

DCP 104 Legal Drafting

Schedule 16 - CDCM¹

Amend Paragraph 2:

2. The Schedule 16 comprises two main parts. Part 1 describes the cost allocation rules. Part 2 describes the tariff structures and their application. [Part 3 then describes network unavailability rebate payments, and Part 4 describes how the DNO Party is to deal with manifest errors.](#)

Add a new Part 4:

Part 4 – Adjustments in the Case of Manifest Errors

179. A manifest error may result in:
- (a) an over or under recovery of revenue from Use of System Charges as compared to the forecast revenue from Use of System Charges; and/or
 - (b) an over or under recovery of revenue from particular tariffs applicable to particular categories of Connectee (a such tariffs are described in Part 2).
180. In the event of a manifest error, the DNO Party shall be entitled to apply an adjustment to its Use of System Charges in accordance with this Part 4 in order to correct the error.
181. The adjustment to be applied in accordance with this Part 4 shall be designed to decrease or increase (as applicable) the revenue from Use of System Charges (and/or the relevant particular tariffs) that the DNO Party would otherwise be entitled to recover in order to address the over or under (as applicable) recovery caused by the manifest error.

¹ Similar additions will also need to be made to the EDCMs in schedules 17 and 18 (once introduced).

182. The adjustment to be applied in accordance with this Part 4 shall be designed to correct the over or under recovery over the course of a 3-year period, and on the following profile:
- (a) in the case of a manifest error that is forecast to result in an over or under recovery of revenue from Use of System Charges of no more than +/- 4% of the DNO Party's allowed revenue for the charging year to which such error relates (but subject to (c) below), then the adjustment shall be designed to spread the impact equally over such 3-year period;
 - (b) in the case of a manifest error that is forecast to result in an over or under recovery of revenue from Use of System Charges of greater than +/- 4% of the DNO Party's allowed revenue for the charging year to which such error relates, then the adjustment shall be designed to apply the effect on the basis of such profile as the Authority may determine on the DNO Party's application (or otherwise to spread the impact equally over such 3-year period); or
 - (c) in the case of a manifest error that is not forecast to result in an over or under recovery of revenue from Use of System Charges but is forecast to result in an over or under recovery of revenue from particular tariffs applicable to particular categories of Connectee, then the adjustment shall be designed to apply the effect on the basis of such profile as the Authority may determine on the DNO Party's application (or otherwise to spread the impact equally over such 3-year period).
183. In determining the adjustment to be applied in accordance with this Part 4, the DNO Party shall apply the same volume forecasts as it uses for the purposes of 'Step 3' set out in Part 1.
184. For the avoidance of doubt, the DNO Party shall periodically re-calculate the adjustment applied in accordance with this Part 4 in order to ensure that the manifest error is corrected over the period, and in accordance with the profile, required by paragraph 182.

Add a new entry to the glossary of terms at the end of schedule 16:

manifest error

an error in the data input into CDCM model or an error in the calculations within the CDCM model (and not, for the avoidance of doubt, a discrepancy between actual data and the forecast data input into the CDCM model).

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