

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	DCP 056 'DCUSA Procurement'
DATE OF ISSUE	04 January 2010
ISSUED TO	DCUSA Contract Managers
PARTIES ENTITLED TO VOTE	All Parties
RETURN DEADLINE (Voting End Date)	18 January 2010 – DCUSA@electralink.co.uk

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA. The Change Report details DCP 056 'DCUSA Procurement'. The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.2 Parties are invited to consider the proposed amendment attached as Appendix A submit votes using the form attached as Appendix B to dcusa@electralink.co.uk by 18 January 2010.

2 INTENT OF DCP 056 – 'DCUSA PROCUREMENT'

- 2.1 DCP 056 has been raised by EDF Energy Networks following discussions at the DCUSA IDNO/DNO Billing group. The CP seeks an amendment to the DCUSA to allow the Panel to tender and subcontract for any activities required under the Agreement which are required to be carried out by DCUSA Ltd.
- 2.2 The current Code of Practice for portfolio billing requires that an Agent is in place to handle data processing. The portfolio approach is deemed (by the industry and Ofgem) to be an activity that falls within the scope of DCUSA and it is anticipated that DCUSA Ltd will be required to contract with a third party agent for the provision of services. Although a change to DCUSA to enable portfolio billing has not yet been formally put forward the IDNO/DNO Billing group is looking at the nature of such a change and the best mechanism for implementation.
- 2.3 Under the current terms of the DCUSA, once a matter is added to the Agreement to be undertaken or facilitated or procured by the Panel, it will be an activity of the Panel and Clause 5.4.4 will allow the Panel to delegate responsibility to a third party (via a contract between that third party and DCUSA Ltd). This CP seeks to make it explicit that the Panel can take pre-emptive steps pursuant to clause 5.4.7 in order to commence necessary activities before the matter is introduced to the Agreement where appropriate.
- 2.4 Rather than limit the scope to portfolio billing, the change is somewhat future proofed by referring to any third party activity required by DCUSA Ltd.
- 2.5 The originator considers that the Change Proposal will better facilitate DCUSA Objective 3¹ as, in respect of the portfolio billing approach, this will enable compliance with CDCM. The proposal may also facilitate DCUSA objective 4² because it enables DCUSA Ltd to act commercially in light of any obligations placed on it by the DCUSA.

3 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 3.1 The proposed legal drafting of DCP 056 has been reviewed by Wragge and Co and is attached as Appendix A.

¹ The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

² The promotion of efficiency in the implementation and administration of this Agreement

4 PANEL RECOMMENDATION

- 4.1 The Panel approved the DCP 056 Change Report on 16 December 2009.
- 4.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that DCP 056 should be issued to all Parties for voting for a period of 10 Working Days.
- 4.3 The timetable for the progression of the Change Proposal is set out below:

ACTIVITY	DATE
Party Voting	04 January – 18 January
Change Declaration	19 January
Authority Consent	19 January – 23 February
Implementation	25 February 2010

Appendices:

- A. DCP 056 – Legal Text
- B. Voting Form