

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 256
Date of submission	10/11/2015
Attachments	[See Guidance Note 1]
Originator Details	
Company Name	British Gas
Originator Name	Kevin Woollard
Category	Supplier
Email Address	Kevin.woollard@britishgas.co.uk
Phone Number	07979 563580
Change Proposal Details	
CP Title	Change to DCUSA to mitigate risks of non-payment of non-payment of DCUSA invoices
Impacted parties	All
Impacted Clause(s)	Clauses 8 and 54
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	DCP 223
Change Proposal Intent	
<p>Following the introduction of the Theft Risk Assessment Service (TRAS) into the DCUSA the value of invoices raised to meet DCUSA costs has increased significantly. This change proposal seeks to make changes to the DCUSA to:</p> <ol style="list-style-type: none">1. Improve the transparency of likely DCUSA costs to enable Parties to better plan and budget for DCUSA invoices2. Improve the effectiveness of the arrangements for following up of non-payment of DCUSA invoices	
Business Justification and Market Benefits	
DCUSA Ltd is reliant on the timely payment of invoices to meet its liabilities. Non-payment of DCUSA invoices could leave DCUSA Ltd with a need to make a payment that it has insufficient funds to cover.	

The intent of this change is to encourage Parties to ensure their DCUSA invoices are paid on time and not cause detriment to those Parties who do pay on time (due to the ability within DCUSA to recover TRAS liabilities from other suppliers).

In order to help facilitate timely payment it is believed that it will help to provide more visibility of future payments anticipated.

Similarly at present the measures that may be taken for non-payment are quite weak. Other options that might be considered include –
Better describing the process following non-payment
Making non-payment a material breach leading to expulsion from DCUSA

Proposed Solution and Draft Legal Text

Add new Clauses as follows:

8.3A The Draft Budget shall separately identify the amount of the costs, and the expected value of charges to be invoiced each quarter, split between each Party Category.

8.11A.1 Failure by a Party to pay any sum due as cleared funds by the due date for payment in accordance with Clause 8.11 shall be a **DCUSA Payment Default**.

8.11A.2 Where a Party so defaults, the Panel shall send a notice (a **DCUSA Late Payment Notice**) to the Party:

- (a) setting out the amount owed by the Party
- (b) stating to whom payment should be made;
- (c) specifying the method of payment

8.11A.3 Failure by the Party to remedy a DCUSA Payment Default within four Working Days of receipt of a DCUSA Late Payment Notice from the Panel shall be a material breach of this Agreement by the Party for the purposes of Clause 54.1.1, and, regardless of Clause 54.6, that Party's accession to this Agreement may be terminated by the Panel. Where the Party's accession to this Agreement is terminated, the Panel shall notify all other Parties and the Authority.

Clause 8.14 could also be moved to within 8.11A to keep these similar matters together.

Proposed Implementation Date

Next DCUSA Release Following Authority Consent

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

None

Environmental Impact

None

Confidentiality

None

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

Objective 4 is better facilitated because the Panel will be able to improve the management of 'late payers' with respects to late payment of the share of budgeted costs.

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

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Detailed rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

<p><u>Charging Objectives:</u></p> <p><u>General Objectives:</u></p>
<p>Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation</p>
<p>SIG 3rd October 2014.</p>

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>
5	Proposed Implementation Date	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> • Submission of Company indicative tariffs is 31

		<p>December of each year.</p> <ul style="list-style-type: none"> Final tariffs are published on 1 April of each year. <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
6	Consideration of Wider Industry Impacts	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
7	Environmental Impact	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance .
8	Confidentiality	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.
9	DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
10	Detailed Rationale for DCUSA Objectives	Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.