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

**Amend Section 19, 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, the notice period shall be 40 days (without prejudice to any longer notice requirements prescribed by the Distribution Licence).

**Insert new Clause 19.1E in Section 19 as follows:**

19.1E Subject to Licence conditions dictating the date from which a change to Use of System Charges can take effect, where the Company is a DNO Party acting within that DNO Party’s Distribution Services Area, the Company may vary the Use of System charges at any time by 01 February in any given year by giving written notice to the User, where the Company has given notice to the Authority under Condition 38B of its Distribution Licence, in respect of payment claims for last-resort supply where the aggregate value exceeds the nominal materiality threshold value. Where the Company is an IDNO Party or a DNO Party acting outside of that DNO Party’s Distribution Services Area, the Company may vary the Use of System charges at any time by giving 40 days written notice to the User, following a DNO Party having given notice to the Authority under Condition 38B of its Distribution Licence, in respect of payment claims for last-resort supply where the aggregate value exceeds the nominal materiality threshold value. Such charges will be calculated in accordance with the provisions of the Relevant Charging Methodology, unless the Authority has consented otherwise.

**Insert new Clause 7a in Schedule 16 as follows:**

7a Where the DNO Party is not providing 15 months’ notice of a change to Use of System charges due to payment claims for last-resort supply where the aggregate value exceeds the nominal materiality threshold value (under paragraph 1E of Section 19 (‘Charges’)), it 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.

**Insert new Clause 1.3a in Schedule 17 as follows:**

1.3a Where the DNO Party is not providing 15 months’ notice of a change to Use of System charges due to payment claims for last-resort supply where the aggregate amounts exceeds the nominal materiality threshold value (under paragraph 1E of Section 19 (‘Charges’)), it 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.

**Insert new Clause 1.3a in Schedule 18 as follows:**

1.3a Where the DNO Party is not providing 15 months’ notice of a change to Use of System charges due to payment claims for last-resort supply where the aggregate amounts exceeds the nominal materiality threshold value (under paragraph 1E of Section 19 (‘Charges’)), it 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.