RETAIL ENERGY CODE

Prepayment Arrangements

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SCHEDULE 11

Prepayment Arrangements

Version: 2.4 Effective Date: 4 November 2022

Domestic Suppliers	Mandatory
Non-Domestic Suppliers	Mandatory
Gas Transporters	N/A
Distribution Network Operators	N/A
DCC	N/A
Metering Equipment Managers	N/A
Non-Party REC Service Users	N/A

Change History

Version Number	Implementation Date	Reason for Change
0.1	N/A	Draft agreed for consultation June 2019
0.2	N/A	Draft updated following June 2019 consultation for Summer 2020 publication
0.3	N/A	Draft for December 2020 consultation
2.0	1 September 2021	Incorporating respondents comments
2.2	31 January 2022	R0012
2.3	30 June 2022	R0023
2.4	4 November 2022	R0036

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Reconciliation of Unallocatable Transactions

10.1. In circumstances where a prepayment transaction received by a PPMIP cannot be allocated to the correct Energy Supplier in accordance with the processes described in Paragraphs 8 and 9, the prepayment transaction becomes an Unallocatable Transaction. All Unallocatable Transactions held by each PPMIP will be distributed to Energy Suppliers in a proportion determined according to the Energy Supplier's market share.

10.2. In gas, the Code Manager shall initiate an annual reconciliation ~~in July of~~ each Financial Yyear. This reconciliation will include all transactions which became Unallocatable Transactions as a result of the Backstop Date.

10.3. In electricity, the Code Manager shall initiate an annual reconciliation each Financial Year ~~determine when an Unallocatable Prepayment Allocation Run is required~~. This reconciliation ~~Unallocatable Prepayment Allocation Run~~ will include all transactions which became Unallocatable Transactions as a result of the Backstop Date.

10.4. For gas, the CDSP shall calculate the market share in accordance with a methodology agreed between RECCo and the CDSP. Unallocatable Values shall be apportioned to Gas Suppliers based on their market share during the period from the previous Backstop Date until immediately before the most recent Backstop Date. Former Gas Suppliers who no longer hold a Gas Supply Licence at the date on which the market share is calculated, and Gas Suppliers who did not have a contract with the PPMIP (for the PPMIP's services) for some or all of the relevant period, shall be excluded from the calculation (such that the funds which would otherwise have been paid to them are distributed amongst the other Gas Suppliers). Where an acquisition or a migration of Gas Supply Licences has occurred since the previous Backstop Date, the Unallocatable Values shall be apportioned to the acquiring Gas Supplier. SoLR acquisitions shall be excluded from the calculation (such that the funds which would otherwise have been paid to them are distributed amongst the other Gas Suppliers.

10.5. For electricity, the Code Manager shall calculate the market share based on a daily electricity RMP count from all GSP Groups by Meter Type (to be provided by the EES Provider), and aggregate these to form a single value for market share for each Electricity Supplier during the period from the previous Backstop Date until immediately before the most recent Backstop Date. Former Electricity Suppliers who

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no longer hold an Electricity Supply Licence at the date on which the market share is calculated, and Electricity Suppliers who did not have a contract with the PPMIP (for the PPMIP's services) for some or all of the relevant period and SoLR acquisitions, shall be excluded from the calculation (such that the funds which would otherwise have been paid to them are distributed amongst the other Electricity Suppliers). The Code Manager shall provide separate market share figures for each prepayment technology (e.g. token and key meters). Where an acquisition or a migration of Electricity Supply Licences has occurred since the previous Backstop Date, the Unallocatable Values shall be apportioned to the acquiring Electricity Supplier. SoLR acquisitions shall be excluded from the calculation (such that the funds which would otherwise have been paid to them are distributed amongst the other Electricity Suppliers.

10.6. Any PPMIP costs for managing this process will be determined and applied via the individual commercial agreements between Energy Suppliers and the PPMIP.

10.7. The REC Performance Assurance Board may determine that an independent assessment of the Unallocatable Prepayment Allocation Run be undertaken by an external auditor to validate the calculations associated with the distribution of the Unallocatable Transactions. If an audit is required, it must be run in parallel with activities carried out by the Code Manager, PPMIPs and Energy Suppliers set out in the interface table below.

10.8. The following process applies to gas and electricity Unallocatable Prepayment Allocation Runs:

Ref	When	Action	From	To	Interface	Means
10.8.1	At least 10 Working Days prior to commencing the Unallocatable Prepayment Allocation Run.	Send notification of the commencement of the Unallocatable Prepayment Allocation Run. Notification to	Code Manager	REC PAB; Energy Suppliers; PPMIP; and CDSP	Not defined	Not defined

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		include: • applicable Backstop Date; and • proposed timetable				
10.8.2	Within 10 Working Days of receiving the notification in 10.8.1.	Provide report detailing Unallocatable Transactions.	PPMIP	Code Manager	**Gas** Supplier Report **Electricity** Unallocatable Transaction Report	Not defined
Determination of Market Share – Gas						
10.8.3	On receipt of Unallocatable Transaction data from all PPMIPs.	Check whether all the Energy Suppliers listed in the PPMIP reports are live within the current version of Market Participant Data and resolve any discrepancies with the PPMIP.	Code Manager	PPMIP	Not defined	Not defined
10.8.4	Following 10.8.3 and within 5 Working Days of receipt of the report specified in	Issue the supplier report to the Central Data Service Provider.	Code Manager	CDSP	Supplier Report[9]	Not defined

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	10.8.2.					
10.8.5	Following receipt of the report specified in 10.8.4 and within 2 Working Days.	Provide a report showing which, if any, Gas Supplier(s) are not recognised. Where a Gas Supplier is not recognised, provide any relevant information that it has on the identity of the Gas Supplier.	CDSP	Code Manager	Not defined	Not defined
10.8.6	Following 10.8.5 and within 2 Working Days	Confirm the relevant Gas Supplier identities, if required.	Code Manager	CDSP	Not defined	Not defined
10.8.7	Within 10 Working Days of receipt of the report specified in 10.8.4 or 10.8.6 if queries are raised.	Calculate the total number of Prepayment Meters in accordance with the market share methodology and issue a market share report.	CDSP	Code Manager	Market Share Report	Not defined
10.8.8	Within 5 Working Days of receipt of the Market Share	Use the supplier report or the market share report to calculate the individual	Code Manager		Internal process	N/A

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	Report.	payment values for each relevant Gas Supplier. [10]				
Determination of Market Share – Electricity						
10.8.9	On receipt of Unallocatable Transaction data from all PPMIPs in accordance with 10.8.2.	Produce the consolidation allocation run report based on market share data derived in accordance with Paragraph 10.5 and Unallocatable Transactions determined in 10.8.2 to determine total value of transactions for each Energy Supplier.	Code Manager		Internal process	N/A
Distribution of Unallocatable Values						
10.8.10	In accordance with the timetable notified in 10.8.1.	Inform each PPMIP of the Unallocatable Values to be distributed to each Energy Supplier. *NB. This will include provision of zero values if that is determined to be the case.*	Code Manager	PPMIP	Unallocated Values Report	Not defined
10.8.11	Within 5 WDs of	If required, query values in	PPMIP	Code Manage	Not defined	Not define

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	10.8.10.	the Unallocatable Values Report. If a query results in a change to calculated Unallocatable Values, then notice shall be provided to relevant PPMIPs and Energy Suppliers.		r		d
10.8.12	In accordance with the timetable notified in 10.8.1	Inform each Energy Supplier of the cash value they should expect to receive from each PPMIP.	Code Manager	Energy Suppliers	Not defined	Not defined
10.8.13	Where required, within 5 Working Days of receipt of the notification in 10.8.12.	Raise a dispute against the data provided within the notification in 10.8.12.	Energy Supplier	Code Manager	Not defined	Not defined
10.8.14	Within 2 Working Days of 10.8.13, where a dispute is raised.	Send notification that a dispute has been raised against one or more individual Unallocatable Values.	Code Manager	PPMIP, REC PAB; and Relevant Energy	Not defined	Not defined

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				Supplier		
10.8.15	Following 10.8.14	Suspend payment of the Unallocated Values until such time as the dispute has been resolved subject to such suspension not exceeding a maximum of 20 Working Days, following which time the PPMIP shall proceed with step 10.8.16.	PPMIP		Internal Process	N/A
10.8.16	No earlier than 7 Working Days and no later than 15 Working Days of receipt of the notification specified in 10.8.12	Pay the Unallocated Values to relevant Energy Suppliers, subject to no disputes having been raised.	PPMIP	Energy Supplier	Not defined	Not defined
10.8.17	Following 10.8.16.	Provide confirmation that all Unallocated Values have been credited to the relevant Energy Suppliers.	PPMIP	Code Manager	Not defined	Not defined

[9] The format of communications between the CDSP and the Code Manager will be agreed bilaterally and will not be defined in the Data Specification.

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[10] The Code Manager shall calculate the difference in the market share recorded for each Gas Supplier in each such report. Where the difference for each Gas Supplier's market share is less than or equal to 3%, the PPMIP shall utilise the Supplier Report for the purpose of determining the return of Unallocatable Transactions. Where the difference for one or more Gas Suppliers' market share is more than 3%, the Code Manager shall utilise the Market Share Report for the purpose of determining the return of Unallocated Transactions.

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