RETAIL ENERGY CODE

Payment Method Levelisation Reconciliation

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RETAIL ENERGY CODE

SCHEDULE XX

Payment Method Levelisation Reconciliation

Version: [1.0] Effective Date: [01 April 2024]

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

Version Number	Implementation Date	Reason for Change
1.0	[28 March 2024]	Initial version for Change Proposal R0147

1 Introduction

1.1. This REC Schedule sets out arrangements concerning Payment Method Levelisation (PML) Reconciliation. This REC Schedule shall come into effect on 1 April 2024, or on such later date as the Authority may specify in writing. This REC Schedule may cease to apply as described in Paragraph 10.

1.2. RECCo shall procure, implement and thereafter maintain such services as it considers necessary to administer PML Reconciliation pursuant to this REC Schedule.

2 Payment of PML Reconciliation Amounts

2.1. Each Domestic Supplier shall pay, in accordance with Paragraph 5, the PML Reconciliation Amounts payable by that Domestic Supplier.

3 Redistribution of PML Reconciliation Amounts

3.1. Following receipt of PML Reconciliation Amounts paid by Domestic Suppliers, RECCo shall, in accordance with Paragraph 8, pay the PML Reconciliation Amounts to those Domestic Suppliers who are due a credit.

4 Data and Reporting

4.1. RECCo shall secure the provision of such data as it may reasonably need to calculate

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the PML Reconciliation Amounts payable by and to each Domestic Supplier in accordance with this REC Schedule.

4.2. Each Domestic Supplier shall submit the Payment Portfolio Data to RECCo by no later than the PML Reconciliation Reporting Submission Deadline.

4.3. RECCo shall use each Domestic Supplier's Payment Portfolio Data for the purposes of the PML Reconciliation calculations under this REC Schedule. Where a Domestic Supplier has not submitted its Payment Portfolio Data to RECCo by the PML Reconciliation Reporting Submission Deadline, RECCo shall use the latest data available to it for that Domestic Supplier.

4.4. RECCo shall notify the REC Performance Assurance Board, the Authority and REC Parties of any failure by a Domestic Supplier to submit its Payment Portfolio Data by the PML Reconciliation Reporting Submission Deadline.

5 Statements and Payments by Domestic Suppliers

5.1. Within 15 Working Days after the PML Reconciliation Reporting Submission Deadline, RECCo shall send to each Domestic Supplier a statement in respect of that PML Reconciliation Period showing for that Domestic Supplier:

(a) the PML Reconciliation Amounts payable by the Domestic Supplier in respect of the Domestic Consumers paying by direct debit for which it was the Registered Supplier as at the PML Reconciliation Reporting Date for that PML Reconciliation Period;

(b) the PML Reconciliation Amounts payable to the Domestic Supplier in respect of the Domestic Consumers paying by Prepayment for which it was the Registered Supplier as at the PML Reconciliation Reporting Date for that PML Reconciliation Period; and

(c) the difference between the PML Reconciliation Amounts under Paragraph (a) and Paragraph (b), which (if (a) is greater than (b)) is the net amount payable by that Domestic Supplier under Paragraph 5.3, or (if (b) is greater than (a)) is the net amount payable to that Domestic Supplier under Paragraph 8.2.

5.2. RECCo shall not send such a statement to a Domestic Supplier if there is a zero amount payable by and to that Domestic Supplier under both Paragraph 5.1(a) and Paragraph 5.1(b).

5.3. Each Domestic Supplier shall, within 10 Working Days after receipt of a statement under Paragraph 5.1, pay to RECCo the net amount of the PML Reconciliation Amounts identified in such statement as payable by that Domestic Supplier (if any).

5.4. All PML Reconciliation Amounts payable by a Domestic Supplier under Paragraph 5.3 must be paid in full without any set-off or withholding. A Domestic Supplier can raise a dispute under Paragraph 7, but must pay the full amount by the due date specified in the statement received under Paragraph 5.3, pending resolution of that dispute.

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5.5. A Domestic Supplier may query the amount identified in a statement under Paragraph 5.3, provided that:

(a) any such query must be raised with RECCo prior to the date on which that payment is due; and

(b) no such query shall relieve the Domestic Supplier of its payment obligation unless RECCo explicitly acknowledges prior to the due date that the amount is manifestly wrong.

5.6. Pursuant to Paragraph 5.5(b), if RECCo explicitly acknowledges that an amount in a statement is manifestly wrong, then RECCo shall issue an update to the statement provided to such Domestic Supplier under Paragraph 5.3, and the Domestic Supplier shall pay the amount due under such updated statement within 10 Working Days after receipt.

5.7. Payments under this Paragraph 5 shall be paid to such bank account as RECCo may specify in writing to the Domestic Suppliers, subject to change on not less than 5 Working Days' notice.

6 Failure to Pay

6.1. If a Domestic Supplier does not pay the amount due and payable under Paragraph 5.3 by the due date for payment, then RECCo shall (on or around the next following Working Day) issue a late payment notice to the Domestic Supplier, and notify the REC Performance Assurance Board and the Authority.

6.2. Notwithstanding anything contained in Clause 16 of the main body of this Code, a failure by a Domestic Supplier to pay any amount due under Paragraph 5.3 which is not remedied within 20 Working Days after the due date shall be deemed to be an Event of Default. RECCo shall notify the Authority when a Domestic Supplier's aforementioned failure is deemed to be an Event of Default. In any event, the Authority may take any action at its discretion, enforcement or otherwise, including concurrently to any proceedings initiated by the REC Performance Assurance Board or other action or dispute resolution mechanism under the main body of this Code.

6.3. In the case of an Event of Default as referred to in Paragraph 6.2, the REC Performance Assurance Board will act in accordance with Clause 16.4 of the main body of this Code.

6.4. Paragraph 6.3 is without prejudice to any other steps which the REC Performance Assurance Board may take in accordance with the Performance Assurance Framework and/or Clause 16 of the main body of this Code.

7 Disputes regarding PML Reconciliation Amounts

7.1. Each Domestic Supplier:

(a) must pay in full the amount identified by RECCo as payable by that Domestic Supplier under Paragraph 5, and as per Paragraph 5;

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(b) (subject to sub-paragraph (c) below) can raise a dispute under this Paragraph 7, but must pay the full amount pending resolution of that dispute; and

(c) cannot raise a dispute under this Paragraph 7 if it did not submit the Payment Portfolio Data in accordance with Paragraph 4.2 which is relevant to the statement which it wishes to dispute.

7.2. Disputes raised by a Domestic Supplier regarding the PML Reconciliation Amounts in statements under Paragraph 5:

(a) shall not relieve the Domestic Supplier of its payment obligation under Paragraph 5.3;

(b) must be raised by no later than 10 Working Days after the date on which the payment is due under Paragraph 5.3;

(c) can only be raised if the amount in dispute is equal to or exceeds £1,000 (one thousand pounds) or (if lower) constitutes the entirety of the amount payable under the disputed statement; and

(d) shall be resolved in accordance with a process established by the REC Performance Assurance Board.

8 Redistribution of PML Reconciliation Amounts

8.1. Within 5 Working Days following the payment date under Paragraph 5.3 for a given PML Reconciliation Period, RECCo shall calculate the amount RECCo actually received from Domestic Suppliers for the given PML Reconciliation Period by the payment date.

8.2. Within 30 Working Days after the end of each PML Reconciliation Period, RECCo shall pay to each Domestic Supplier the net amount (if any) of the PML Reconciliation Amounts identified in the relevant statement under Paragraph 5.1 as payable to that Domestic Supplier (subject to Paragraphs 8.3 and 8.4).

8.3. The aggregate payments which RECCo makes under Paragraph 8.2 in respect of a given PML Reconciliation Period shall not exceed the aggregate amount received by RECCo under Paragraph 5.3 in respect of that given PML Reconciliation Period. If RECCo has only received a percentage of the aggregate amounts due in respect of a given PML Reconciliation Period, then RECCo shall only pay that percentage of the amount that would otherwise have been payable to each Domestic Supplier. However, where RECCo receives any late payments for a given PML Reconciliation Period, the total funds received for that PML Reconciliation Period will be recalculated and any additional funds owing to Domestic Suppliers will be redistributed in the next available set of payments.

8.4. If a Domestic Supplier has not paid a PML Reconciliation Amount which is due and payable under Paragraph 5.3 in respect of one or more given PML Reconciliation Periods, then RECCo shall not pay any amounts which would otherwise be payable to that Domestic Supplier under this Paragraph 8 for subsequent PML Reconciliation Periods. Instead, RECCo shall withhold payment unless and until the amount payable

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by that Domestic Supplier under Paragraph 5.3 has been settled in full.

8.5. RECCo shall take all reasonable steps available to it, and in consultation with the Authority, for recovery of PML Reconciliation Amounts owed by a Domestic Supplier. If RECCo determines that the aforementioned amount is not reasonably capable of being recovered, RECCo shall recalculate the credits and debits for the PML Reconciliation Period such that any shortfall is to be met by other Domestic Suppliers and issue updated statements under Paragraph 5.1.

8.6. Paragraph 8.5 is without prejudice to the liability of the original debtor. Any PML Reconciliation Amounts subsequently recovered from the original debtor will, if that amount is equal to or exceeds £1,000 (one thousand pounds) trigger a further adjustment to the statements produced in accordance with Paragraph 8.5, or (if lower) shall be applied so as to reduce the future Recoverable Costs payable by Domestic Suppliers in accordance with Clause 9 of the REC.

8.7. Payments under this Paragraph 8 shall be paid to such bank account as the Domestic Supplier may specify in writing to RECCo, subject to change on not less than 5 Working Days' notice.

9 Audit

9.1. RECCo and Domestic Suppliers shall comply with any direction in writing by the Authority, or any person appointed by the Authority, in relation to any audit of the PML Reconciliation.

10 Termination

10.1. The Authority may, by written notice to RECCo, terminate the application of this REC Schedule. Such termination shall take place either 3 months after receipt of the aforesaid notification, or at such other later date as the Authority may specify in writing. RECCo shall notify all REC Parties of any such termination.

10.2. RECCo shall redistribute in accordance with Paragraph 8 PML Reconciliation Amounts received prior to the end of the period applicable under Paragraph 10.1.

10.3. Any PML Reconciliation Amounts received by RECCo under Paragraph 5 or 8.6 or being withheld under Paragraph 8.4, following the end of the period applicable under paragraph 10.1, shall be put towards RECCo's general expenditure (to offset costs that would otherwise be recoverable under Clause 9 of the main body of this Code).

10.4. The ending of the application of this REC Schedule under Paragraph 10.1 shall be without prejudice to the obligations of Domestic Suppliers to pay PML Reconciliation Amounts under Paragraph 5.3.

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APPENDIX 1 - Supplier Data Reporting Specification

This appendix provides specification for population of the Payment Portfolio Data, following implementation of R0147.

This data is a summary of an Energy Supplier's aggregate Domestic portfolio at 12:00 on the PML Reconciliation Reporting Date, broken down by region and payment method, in the format specified in this Appendix 1.

The mechanism for submission will be by Comma Separated Values (CSV) file to a designated RECCo SharePoint location.

Please note, data must be provided in the specified agreed format, or it will not be accepted.

The information to be provided:

- For all Domestic registered Market Participant Identifier (MPID) / Supplier Short Code
- Any fixed term contracts for all payment methods agreed prior to the decision date[1] are not included
- Count of all Domestic meter points using the payment method of direct debit as per the Ofgem Definition
- Count of all Domestic meter points using the payment method of Traditional Prepayment as per the Ofgem Definition
- Count of all Domestic meter points using the payment method of Smart Prepayment as per the Ofgem Definition
- Count of all Domestic meter points using the payment method of Standard Credit as per the Ofgem Definition
- Where there are no Domestic metering points for any payment method in a given region, populate with zero
- Data must be a snapshot for 12 noon on the 1st of the month
- Data must be supplied to the required location no later than 17:00 on 15th calendar day of the month
- Data should be submitted as a CSV file

This specification has the same Effective from Date as the rest of this REC Schedule of 1 April 2024 and so provision of data in this format will be required from this date onwards.

[1]Authority Direction for the License Modification for Payment Levelisation

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GAS METER POINT PORTFOLIOS

DATA ITEM	GUIDANCE
Supplier Short Code	Populate from the Supplier Short Code Id valid set as published by Xoserve Format: Text (3)
Region	Populate from the Ofgem price cap region alignment*. Format: North West Northern Yorkshire Northern Scotland Southern Southern Scotland North Wales & Merseyside London South East Eastern East Midland Midlands Southern Western South Wales *each region must be populated.
Traditional Prepayment meter points	A count of traditional Prepayment Domestic meter points. A Traditional Prepayment Meter is any Meter operating as a Prepayment Meter which is not a Smart Prepayment Meter. “Prepayment Meter” has the meaning given to it in Supplier Licence Condition (SLC) 1 (definitions for standard conditions) of the Gas Supply Licence and Electricity Supply Licence. This is: “any [Gas/ Electricity] Meter operating in a mode which requires a Domestic Customer to pay charges for the Supply of [Gas/ Electricity] in advance”. Format: Integer, positive or zero (NOT NULL)
Smart Prepayment meter points	A count of Smart Prepayment Domestic meter points. A Smart Prepayment Meter is any Gas Meter operating as a Prepayment Meter which is a Relevant Smart Metering System as defined by SLC 33.22 of the Gas Supply Licence. “Prepayment Meter” has the meaning given to it in SLC 1 (definitions for standard conditions) of the Gas Supply Licence and Electricity Supply Licence. This is: “any [Gas/ Electricity] Meter operating in a mode which requires a Domestic Customer to pay charges for the Supply of [Gas/ Electricity] in advance”. Format: Integer, positive or zero (NOT NULL)

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Direct Debit meter points	A count of Domestic meter points operating under a tariff where the payment method is Direct Debit Format: Integer, positive or zero (NOT NULL)
Standard Credit meter points	Count of Domestic meter points operating under a tariff which is neither Direct Debit nor Prepayment Format: Integer, positive or zero (NOT NULL)
Total meter points	Should be equal to the sum of the portfolio of Domestic meter points provided. Total Meter Points =SUM(Traditional Prepayment meter points, Smart Prepayment meter points, Direct Debit meter points, Standard Credit meter points) Format: Integer, positive or zero (NOT NULL)
Date Applicable	Populate as 1st of the month for which the data is being submitted. Format: YYYYMMDD (Date period post 20240101)
Extraction Date	Format: YYYYMMDD (Date period post 20240101)
Date Supplied	Format: YYYYMMDD (Date period post 20240101)

Gas meter point Portfolio Example:

Supplier Shortcode	Region	Traditional Payment Meter Points	Smart Payment Meter Points	Direct Debit Meter Points	Standard Credit Meter Points	Total meter points	Date Applicable	Date Extracted	Date Supplied
AAA	North Wes	387	38	4572	48	5045	20240401	20240401	20240407
AAA	Northern	0	0	0	0	0	20240401	20240401	20240407
AAA	Yorkshire	0	0	0	0	0	20240401	20240401	20240407
AAA	Northern S	0	0	0	0	0	20240401	20240401	20240407
AAA	Southern	0	0	0	0	0	20240401	20240401	20240407
AAA	Southern S	0	0	0	0	0	20240401	20240401	20240407
AAA	North Wal	287	138	4522	98	5045	20240401	20240401	20240407
AAA	London	0	0	0	0	0	20240401	20240401	20240407
AAA	South East	0	0	0	0	0	20240401	20240401	20240407
AAA	Eastern	0	0	0	0	0	20240401	20240401	20240407
AAA	East Midla	0	0	0	0	0	20240401	20240401	20240407
AAA	Midlands	0	0	0	0	0	20240401	20240401	20240407
AAA	Southern W	0	0	0	0	0	20240401	20240401	20240407
AAA	South Wal	0	0	0	0	0	20240401	20240401	20240407

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ELECTRICITY METER POINT PORTFOLIOS

DATA ITEM	GUIDANCE
MPID	Populate from the MPID Id valid set as published by the Balancing and Settlement Code (BSC) Format: Text (4)
Region	Populate from the Ofgem price cap region alignment*. Format: North West Northern Yorkshire Northern Scotland Southern Southern Scotland North Wales & Merseyside London South East Eastern East Midland Midlands Southern Western South Wales *each region must be populated.
Traditional Prepayment meter points	A count of traditional Prepayment Domestic meter points. A traditional Prepayment Meter is any Meter operating as a Prepayment Meter which is not a Smart Prepayment Meter. “Prepayment Meter” has the meaning given to it in SLC 1 (definitions for standard conditions) of the Gas Supply Licence and Electricity Supply Licence. This is: “any [Gas/ Electricity] Meter operating in a mode which requires a Domestic Customer to pay charges for the Supply of [Gas/ Electricity] in advance”. Format: Integer, positive or zero (NOT NULL)
Smart Prepayment meter points	A count of Smart Prepayment Domestic meter points. A Smart Prepayment Meter is any electricity Meter operating as a Prepayment Meter which is a Relevant Smart Metering System as defined by SLC 39.22 of the Electricity Supply Licence. “Prepayment Meter” has the meaning given to it in SLC 1 (definitions for standard conditions) of the Gas Supply Licence and Electricity Supply Licence. This is: “any [Gas/ Electricity] Meter operating in a mode which requires a Domestic Customer to pay charges for the Supply of [Gas/ Electricity] in advance”. Format: Integer, positive or zero (NOT NULL)

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Direct Debit meter points	A count of Domestic meter points operating under a tariff where the payment method is Direct Debit Format: Integer, positive or zero (NOT NULL)
Standard Credit meter points	Count of Domestic meter points operating under a tariff which is neither Direct Debit nor Prepayment Format: Integer, positive or zero (NOT NULL)
Total Primary meter points	Should be equal to the sum of the portfolio of Domestic meter points provided. Total Meter Points =SUM(Traditional Prepayment meter points, Smart Prepayment meter points, Direct Debit meter points, Standard Credit meter points) Format: Integer, positive or zero (NOT NULL)
Date Applicable	Populate as 1st of the month for which the data is being submitted. Format: YYYYMMDD (Date period post 20240101)
Extraction Date	Format: YYYYMMDD (Date period post 20240101)
Date Supplied	Format: YYYYMMDD (Date period post 20240101)

Electricity Meter Point Portfolio Example:

	A	B	C	D	E	F	G	H	I	J
1	Supplier Ref - MPID	Region	Traditional PrePayment Meter Points	Smart PrePayment Meter Points	Direct Debit Meter Points	Standard Credit Meter Points	Total Primary Meter Points	Date Applicable	Date Extracted	Date Supplied
2	AAAA	North West	3056	0	25005	209	28270	20240401	20240401	20240407
3	AAAA	Northern	10554	0	74297	585	85436	20240401	20240401	20240407
4	AAAA	Yorkshire	14124	0	39780	257	54161	20240401	20240401	20240407
5	AAAA	Northern Sc	4325	0	41631	462	46418	20240401	20240401	20240407
6	AAAA	Southern	7658	0	20845	377	28880	20240401	20240401	20240407
7	AAAA	Southern Sc	12345	0	45273	620	58238	20240401	20240401	20240407
8	AAAA	North Wales	18470	0	98212	756	117438	20240401	20240401	20240407
9	AAAA	London	6016	0	87856	284	94156	20240401	20240401	20240407
10	AAAA	South East	19652	0	16837	300	36789	20240401	20240401	20240407
11	AAAA	Eastern	2235	0	51138	889	54262	20240401	20240401	20240407
12	AAAA	East Midlanc	4142	0	66078	640	70860	20240401	20240401	20240407
13	AAAA	Midlands	3264	0	21855	622	25741	20240401	20240401	20240407
14	AAAA	Southern We	0	0	0	0	0	20240401	20240401	20240407
15	AAAA	South Wales	0	0	0	0	0	20240401	20240401	20240407

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