RETAIL ENERGY CODE

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REFERENCE	V1.0
STATUS	For Information

PROPOSED SOLUTION

R0083 - CHANGES TO SUPPLY NUMBER FORMAT FOR MHHS

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1 SOLUTION DEVELOPMENT APPROACH

As part of the Market Wide Half Hourly Settlement (MHHS) programme of work, RECCo and the Code Manager issued a consultation in October 2022, to obtain views from market participants on a revised approach to populating the Supply Number on Consumer bills and statements. Twelve responses were received from Electricity Suppliers, Distribution Network Operators (DNOs) and Meter Administrators.

The Code Manager has added to this input through engagement with the following:

- The Authority
- Members of the Industrial and Commercial Shippers and Suppliers (ICoSS) Group and associated non-Domestic MHHS stakeholders
- Third Party Intermediaries (TPIs)

In developing the solution for R0083 the following high-level requirements were identified for Suppliers as the provider of the Supply Number and those that use it:

- The solution should be simple, keeping complexity to a minimum for impacted party systems and communication to Consumers explaining its meaning and use.
- A single Supply Number Format that can be used throughout MHHS transition and in the enduring arrangements.
- The solution maintains, or positively impacts, the Consumer Switching experience.

In addition, the following positions have been supported and were taken into consideration in developing the solution options:

- The new DUoS Tariff Id is a suitable replacement for the Line Loss Factor Configuration (LLFC) Id, as it is an alias of, and therefore continues to provide, charging transparency for Consumers and industry parties.

- The Standard Settlement Configuration (SSC) Id is a suitable replacement for the Meter Timeswitch Code (MTC) to be used in combination with other Data Items to identify suitable tariffs.
- The new Market Segment Indicator will be beneficial for inclusion in the top line to be used in combination with other Data Items to identify suitable tariffs.

Finally, the Code Manager's approach was to focus solution development on minimising the impact of the MHHS design on the existing purpose of the Supply Number, and not to address additional requirements that may have been identified during industry engagement. Engagement with the Authority has not identified any change in the purpose of the Supply Number. The scope of R0083 is therefore to address the consequential impact of the MHHS design only. This in turn limits the scale of consideration, and delivery of change required by industry in relation to and at the same time as MHHS implementation.

ASSUMPTIONS

The MHHS design has been baselined and changes have been confirmed, which includes terminating the use of the MTC, the splitting of the LLFC Id, and limited use of Profile Classes in the future. Any challenge to this baseline is out of scope of this Change Proposal.

Licence condition changes are out of scope of R0083. Any changes to the requirement to provide the Supply Number, or the addition of extra Data Items outside the REC Data Specification of the Supply Number on Consumer bills, would be subject to licence condition change and is the responsibility of the Authority.

Only the following Profile Classes will be maintained under MHHS:

- Profile Class 2 Domestic Economy 7 Customers
- Profile Class 4 Non-Domestic Economy 7 Customers

Whichever solution is progressed, Market Participants, including Third Party Intermediaries (TPIs), will need to amend their business processes to accommodate the changes to Data Items determined by the MHHS design.

Two solution options were developed by the Code Manager under R0083 taking into consideration all inputs received which were then issued for Party impact assessment. Following consideration of responses received, the Code Manager has determined that Option 1 should be taken forward. Limited evidence has been provided to confirm that an extension to the Data Items in the top line, as presented in Option 2, is appropriate, particularly considering the greater complexity for delivery, communication and potential higher cost it would create.

2 PROPOSED SOLUTION FOR R0083 – AMEND THE TOP LINE

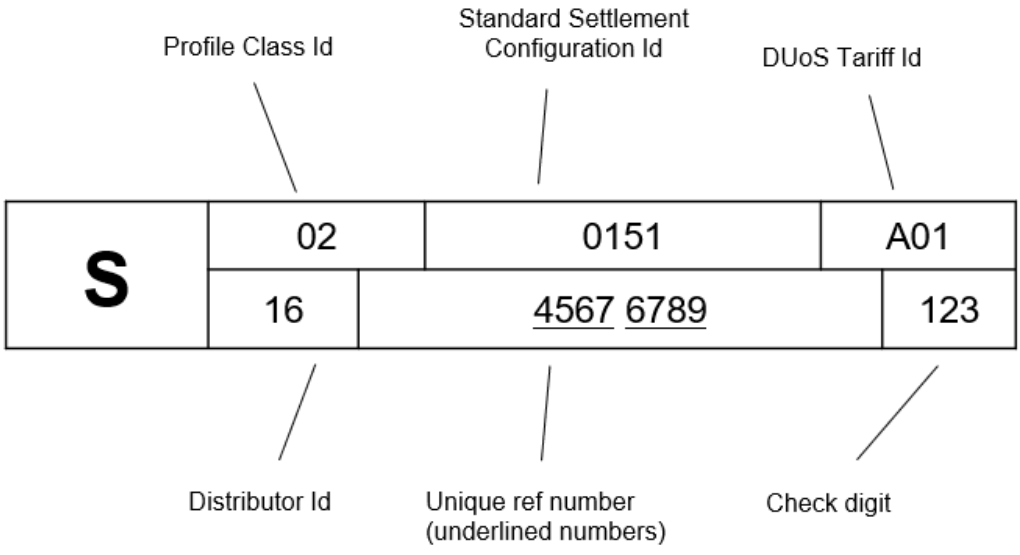
The proposed solution looks to meet the following key requirements for continued use of the top line:

- Identification of whether a Consumer's MPAN is Domestic or non-Domestic
- Identification of Consumers with Economy 7 meters
- Metering and charging information to support offering suitable tariffs
- Transparency of charging information for (non-domestic) Consumers

The proposed solution will:

- Maintain the existing structure of the Supply Number
- Retain the Profile Class Id
    - Transition approach: populate with 00 for any migrated Smart, including Advanced, meters
- Remove MTC
- Remove LLFC Id
- Add SSC Id in MTC position – populating with 0000 where it does not apply (e.g. Advanced Meters)
    - Note: SSC Id is a four character Data Item, whereas MTC is three characters
- Add DUoS Tariff Id in LLFC Id position
    - Transition approach: populate with LLFC Id for non-migrated MPANs
- Data Items to be populated with zeros where not applicable, including when Suppliers are not yet operating under MHHS or for non-migrated MPANs.

The following example has been included for illustrative purposes:



The Supply Number Format, which is within the Data Specification, will be updated to reflect the revised set of Data Items to be included in the top line.

Implementation of this solution option is proposed to be aligned to MHHS go-live (Milestone M8 - Code Changes delivered), to be effective immediately for all MPANs. The solution can therefore be used during the migration period, whilst the existing industry arrangements and new MHHS requirements operate in parallel.

3 ALTERNATIVE SOLUTIONS CONSIDERED

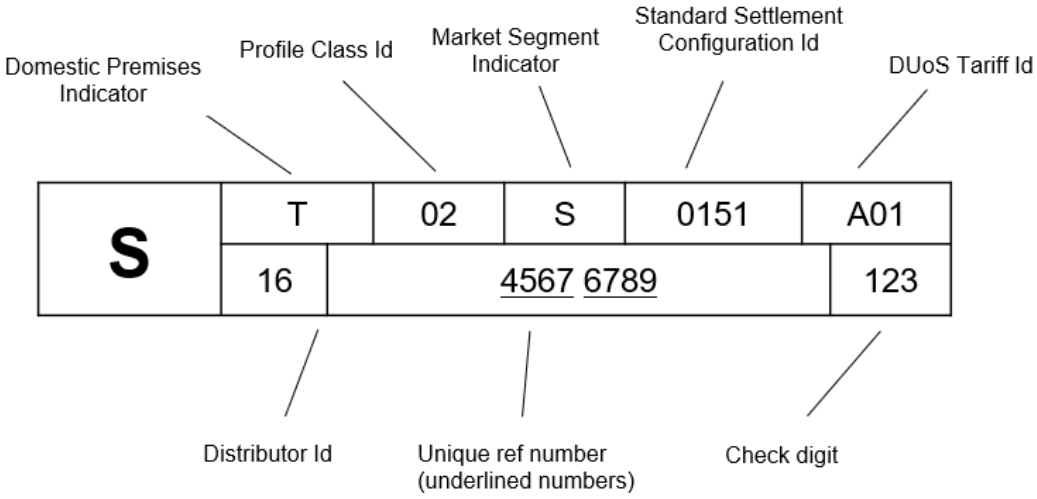
3.1 SOLUTION OPTION 2 (R0083)– AMEND STRUCTURE, REPLACE REDUNDANT DATA ITEMS, ADD NEW DATA ITEMS

A second solution option, Option 2, was put forward for Party impact assessment. That solution was developed as an alternative option to provide enduring Data Items as well as meeting industry's requirement to retain visibility of the Profile Class.

The solution proposed to:

- Amend the structure of the Supply Number
- Add Domestic Premises Indicator – identified by T (True) or F (False)
- Retain the Profile Class Id
- Add Market Segment Indicator
- Remove MTC
- Remove LLFC Id
- Add SSC Id
- Add DUoS Tariff Id
- Data Items to be populated with zeros where not applicable, including where Suppliers are not yet operating under MHHS or for non-migrated MPANs.

The following example has been included for illustrative purposes:



3.1 FURTHER ALTERNATIVE SOLUTIONS OPTION 2 (R0083)– AMEND STRUCTURE, REPLACE REDUNDANT DATA ITEMS, ADD NEW DATA ITEMS

An alternative Option 2 was put forward for consideration - amending the structure by adding only one Data Item. However, this has been discounted on the basis that if the number of Data Items in the top line is to be increased the opportunity should be taken to add all the key Data Items that meet the requirements rather than look to prioritise them. No combination of four Data Items met all the identified requirements for continued use of the top line and prioritisation would have a disproportionate impact across Consumers.

Within solution options 1 and 2, other Data Items were considered to replace MTC and LLFC Id. These have also not been taken forward:

- Connection Type – industry input has shown that the primary use of the MTC is to support identification of suitable tariffs, the Connection Type is not a suitable alternative to support this requirement. Although knowing the Connection Type is useful for Consumers wishing to put a direct MEM contract in place, this is not information that has previously been a requirement of the Supply Number.
- Rota Load Block Alpha Id could be included as this is useful to Consumers and Suppliers, who are already required to provide this information to customers under the DCUSA obligations. However, this would introduce a new purpose for the Supply Number rather maintaining its existing use.

4 APPENDIX – R0083 DRAFT LEGAL TEXT

- Option 1 (R0083) Supply Number Format redlining v2.0