

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	DCP 063 – Voting arrangements for IDNOs under Clause 12
DATE OF ISSUE	22 April 2010
ISSUED TO	DCUSA Contract Managers
PARTIES ENTITLED TO VOTE	IDNO Parties and the OTSO Party
RETURN DEADLINE (Voting End Date)	06 May 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 063 – Voting arrangements for IDNOs under Clause 12. 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 and submit votes using the form attached as Appendix B to dcusa@electralink.co.uk by 06 May 2010.

2 DCP 063 – VOTING ARRANGEMENTS FOR IDNOS UNDER CLAUSE 12

- 2.1 DCP 063 seeks to remove a drafting inconsistency in the voting arrangements for IDNOs and the OTSO under Clause 12 of the DCUSA.
- 2.2 Clause 12.9 – 12.16 of the DCUSA sets out the mechanism for calculating the voting share allocated to Parties for the purpose of the Change Process. Clause 12.9 of the Agreement applies to the IDNO/OTSO category only. IDNOs and the OTSO are allocated an equal weighted vote based on the number of voting groups. For example, if there are 4 voting groups who each cast a vote then each gets a 25% weighted vote, if there are 8 voting groups then each gets 12.5% and so on.
- 2.3 Clause 12.10 – 12.16 applies to the remaining categories – Supplier, DNO and DG. These voting parties are allocated a capped weighted vote based on the number of Metering Points they have registered in the MPAS Registration System (i.e. market share).
- 2.4 DCP 063 has identified a drafting error in Clause 12.11(b) which sets out how the capped weighted vote calculation in place for Supplier, DNO and DG categories should be applied to IDNO Parties. This drafting is superfluous because the mechanism for calculating the IDNO/ OTSO vote is the equal weighted vote set out separately in Clause 12.9.
- 2.5 The mechanism for determining the voting share for each Party was established at the inception of the DCUSA in 2006. DCP 063 does not seek to amend the voting mechanism that is currently used to determine the outcome of a vote in the IDNO/OTSO category. It seeks only to address the housekeeping error which includes a reference to IDNO/OTSO Parties in

Clause 12.11 that is used for calculating the outcome of votes in the Supplier, DNO and DG categories. The Change Proposal seeks to ensure the inconsistency in the DCUSA drafting is removed.

- 2.6 The CP is a Part 1 matter as it seeks to amend Clause 12 of the DCUSA. Clause 12 is part of Section 1C – Change Control which, in accordance with Clause 9.5.1 of the DCUSA, is a Part 1 Matter. The CP therefore requires Authority consent.

3 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 3.1 The proposed legal drafting for DCP 063 has been reviewed by Wragge and Co and is attached as Appendix A. The drafting proposes that Clause 12.11 (b) is deleted and that the remaining clauses and cross references are re-numbered accordingly.

4 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 4.1 DCP 063 better facilitates DCUSA Objective 3.1.4: The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.
- 4.2 Removing this inconsistency in the Agreement will ensure that the administration of the DCUSA voting arrangements is carried out efficiently. It will remove any uncertainty over the correct application of the process. Whilst the current anomaly has had no impact on the calculation of the voting on Change Proposals carried out to date it is good practice to ensure that the rules and processes within the Agreement are clearly documented.

5 PANEL RECOMMENDATION

- 5.1 The Panel approved the DCP 063 Change Report on 21 April 2010.
- 5.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that DCP 063 should be issued to IDNO Parties and the OTSO for voting for a period of 10 Working Days.
- 5.3 The timetable for the progression of the Change Proposal is set out below:

ACTIVITY	DATE
Change Report Agreed	21 April 2010
Party Voting	22 April - 06 May 2010
Change Declaration	07 May 2010
Authority Determination	07 May – 17 June 2010
Implementation	24 June 2010

Appendices:

- A. DCP 063 – Legal Drafting
- B. DCP 063 – Voting Form