

DCP 340 - Notice period required to recover approved last resort supply payment claims which breach the materiality threshold

Draft Legal Text

In Section 2A, amend Clause 19.1B as follows:

19.1B the periods of notice described in Clause 19.1A shall apply unless the Authority directs the Company that those periods of notice need not apply or Clause 19.1E applies. Where the Authority directs the Company that those periods of notice need not apply or Clause 19.1E applies, then the notice period shall be 40 days (without prejudice to any longer notice requirements prescribed by the Distribution Licence).

In Section 2A, insert a new Clause 19.1E as follows:

19.1E Subject to compliance with the requirements of its Distribution Licence concerning the date from which a change to Use of System Charges can take effect, and provided always that the Use of System Charges must be calculated in accordance with the provisions of the relevant Charging Methodology (unless the Authority has directed otherwise):

- (a) where the Company is a DNO Party acting within its Distribution Services Area, the Company may vary its Use of System Charges at any time by 1 February in any year by giving written notice to the User, where the variation is to recover payment claims for last-resort supply in respect of which the Company has given notice to the Authority under Condition 38B of its Distribution Licence (due to the aggregate value of such claims exceeding the materiality threshold provided for in Condition 38B); or
- (b) where the Company is an IDNO Party or a DNO Party acting outside of its Distribution Services Area, the Company may vary its Use of System Charges at any time by giving 40 days' prior written notice to the User, where the variation is to reflect a DNO Party having changed its Use of System Charges as described in paragraph (a) above.

In Schedule 16, insert a new Paragraph 7A as follows:

7A. Where the DNO Party is not providing 15 months' notice of a change to Use of System Charges due to the change being to recover payment claims for last-resort supply in respect of which the DNO Party has given notice to the Authority under Condition 38B of its Distribution Licence (due to the aggregate value of such claims exceeding the materiality threshold provided for in Condition 38B), then the DNO Party shall only update the calculation of charges (compared to those presented in the previous publication of charges for the charging year) in respect of the 'SLR' term used in its forecast level of allowed revenue in the charging year.

In Schedule 17, insert a new Paragraph 1.3A as follows:

1.3A Where the DNO Party is not providing 15 months' notice of a change to Use of System Charges due to the change being to recover payment claims for last-resort supply in respect of which the DNO Party has given notice to the Authority under Condition 38B of its Distribution Licence (due to the aggregate value of such claims exceeding the materiality threshold provided for in Condition 38B), then the DNO Party shall only update the calculation of charges (compared to those presented in the previous publication of charges for the charging year) in respect of the 'SLR' term used in its forecast level of allowed revenue in the charging year.

In Schedule 18, insert a new Paragraph 1.3A as follows:

1.3A Where the DNO Party is not providing 15 months' notice of a change to Use of System Charges due to the change being to recover payment claims for last-resort supply in respect of which the DNO Party has given notice to the Authority under Condition 38B of its Distribution Licence (due to the aggregate value of such claims exceeding the materiality threshold provided for in Condition 38B), then the DNO Party shall only update the calculation of charges (compared to those presented in the previous publication of charges for the charging year) in respect of the 'SLR' term used in its forecast level of allowed revenue in the charging year.