	Rationale
		would not be appropriate for LDSOs to argue against the implementation of CP1414 whilst continuing to provide this service to their customers noting that the EDNO's customer is contributing to the maintenance of the Host LDSO's distribution system through the inter-distributor charges levied on the EDNO by the Host LDSO.
EDF Energy	Yes	N.A
SSEPD	No	No because it will introduce additional manual processes for DNO UMSOs to manage. It will require additional billing functionality requirements that are currently not present. There appears to be a lack of evidence in the proposal that this is a problem of any significance that would justify the additional costs. As a DNO that operates both in our host area and in all other areas nationally we do not perceive this to be an issue.
Harlaxton Energy Networks Ltd	Yes	CP1414 V2.0 will give the UMS customer the option to trade their UMS connections from embedded LDSO networks under a single LDSO MSID. This is achieved by combining inventories of connections with the existing inventory linked to the already registered LDSO's MSID, benefiting the customer and delivering an improved service. The change also removes the barrier on competition by allowing the UMS customer to award contracts to developers who intend to contract with an embedded LDSO for their development without the concerns of incurring additional MSID costs, promoting healthier competition within the industry.
UK Power Networks	No	We believe that the CP does not address all the issues that a successful outcome requires. There are still a number of considerations which need to be addressed which include: • Licence and/or DCUSA changes including; ○ Changes to the price control mechanism and charging methodology to facilitate collecting the additional "use of system" charges for connections on an Embedded LDSO, ○ How costs incurred by Host LDSOs to implement this change would be recovered for providing the additional service. E.g. £ per month for each inventory, ○ Changes to the National Terms of

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Respondent	Response	Rationale

		Connection to apply between the Embedded LDSO and the customer.
		• Schedule 2B of DCUSA for the Embedded LDSOs to ensure:
		  ○ assets requested by the customer to be added to Host LDSOs MSID are included in the single inventory,
		  ○ suitable separation of asset responsibility in the inventory, and
		  ○ obligations on the Embedded LDSO such as auditing and validation of the inventory connected to their network are carried out.
		• How suppliers would provide the correct contact details for customers to contact the correct LDSO in emergencies for both the Host LDSO who is billing the Supplier and for each Embedded LDSO with connections under the same MSID.
		• Whether, if the customer chooses to include items within the Embedded LDSO on a Host LDSO's inventory, they must be included within a Host LDSO's inventory within the same GSP group.
		• How inventory items for various Embedded LDSOs that are included within one Host LDSO inventory will be separately identified.
		• The need to split consumption between the Host and Embedded LDSOs for Units Distributed reporting and inter-distributor billing. However, the solution presented requires further consideration to ensure accuracy where the Local Authority employs a Central Management System to control their lights.
		In order to maintain the accuracy and transparency of our own data, we prefer to maintain the Embedded LDSOs inventory separately on a different MPAN rather than combine it on one MPAN as the proposed solution requires.
		The issue identified in the CP form of up to 180 MSIDs per GSP area would be reduced to a theoretical 20 MSIDs across four or five Inventories/Invoices by DCUSA change DCP 203 if implemented. The biggest single issue which

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Respondent	Response	Rationale
		CP1414 seeks to address is dependent on DCP 203 being implemented which would significantly reduce the number of MSIDs which has been used to justify this change. The Justification for Change states that this change would reduce costs and administration; however we cannot see how we could maintain accuracy of data without potentially significant increased cost and administration where one MPAN is used for connections to the Host LDSO and potentially several Embedded LDSOs networks.
Energetics Electricity	Yes	The change will improve efficiency for customers by simplifying the whole UMS process. The customer experience will be greatly improved by simplifying the payment methods and reduction in administrative duties.

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Question 2: Do you agree that the draft redlining delivers the CP1414 v2.0 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
22	4	2	0

Responses

A summary of the specific responses on the draft redlining can be found at the end of this document.

Respondent	Response	Rationale
Knowsley Metropolitan Borough Council	Yes	N.A
Hampshire County Council	Yes	N.A
Glasgow City Council	Yes	N.A
Denbighshire County Council	Yes	N.A
West Sussex County Council	Yes	N.A
Durham County Council	Yes	It currently takes a considerable amount of time and hours.
Derby City Council	Yes	Simplifies the process for providing inventory details
Dudley MBC	Yes	Does not require any major change to BSCP520 settlement system; requires liaison only between Embedded and Host LDSOs
Coventry City Council	Yes	N.A
Falkirk Council	Yes	N.A
Norfolk County Council	Yes	N.A
Kent County Council	Yes	N.A
Hertfordshire county council	Yes	N.A
TMA Data	Yes	N.A

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Respondent	Response	Rationale
Management Ltd		
Power Data Associates	No	Some changes are required to the redlining for clarification and to correct typos. See section below.
GTC	Yes	N.A
Western Power Distribution	Yes	N.A
Electricity North West Ltd	No	As indicated in our earlier response significant process changes have been omitted. These are covered in more detail under the CP red-lined text.
Northern Powergrid	Yes	N.A
IBM on behalf of ScottishPower	Neutral	N.A
British Gas	Yes	N.A
RWE npower	Yes	N.A
ESP Electricity Ltd	Yes	Typos in text – see last section in this response form for detail.
EDF Energy	Yes	N.A
SSEPD	No	N.A
Harlaxton Energy Networks Ltd	Yes	N.A
UK Power Networks	No	The CP refers to changes to the OID but this has not been included with the consultation. This change in isolation places obligations on the Host LDSO and Embedded LDSOs which they are unable to fulfil without the associated DCUSA changes to make this solution workable. Also note 1.3.1 has a typo "LDDO"
Energetics Electricity	Neutral	N.A

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Question 3: Will CP1414 v2.0 impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
18	10	0	0

Responses

Respondent	Response	Rationale
Knowsley Metropolitan Borough Council	Yes	IDNOs not currently operating NHH which would enable CMS.
Hampshire County Council	No	N.A
Glasgow City Council	No	N.A
Denbighshire County Council	No	N.A
West Sussex County Council	Yes	The County Council will be required to insert an extra field in the inventory to identify the cable owner as separate from the receiver of the inventory file. This will be a fairly straightforward operation not demanding a great deal from the customer.
Durham County Council	Yes	This will simplify energy returns, currently Durham County have a half hourly & non half hourly MPANs and submit energy returns on a monthly basis, this arrangement was introduced over a year ago. The arrangement to submit one energy submission to Northern Power Grid should continue and allow NPG to manage multiple IDNO's. It will allow the submission of energy returns in a single format to NPG, however, there would still be a need to record on the database each IDNO/DNO. Investment will be required to develop the database further to allow for the gradual introduction of IDNO's.
Derby City Council	Yes	It will have a positive effect on our organisation as this will help us to reduce/avoid extra administration and costs
Dudley MBC	Yes	Impact will be favourable as we will only generate a single inventory for all our equipment.

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Respondent	Response	Rationale
Coventry City Council	Yes	Coventry City Council requires Developers to install CMS controlled lighting equipment on all new developments within the city. It is not possible to manage CMS equipment using the non-half hourly IDNO MPAN. It is not economic to trade half hourly on a very small development.
Falkirk Council	Yes	It will simplify the administration of the UMS inventory and improve the accuracy of reporting.
Norfolk County Council	No	N.A
Kent County Council	No	N.A
Hertfordshire county council	No	N.A
TMA Data Management Ltd	No	N.A
Power Data Associates	Yes	It will have a positive impact enabling us to provide a cost effective Meter Administrator service to customers where they have unmetered supplies provided by both the host LDSO and embedded LDSOs particularly where the customer has invested in CMS controlled equipment to achieve carbon savings and meet government targets for demand reduction.
GTC	Yes	• We like other IDNOs acquire assets from new developments that require the construction of an extension to the host DNO's network. One of the critical path items for any development is the successful handover of constructed adoptable highways to the local authority upon completion of the development. The current industry arrangements have caused problems for developers finalising the adoption of these highways when they choose to appoint an IDNO to adopt the extension assets from the host DNO networks. If this situation continues it is highly likely that it will have a significant impact on competition in connections as developers may be deterred from choosing IDNOs in future. The successful implementation of CP1414 will remove this barrier and will have a positive impact on our ability to compete against the host DNO's owns connections business for network extension serving new developments.

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Respondent	Response	Rationale
		• From an UMSO perspective, the proposed solution can be easily implemented within our current systems of tracking and recording customer inventories connected to our networks as the responsibilities for validating such inventories remains our responsibility. This will ensure that the DNO does not need to take on any additional UMSO responsibilities. • We will ensure that our UMS customers enter into a connection agreement to ensure that their inventories for connections to the IDNO network are correctly maintained.
Western Power Distribution	Yes	Minimal administration changes to UMSO inventory processing system.

Electricity North West Ltd	Yes	There are a number of consequential impacts to our processes:
		• We could potentially start to receive some inventories that contain unmetered equipment that is not connected to our network, which in our view could blur the lines between Host LDSO's and Embedded LDSO's and result in customers contacting us with unmetered supply enquiries instead of the Embedded LDSO.
		• We would have to review/update our current processes and procedures to ensure we catered for the new relationship between the Host LDSO's UMSO and the Embedded LDSO's UMSO. Such processes would include (but not limited to until a full understanding of the changes are understood):
		  ○ Inter distributor billing;
		  ○ Query management involving customer/MA/Embedded UMSO/Supplier;
		  ○ System changes due to:
		  ▪ NHH billing based on EAC (this change proposal would necessitate the need to hold a number of different EACs for each LDSO with a summation of them to bill the Supplier the correct value;
		  ▪ Inventory management holding more than one LDSO inventory; and
		  ▪ verification of consumption compared

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Respondent	Response	Rationale
		to multiple inventories ○ Losses reporting; ○ Transfer back to Embedded UMSO's whereby the Host UMSO's EAC is less than the embedded one (more likely in NHH market than HH market with certain builders); and ○ Inter distributor discussions associated with agreeing to transfer inventories. Without the requisite changes to DCUSA our view is that we would not need to do anything (as per clause 1.2.1s) even post implementation and as such clause 1.3.1 should be subject to this clause because without it, it won't work in practice until the DCUSA changes are made.
Northern Powergrid	Yes	One-off IT costs will be required to accommodate this proposal. The firm costs have not been established as yet and there will be ongoing administrations costs that will need to be considered. There will also be the need to ensure that customers who wishing to combine their Embedded LDSO inventories and the Host LDSO inventories are aware of the specific requirements prior to the implementation of the changes. There may also be costs associated to any related DCUSA change to facilitate the billing arrangements.
IBM on behalf of ScottishPower	Yes	As detailed in our response to Q1, the proposal introduces significant changes to administrative arrangements surrounding the UMS Inventory Management Process, as well as to our existing DUoS Billing processes. Furthermore, if approved, there will be significant changes relating to transition and ongoing processing of Inventory Information: Proposed Solution section (points 4 & 5) cover the transfer of inventory 'changes' and suggest that a process for liaison between the parties will be put in place – SPEN consider that this is a significant administrative activity and any future process should be set out and form part of the CP. This on the basis that it may be challenging and cumbersome to explain the new procedure and set up relevant contact points and clear demarcation lines for each part of the MPAN creation and

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Respondent	Response	Rationale
		Inventory compilation process. e.g. all impacted UMS inventories EAC calculations will change, resulting in new D0052 EAC Flows from EDNOs and LDNOs for the full MPAN ranges, this only after detailed examination and verification of the data contained within current submissions, once these are exchanged between the parties. Thereafter, as stated in our Q1 response, a full range of Purchase Order preparation and Accounts Payable validation and payment procedures may need to be set up to settle the EDNO UNS Billing invoices. Finally, the impact of the settlement error introduced by this proposal needs to be assessed and the appropriate impact Analyses carried out to identify the procedural and system changes required, together with costs of same.
British Gas	No	N.A
RWE npower	No	N.A
ESP Electricity Ltd	Yes	We, as an LDSO, are impacted significantly by this change. Currently some street lighting/local authorities (SLA/LAs) are indicating that they will not adopt roads or UMS equipment connected to Embedded LDSO's (particularly IDNOs) networks because of increased costs and complexity. This can significantly distort competition in connections. Allowing the UMS customer to trade the embedded inventory on the Host LDSO's MSID removes the additional costs incurred. This CP will remove the issues associated with multiple MSIDs and permit the UMS Customer/SLA/LAs to successfully adopt newly constructed highways and UMS inventories without fear of significant additional costs. This in itself promotes competition in electricity connections and distribution. If the same network was adopted by the Host LDSO there would be no impact on the SLA/LA other than a requirement to update their existing inventory. This requirement has the potential to put EDNOs at a disadvantage over the Host LDSO for new development sites as almost all developers are required to complete a highways adoption agreement with the SLA; the current arrangements make this process significantly more difficult if the developer awards the site to an EDNO. By allowing the customer the choice to trade its inventory under

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Respondent	Response	Rationale
		the Host LDSO's MSID regardless of whether the network is adopted by the Host LDSO or another EDNO, this potential barrier to competition is removed and the customer receives improved service through reduction in administration. **If the current situation was allowed to continue, it will have a significant impact on competition in connections as UMS Customers, particularly developers, will be deterred from choosing IDNOs in the future.**
EDF Energy	No	N.A
SSEPD	Yes	N.A
Harlaxton Energy Networks Ltd	Yes	We will continue to have full legal and regulatory responsibility for connections made to our Distribution System, including being responsible for validation and auditing of items in the customer's inventory connected to our Distribution System. Evidence would be provided to the host LDSO to prove that a Connection Agreement is in place, this will provide confirmation that the inventory has been validated. Audit results would similarly be shared with the host LDSO, therefore there would be no increased burden on the host LDSO. We will need to modify the DCUSA to ensure that there are contractual arrangements in place to require the IDNOs to monitor/audit the inventories relating to connections to their networks to avoid the DNO UMSO having to take on any additional UMSO responsibilities.
UK Power Networks	Yes	There would be significant impact on our business including: • System changes. • Significant additional UMSO administrative processes, particularly with a multiplicity of Embedded LDSO networks, • Maintaining separation of data for operational needs, e.g. easy identification for emergency needs, • Validation and payment of invoices from LDSOs for connections to their networks, • Managing inventories of connections to our network and the Embedded LDSOs within the same MSID,

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Respondent	Response	Rationale
		• Complexity of BSC audit
Energetics Electricity	Yes	The current process hinders IDNO's winning networks by subjecting customers to extra costs. The change would remove the barrier to entry by allowing customers greater flexibility and assurance in contracting with the associated IDNO. The change would make it easier for IDNOs to obtain signed SLAs thereby allowing the Local Authority's adoption process to be greatly improved.

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Question 4: Will your organisation incur any costs in implementing CP1414 v2.0?

Summary

Yes	No	Neutral/No Comment	Other
8	20	0	0

Responses

Respondent	Response	Rationale
Knowsley Metropolitan Borough Council	No	N.A
Hampshire County Council	No	N.A
Glasgow City Council	No	N.A
Denbighshire County Council	No	N.A
West Sussex County Council	No	N.A
Durham County Council	Yes	Additional Investment in street lighting database such as introducing multiple asset layers for each and every IDNO, also additional business administrative support, site staff to monitor all IDNO's. The will be an initial cost, however, there should be a service level agreement introduced to control each and every IDNO.
Derby City Council	No	N.A
Dudley MBC	No	There will actually be a small cost saving in staff time (generating inventory) and electricity consumption (by enabling Embedded LDSO inventory to be traded HH)
Coventry City Council	No	N.A
Falkirk Council	No	N.A
Norfolk County Council	No	N.A
Kent County	No	N.A

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Respondent	Response	Rationale
Council		
Hertfordshire county council	No	N.A
TMA Data Management Ltd	No	N.A
Power Data Associates	No	There will be no additional costs incurred by Meter Administrators if combined inventories are implemented.
GTC	Yes	We anticipate that we will be required to cover the on-going cost of a Collection Agent to disaggregate the customer's entire inventory connected to the Host DNO and any EDNOs networks into the individual component parts to enable each network operator validate and or audit the connections to their respective network. As customers will be obliged to distinguish between different network operators within their inventory we do not envisage this activity to be a substantial task and therefore, when shared between all EDNO network operators, not a significant on-going costs.
Western Power Distribution	No	N.A
Electricity North West Ltd	Yes	There will be costs to undertake the processes identified above, but as we believe this proposal should be considered after any DCUSA changes it would be difficult to understand the full cost implications at this time. Costs incurred will be both one off and ongoing based on the processes identified above.
Northern Powergrid	Yes	Please see our answer to question 3.
IBM on behalf of ScottishPower	Yes	SPEN already incur reasonable costs in processing our own Host LDSO UMS Inventories – these cover IT system development and support as well as clerical resource costs. We would assess that there will be significant impact on both IT and Resource costs to deal with the changes as proposed. There would be a requirement to put in additional check points into our systems to allow separation of the data sets across the impacted Host and Embedded LDSO and produce KPIs and management reports not currently available. We would also envisage a requirement for an additional clerical resource to

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Respondent	Response	Rationale
		deal with the new and additional communication channels that the proposed solution demands – i.e. to communicate with all Embedded LDSO, their Collection Agents and most importantly the customer themselves, particularly in explaining the complexities introduced by the 'improved' process and in handling queries from the Customer as and when Supplier Charges do not meet their expectations. Additional Development Costs of £100k and ongoing Operational Costs of £30k would not be unreasonable and we would expect to be able to recover these from the EDNOs.
British Gas	No	N.A
RWE npower	No	N.A
ESP Electricity Ltd	Yes	There has been some discussion regarding EDNOs being required to cover the on-going cost of a Collection Agent to disaggregate the customer's entire inventory connected to the Host LDSO and any EDNOs networks into the individual component parts to enable each network operator validate and or audit the connections to their respective network. As customers will be obliged to distinguish between different network operators within their inventory we do not envisage this activity to be a substantial task and therefore, when shared between all EDNO network operators, not a significant on-going cost.
EDF Energy	No	N.A
SSEPD	Yes	This would require changes to our billing and financial systems. Additional resource would be required to manage the manual administration work. Training would be required for our emergency service centre staff to ensure any customer issue on the EDNO unmetered network is directed to the correct location. This could lead to customer dissatisfaction.
Harlaxton Energy Networks Ltd	No	We do not anticipate any additional costs to our organisation as a result of the proposed changes.
UK Power Networks	Yes	There would be administration costs for setting up new processes to validate inventories. This will include the need for IT system changes, however we are unable to fully assess the impact and cost this will have until the full solution including the DCUSA changes is available. There would be ongoing operational costs including

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Respondent	Response	Rationale
		administration for charging and auditing. We would need mechanisms to recover variable and fixed costs as a result of this change, e.g. by charging on a £ per month per inventory basis for administering each inventory on an Embedded LDSO network.
Energetics Electricity	No	N.A

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Question 5: Do you agree with the proposed implementation approach for CP1414 v2.0?

Summary

Yes	No	Neutral/No Comment	Other
23	5	0	0

Responses

Respondent	Response	Rationale
Knowsley Metropolitan Borough Council	Yes	Need to minimise impact on Local Authorities
Hampshire County Council	Yes	N.A
Glasgow City Council	Yes	N.A
Denbighshire County Council	Yes	N.A
West Sussex County Council	Yes	This is the most practical way forward for all concerned, I understand the DNO's issue as to 'why should they have to do this for the IDNO's' but that aside it covers all the bases for all parties.
Durham County Council	Yes	All IDNO's should submit their individual submissions to NPG (Regional DNO) which would allow for minimal changes, this would allow the customer (Local Authority) the benefit of managing their asset.
Derby City Council	Yes	N.A
Dudley MBC	Yes	Appears to be logical and comprehensive in its approach
Coventry City Council	Yes	This will streamline the maintenance of unmetered supplies Inventories and same administrative time processing individual DNO/IDNO Inventories.
Falkirk Council	Yes	N.A
Norfolk County Council	Yes	N.A
Kent County Council	Yes	N.A
Hertfordshire	Yes	Has no detrimental effect to our arrangements

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Respondent	Response	Rationale
county council		currently
TMA Data Management Ltd	Yes	N.A
Power Data Associates	Yes	The implementation approach does not propose any changes to existing energy settlement arrangements, if anything it will simplify them by reducing the number of MPANs. The only changes are to inventory submission processes simplifying the process for customers and eliminating the risk of incorrect submissions that could result in over/understatement of unmetered energy in settlements. The inventory submission process changes are only required to enable the LDSOs to "sort out" the DUoS charges between themselves, and have no effect of the final DUoS charge to the customer.
GTC	Yes	N.A
Western Power Distribution	Yes	N.A
Electricity North West Ltd	No	We believe that only when the problems/issues described by CP1414 v2.0 around the DCUSA portfolio billing arrangements for unmetered supplies and amendments to inter distributor billing are resolved can an implementation approach be considered for this CP. Indeed it is somewhat disappointing that the DCUSA changes identified during this process have not been raised which this change proposal would need to depend on. Implementation should therefore be deferred until the approval of the DCUSA changes and align with the DCUSA implementation date rather than approve this change proposal that may ultimately not be required. To do so would not better facilitate BSC objective (d) - "promoting efficiency in the implementation and administration of the balancing and settlement arrangements."
Northern Powergrid	No	It was established that a parallel change to DCUSA will be required to accommodate inter-distributer billing. As this is the case, coupled with system changes, the implementation date proposed will be difficult to achieve and suggest that June 2016 is a more reasonable date. If, under BSC arrangements there is a 'minded to approve' position established for CP1414 would it be possible to hold off such formal approval until such a DCUSA change had

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Respondent	Response	Rationale
		been approved? We see this as important so that parties do not end up in a disjointed position where CP1414 may be approved and the DCUSA change may be rejected. There may be a requirement to provide education and guidance to lighting authorities (by Elexon and/or the embedded LDSOs) in order to clarify the options available to them and potentially on the responsibilities of all parties in the new process. If this is not done properly it is likely to add to risk that inventories are not maintained properly and that the associated revised settlement and billing arrangements may not be sufficiently robust. In addition, time would need to be allowed for IT system upgrades and assessment of the potential impact onto the business processes.
IBM on behalf of ScottishPower	No	Based on responses above, SPEN do not support the change and therefore cannot agree to any implementation approach for same.
British Gas	Yes	N.A
RWE npower	Yes	N.A
ESP Electricity Ltd	Yes	Implementation is proposed for June 25th 2015 as part of the June BSC systems release and is the earlier release that this CP can be included.
EDF Energy	Yes	N.A
SSEPD	No	N.A
Harlaxton Energy Networks Ltd	Yes	The changes proposed greatly improve the service for all UMS customers by removing the additional costs and extra administration they incur when adopting UMS inventories on embedded LDSO networks.
UK Power Networks	No	Any system changes would not have time to be completed before the proposed implementation date. We estimate that system changes would require 6-9 months for completion, however this cannot be verified until the complete solution including changes to DCUSA have been agreed. This CP would need to be implemented in conjunction with • Licence and/or DCUSA change that would need to include; ○ Changes to the price control mechanism and charging methodology to facilitate

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Respondent	Response	Rationale
		collecting the additional "use of system" charges for connections on an Embedded LDSO, ○ How costs incurred by Host LDSOs to implement this change would be recovered for providing the additional service. E.g. £ per month for each inventory, ○ Changes to the National Terms of Connection to apply between the Embedded LDSO and the customer. • Schedule 2B of DCUSA for the Embedded LDSOs to ensure: ○ assets requested by the customer to be added to Host LDSOs MSID are included in the single inventory, ○ suitable separation of asset responsibility in the inventory, and ○ obligations on the Embedded LDSO such as auditing and validation of the inventory connected to their network are carried out.
Energetics Electricity	Yes	N.A

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Question 6: Do you have any further comments on CP1414 v2.0?

Summary

Yes	No
8	20

Responses

Respondent	Response	Comments
Knowsley Metropolitan Borough Council	No	N.A
Hampshire County Council	No	N.A
Glasgow City Council	No	N.A
Denbighshire County Council	No	N.A
West Sussex County Council	No	N.A
Durham County Council	Yes	DNO's (NPG in this region) have carried out an audit on Durham County Council for which Quality Assurance Documentation was introduced in 2013, this should be followed by all IDNO's which should allow NPG to manage all individual energy submissions.
Derby City Council	No	N.A
Dudley MBC	No	N.A
Coventry City Council	No	N.A
Falkirk Council	No	N.A
Norfolk County Council	No	N.A
Kent County Council	No	N.A
Hertfordshire county council	No	N.A
TMA Data Management Ltd	No	N.A

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Respondent	Response	Comments
Power Data Associates	Yes	The amendments to section 3.1.1 and 3.2.2 appear to be accommodating a process for the IDNO to bill the DNO for DUoS charges that it will have collected on behalf of the IDNO. They may not be appropriate for BSCP520, although BSCP520 has historically recorded actions required of customers, so it is unique amongst BSCPs in that respect. The amendments may cause confusion amongst customers over what apparatus detail in the form of an inventory is required to be sent by them to the respective UMSOs. For the purposes of settlements the customer is only required to send a single inventory to the Host UMSO containing both DNO and IDNO connected apparatus, where agreement has been reached as per 1.3.1 and the BSCP520 should clearly state that. Any additional information that the Embedded UMSO needs from the Customer to accommodate DUoS billing should be specified in the Connection Agreement with the customer (or National Terms of Connection). Similarly any detail that is required to be sent to the Host UMSO to validate inter DNO DUoS charging should be specified in DCUSA rather than BSCP520.
GTC	Yes	The significance of this issue and the potential impact that the lack of a solution could have on the development of competition in connections cannot be under-estimated. The current arrangement is a bad deal for customers both metered and unmetered. • For unmetered customers, the status quo means that the adoption of highways containing connections to an embedded distribution network adds avoidable costs to the local street lighting authority • For metered customers, developers can be discouraged from choosing an IDNO to provide connections for their new development and the benefits that such a choice can bring. The redacted extract of correspondence between a local authority lighting engineer and a developer shown below illustrates this issue. • This sort of interaction is not uncommon between local authority lighting

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Respondent	Response	Comments
		representatives and prospective developers and it is easy to see how it could make a customer think twice prior to choosing an IDNO. The primary concerns of the local authority in this instance was the administration of his inventory that would now need to be separated onto a different MSID and bill which ultimately increases the costs to the local authority to trade energy through the EDNO network. This is due to a lack of competition in the electricity suppliers willing to take on such (comparatively) tiny inventories, resulting often in the customer having to pay a higher unit rate for their electricity consumed via an Embedded DN, and or the additional administration charges that the customer's chosen supplier levies for each additional MSID, and or the additional meter administration charges, often on a per MSID basis, that the customer faces from its chosen meter administrator.
Western Power Distribution	No	N.A
Electricity North West Ltd	Yes	As part of this section we would like to comment on the issues we raised during the initial consultation that have not been addressed by the working group response and also consider the BCS objectives since the rights and obligations are contained not only within the BSC but also within BSCP520 as stated under section S, clause 8.1. In the first instance, we believe that there will be a need for a Modification to the BSC, Section S. Currently the Supplier can only provide data to a LDSO that is associated with its distribution system: "2.7.7B A Licensed Distribution System Operator which receives data pursuant to paragraph 2.7.7 and/or paragraph 2.7.7A (including via an agent appointed on its behalf) shall only be entitled to use such data for the purposes of the operation of its Distribution System and for the calculation of charges for use of and connection to its Distribution System, but not for any other purposes." By providing data via the HHDC would put them in breach of this agreement. Also there is an argument that BSC section S, para 8 needs to be revisited because it is based on an

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Respondent	Response	Comments
		LDSO's obligations associated with unmetered supplies. Whilst each LDSO may well do this, there will be issues surrounding a Supplier receiving EACs for 'disconnected MSIDs' and equally having to summate the EACs so that they can validate the LDSO bill they receive that may cover a number of LDSO's EACs. Losses validation – whilst the response indicates that we will have visibility of the unmetered consumption it does mean additional processing of data for the upstream LDSO because it may come from different billing engines. This is therefore placing an additional cost to their business so probably having a negative impact on 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)" Effective communication – it would be helpful if an explanation to what a Nominated Collection Agent referred to. This seems to be a new player and as such increases the costs of the process. The more players involved the potential to make the process less efficient and more prone to error making it a negative impact on BSC objective (d). Trading inventories - one way only i.e. upwards and only if the inventory is greater than the Embedded LDSO. This could be classed as anti-competitive and a negative impact on BSC objective (c). To be truly competitive the inventory management should be at the request of the Customer where they have more than one inventory associated with different LDSO's, and at least with the one with the greater consumption be it the Embedded LDSO or the Host LDSO. Also the proposer states that they may need 21 more MSIDs than the Host LDSO. They would still need to maintain these. It also means that should they all require a consolidated inventory for each Local Authority, as an example, in our area alone, potentially 20 Local Authorities for 5 Embedded LDSO's at 7 voltage levels resulting in 700 sub-inventories being managed by the Host LDSO in order to bill the Supplier correctly and ensure that the correct use of system tariff is applied correctly to each Embedded LDSO.
Northern	Yes	If current DCUSA change proposal DCP203 ('The

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Respondent	Response	Comments
Powergrid		Rationalisation of Discount Factors used to Determine LDNO Use of System Tariffs relating to UMS Connections on Embedded Distribution Networks and the associated LDNO tariffs') is successful it may be a more efficient and transparent way of reducing the number of MPAN's than the proposed CP1414 solution and therefore fix the customer service issue that the CP1414 change proposal is attempting to rectify. DCP203 proposes a single inter-distributer billing arrangement for all connection types and would allow Embedded LDSO's to have a maximum of 6 MPAN's per unmetered supplies customer. Reducing the number of MPANs via DCP203 would seem a more appropriate type of solution i.e. it does not change the formal fundamental roles and responsibilities of Parties, whereas CP1414 risks formalising a potentially confusing and broken process without fully addressing the underlying issues and risks to settlement or addressing the concerns of UMS customers. If a third party is to be appointed by Embedded LDSO's as a Nominated Collection Agent, there needs to be an agreement put in place to ensure that all parties interested are maintained. Whether this is through bilateral contracts or consortium arrangements are put in place the process should be transparent and established prior to the implementation date.
IBM on behalf of ScottishPower	Yes	We refer to general text of the CP and would raise the following queries/observations: 1. Importantly, the host LDSO is afforded additional protection under the current arrangements defined in the DCUSA (Section 2B, Clause 39) which defines the user's right to be and remain connected and energized i.e. 'where the Connection Point is a Systems Connection Point, such Connection Point being registered in accordance with the provisions of the BSC". SPEN do not understand the point being made here or the relevance to the CP. There is no 'additional protection' to the host DNO, the conditions relate to the User and the actual Network Operator, and furthermore would require adherence to proper registration which is questionable given the need for MPANs and Registration is challenged

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Respondent	Response	Comments
		elsewhere. 2. For Inventory Updates and Audit purposes it will be the UMS Customer's responsibility to differentiate between the embedded inventory and that of the host LDSO. Furthermore, in the case of inventory items connected to embedded LDSO's networks, the customer will apply a code, specified in Connection Agreement, to each line in its inventory, which identifies the embedded LDSO providing the UMS connection and also shows the voltage of connection of the embedded LDSO's distribution system to the host LDSO's network (i.e. embedded LDSO boundary network level). This responsibility will be defined in the Connection Agreement between the embedded LDSO and the UMS Customer to ensure that the embedded LDSO receives updates to their inventory. This is clearly positive but SPEN believe this is or should already be in place. Our experience is that the large variety of UMS Customers do not always have the ability or capacity to produce perfectly BSC coded Inventories, which then requires intervention and correction by our Inventory processing staff, before either updating them (NHH) or issuing the P0064 (HH). The Proposer has also highlighted per section below existing serious control failures through reference (Justification for Change Section) to: 3. This can lead to UMS apparatus being: ▪ maintained on wrong inventory ▪ not maintained on any inventory ▪ double counted - maintained on more than one inventory This is already an issue for the industry, as we have been informed by some UMS customers that they already combine inventories (adding the embedded networks inventory to the host LDSO's MSID) both accidentally and intentionally (to reduce the MSID charges). This change applies governance to this practice. SPEN do not believe any additional governance is applied, if anything the process has additional complexities added, which could make existing

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Respondent	Response	Comments
		issues deteriorate further. 4. The recovery of Distribution Use of System (DUoS) charges by the embedded LDSO will be governed by additional clauses to the DCUSA. Similar to Schedule 21 (Nested Networks) the embedded LDSO will be given the opportunity to collect revenue by notifying the Host LDSO that they intend to do so. This is outside the scope of the BSC and will be addressed by raising a DCUSA CP. SPEN note that the approval and implementation of CP 1414 is absolutely reliant on submission and approval of the DCUSA CP as described. 5. A process for liaison between the upstream UMSO and the embedded UMSO 'could' be established ▪ The embedded LDSO will recover their share of the DUoS 'provided that' such an inter-distributor billing arrangement is in place ▪ The BCA 'could' also specify the requirements for the embedded LDSO to audit the customers' inventory connected to the embedded LDSO network and to oblige the embedded LDSO to validate changes in the customer's inventory relating to connections to the embedded LDSO's network post adoption of the highways by the SLA. These proposals appear future based rather than being seen as absolute requirements for the proposal to be viewed as fully considered and complete. SPEN believe this should have been fully addressed and thought through prior to submission of CP 1414. We also refer to the Items and Questions raised at the Issue Group and would make the following points:- Items 1 & 2 – SPEN wish to note that if Portfolio Billing can work for Metered customers, there is no reason that it cannot work for Unmetered MSIDs. There are many cases where commercial chains with many MPANs trade their full portfolio with a single supplier, but this does not seem to have been considered as a simpler solution, with the argument being based on MA costs that SPEN believe can also

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Respondent	Response	Comments
		be commercially assessed on a total portfolio basis. This would address the real issues that the proposal is trying to resolve (see Item 6 comments below). Netting-off Embedded LDSO UMS Units from Host LDSO UMS Units is only achievable with significant administrative efforts in recording and calculating every component part of each UMS Customer Inventory. Item 3 – we have already noted previously our concerns with introducing a further significant process step into the overall process. Item 4 – the description provided is (grammatically) unclear, but seems to suggest that there may be no need for a separate Embedded MSID at all ? While the Host LDSO would have to trade the Embedded UMS Units under their existing Host LDSO MPID(s), SPEN believe there needs to be full and proper Registration within the Embedded LDSO, even if processes are changed as to how to account for these units. Otherwise there are issues introduced as to how to match the Inventory Volumes with MPAN Certificates. There is reference to 1 (one) Supplier advising a threshold for trading of 50,000 KWh, with no evidence behind this or mention of what the other 30 or so Suppliers accept. Item 5 – The proposer states that precedence already exists for the proposed arrangement in a number of existing arrangements (e.g. Transmission Exit Charges), what is not stated is that such charges are regulated and allowable by Ofgem. Therefore given the nature of the charges/income that a DNO is being asked to recover we believe further clarity is required in this area to ensure that a DNO is not in breach of its licence condition. Item 6 – SPEN agree that this is the real issue, and observe that there appears to have been little appetite by the Working Group to explore options to directly address these instead favouring the introduction of complex workarounds. SPEN would suggest that the option of Supplier Portfolio Billing, complete with assessing the possibility of the HH MA profiling the complete LA/Other Customer UMS Inventory is fully examined. Item 7 – This point again highlights another main issue that the proposal is trying to address by other means. It is quite clear that Local Authorities are somehow anticipating problems in dealing with

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Respondent	Response	Comments
		adoption of Embedded LDSO UMS Connections/Inventories, even if they meet all the requirements in order to allow the Local Authority to adopt the Unmetered Supplies connection points. This confirms that it is the LA's themselves that are acting in an anti-competitive manner, and NOT the host LDSO's as is often perceived! SPEN also strongly challenge any perception that 1 (one) LA may need to impose costs of up to £140k on a developer for opting to connect within an Embedded LDSO Network, yet this one statement is used as a valid reason for change. Rather than force the host DNO to take on and manage the obligations that are essentially part of the embedded DNO normal activities it would seem prudent to enforce what we believe are already mandated obligations on Local Authorities to adopt accordingly and by this process enforcement remove the perceived barrier in competition in connections. Finally and perhaps most importantly, SPEN have again provided detailed, robust and constructive arguments against the proposal as presented. We are aware that our position has not changed from previous consultation responses, this is on the basis that the points raised have not been addressed, either by previous (now withdrawn/rejected) proposals or by the current change. DCP 203 (which SPEN have supported), if approved will go a long way to addressing (reducing) the potential volume of MPANs within the process, even though the suggested numbers have not been evidenced 'on the ground'.
British Gas	No	N.A
RWE npower	No	N.A
ESP Electricity Ltd	Yes	Having attended many SLA/LA meetings (including major trade organisations of UMS Customers and industry seminars e.g. ILP Summit) – the vast majority of SLA/LAs have indicated that this change is an ideal solution to the issues they are experiencing - backed up by the responses from UMS customers in the initial Impact Assessment for this CP. **100% of the UMS customers (predominantly SLA/LAs) were in favour of the CP.** Finally to reiterate the point made above, if the

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Respondent	Response	Comments
		current situation was allowed to continue it will have a significant impact on competition in connections as UMS Customers, particularly developers, will be deterred from choosing [IDNOs] in the future due to the problems with highway adoption.
EDF Energy	No	N.A
SSEPD	No	N.A
Harlaxton Energy Networks Ltd	No	N.A
UK Power Networks	Yes	This change specifies that the majority the customers UMS connections should be to the Host LDSO for the customer to be able to request that the Host LDSO bills under one MSID. It does not address the situations where the inventory would have to transfer back to the Embedded LDSO including where : • the customer no longer wants a combined inventory or • the inventory no longer meets the requirements of the majority being on the Host LDSO network. As the number of Embedded LDSO networks increases there is a growing risk that one customer could have connections in multiple networks owned by various Embedded LDSOs networks and the Host LDSO network and request they are all billed by the Host LDSO. This will introduce greater complexity for the Host LDSO and Suppliers. The Justification for Change states that it reduces costs and administration; however the change is moving the costs and administration to the Host LDSO including up-front costs and ongoing administration charges, as shown for question 4, for managing relatively low volumes of UMS connections on the Embedded LDSO. It is unusual (unprecedented?) for units in settlement to be associated to the "wrong" MPAN or even the "wrong" LDSO.
Energetics Electricity	No	N.A

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BSCP520

Respondent	Location	Comment
Power Data Associates	1.3.1	Needs "networks" after "Host and Embedded LDSO" in the first line of the redlining. Suggest rewording as follows: "Where a customer has Apparatus connected to both the Host and Embedded LDSOs' networks…." Typo later in paragraph "LDDO" should be "LDSO".
Power Data Associates	1.7.2	Clarify as: "Embedded UMSO" means the UMSO operating for the Embedded LDSO
Power Data Associates	1.7.2	Clarify as: "Host UMSO" means the UMSO operating for the Host LDSO
Power Data Associates	3.1.1	Amend second paragraph to read: "Agree the inventory of Apparatus with the Customer, which shall include any Apparatus that may be connected to an Embedded LDSO's network where applicable in accordance with paragraph 1.3.1." Delete the remaining amendments as it relates to inter DNO DUoS charging processes.
Power Data Associates	3.2.1	Amend action to read; "Send proposed revised detailed inventory to UMSO, which shall include any Apparatus that may be associated with an Embedded LDSO's network in accordance with paragraph 1.3.1."
Power Data Associates	3.2.2	Delete proposed new action as it relates to inter DNO DUoS charging processes.
Power Data Associates	3.8.2	The proposed new action relates to inter DNO DUoS charging processes, although agree that it may be necessary to clarify that disconnection of an embedded network MPAN may result from combining Host and Embedded inventories. "Complete any physical work as required. Physical work will not be required where existing UMS equipment is migrated from one inventory to another inventory, e.g. adoption of lighting on a new development by the highway authority, including Apparatus that may be associated with an Embedded LDSO's network in accordance with paragraph 1.3.1. Send actual Disconnection date."
Power Data Associates	4.5.4	Should forward read forwarded?

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Respondent	Location	Comment
Electricity North West Ltd	1.2.1 (r)	'that is disconnected' – surely the discussions will take place prior to a 'disconnection' taking place with an agreed effective to date of such a disconnection whereby the inventory has been summated with that of the Host LDSO. Amend accordingly.
Electricity North West Ltd	1.2.1(r)	'customer' should be 'Customer'
Electricity North West Ltd	1.2.1 (s)	'customer' should be 'Customer'
Electricity North West Ltd	1.2.1 (s)	This effectively states that no such arrangement (summated LDSO inventories) can exist without the DCUSA changes being in place. We are comfortable with this arrangement but good practice is to have both change proposals being discussed in parallel resulting in no such cross code compliance being needed.
Electricity North West Ltd	1.2.4.1	We have two unmetered supplies certificates here, one issued by each LDSO (in order to comply with BSC, section s, para 8.2.3). Where is the obligation to summate the two since as a minimum one of these would be 'disconnected'. The proposer states that they will still be responsible for the EAC and unmetered certificate but as per the legal text throughout the rest of this document we do not believe that this will be the case unless fundamental changes are made to make it so.
Electricity North West Ltd	1.3.1 new para	This clause is subject to clause 1.2.1(s). It may therefore be sensible to reflect such a situation at the beginning of this clause.
Electricity North West Ltd	1.3.1 new para	'customer' should be 'Customer'
Electricity North West Ltd	1.3.1 new para	Where is 'Host' defined? It may be better to say 'Host LDSO'
Electricity North West Ltd	1.3.1 new para	'Host LDDO' should read 'Host LDSO'.
Electricity North West Ltd	1.3.2	There will not be a unique MSID per UMS Certificate. This needs to be amended since later on it is clear that the Embedded UMSO will issue a certificate.
Electricity North West Ltd	1.3.4	How will this work? What processes will the NHHDC need to put in place?

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Respondent	Location	Comment
Electricity North West Ltd	1.3.5	How will this work? We have a situation here whereby we have a 'disconnected' MSID with an EAC still living on.
Electricity North West Ltd	1.3.7	If an MSID is disconnected, how can they appoint more than one UMSO. Effectively we end up with more obligations on the Host LDSO that the proposer does not believe is the case and is not reflected correctly in this consultation document. This BSCP is written from the perspective that each MSID has an EAC and is traded until it is disconnected. We have a concern here that the BSC and the BSCP are not aligned with the current thinking of the working group and the expectations of this change proposal. We do not intend to walk through each at this stage apart from commenting on the rest (apart from a high level view) of the legal text changes.
Electricity North West Ltd	3.1.1	Since this section is about establishing a new UMS inventory there should be no changes whatsoever to this section since movement can only take place to an existing inventory and where they have a greater consumption than the embedded one. The very fact that this is a new one means we are starting from a zero inventory.
Electricity North West Ltd	3.2.2	This only talks about 'remove' what about 'add'. It may be better to say 'amend'
Electricity North West Ltd	3.2.2	When we say 'ETD' do we mean 'EFD'
Electricity North West Ltd	3.2.4	We need to differentiate between Embedded UMSO and Host UMSO since it could be either
Electricity North West Ltd	3.2.1	We need to differentiate between Embedded UMSO and Host UMSO since it could be either
Electricity North West Ltd	3.2.10	The Embedded UMSO also needs to notify the Host UMSO.
Electricity North West Ltd	3.3.1.2	This needs to be reviewed whereby a change of Supplier understands that there is an Embedded UMSO relationship with the Host UMSO for the MSID they have gained since the UMS certificate will not be the summated one but there is another one linked to a 'disconnected' MSID.
Electricity North West Ltd	3.3.1.9	As 3.3.1.2
Electricity North	3.3.2.2	As 3.3.1.2

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Respondent	Location	Comment
West Ltd		
Electricity North West Ltd	3.4.4	Same issue as above with split inventories being maintained.
Electricity North West Ltd	3.6	Same issue relating to unmetered certificates
Electricity North West Ltd	3.7	If the Host UMSO has an inventory less than the Embedded UMSO due to de-energisation, the Embedded LDSO will have to create a new MSID. Where is this to be captured?
Electricity North West Ltd	3.8	Same issue as de-energised process. In fact this is the key process that needs further consideration.
Electricity North West Ltd	3.9.2	Should we reference the split processes from each UMSO here and the need for the NHHDC to summate the data
Electricity North West Ltd	3.9.2.7	How can this work for the Embedded UMSO associated with a disconnected MSID. It needs to contain notification to the Host UMSO.
Electricity North West Ltd	3.11	Consolidation of EACs required here.
Electricity North West Ltd	Whole document	There is a need for a clause by clause review to this BSCP, the BSC and the Operational Information Document to ensure that Embedded UMSOs have obligations when their inventories are being summated by the Host UMSO and the current processes need to reflect such a situation together with obligations on each market participant including the Customer, Host UMSO, Embedded UMSO, Host LDSO, Embedded LDSO, MA, DCs and Suppliers.
ESP Electricity Ltd	1.3.1	New red-lined clause – has typo (LDDO instead of LDSO)
UK Power Networks	OID	No red line text received
UK Power Networks	1.3.1	Typo "LDDO"

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