
Meeting Name	DCUSA Panel
Meeting Date	Ex-Committee by Email – 18 April 2008
Paper Title	Initial Assessment Report – DCP 022
Purpose of Paper	For Decision
Synopsis	This paper presents an Urgent Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

1 INTRODUCTION

- 1.1 This paper refers an Urgent DCUSA Change Proposal (DCP) to the DCUSA Panel for agreement on its progression.
- 1.2 The CP has been assessed by the Secretariat in accordance with Section 10.11 of the DCUSA. The CP has met the requirements and ElectraLink has prepared a recommendation for consideration by the Panel.

2 SUMMARY OF CHANGE PROPOSAL FOR CONSIDERATION

- 2.1 DCP 022 - *Annual rebates by cheque* is attached as Appendix A. The following table shows a summary of the CP:

Raising Party	EDF Energy Networks
CP Status	Urgent
Change Synopsis	This CP seeks to amend the DCUSA to allow the annual rebate to be reimbursed to Parties by either a cheque or a credit note.
Parties Impacted	Distributors, Suppliers & IDNOs
Part 1 / Part 2	Part 1
Authority Consent	Required
Proposed Implementation	As soon as possible following Authority Consent

3 DCP 022 - ANNUAL REBATES BY CHEQUE

- 3.1 DCP 022 has been raised by EDF Energy Networks following a recommendation from the DCUSA Board at its meeting on 16 April 2008. This CP seeks to amend the DCUSA to allow the annual rebate to be reimbursed to Parties by either a cheque or a credit note.
- 3.2 In accordance with the terms of the DCUSA, at the end of each Financial Year the Panel must calculate the total cost contribution that was due from each Party in that Financial Year. The Panel then compares the actual cost contribution that should have been paid with the amount actually paid by the each Party. Where there is an overpayment, the Panel is required to arrange for a reimbursement of the overpayment by means of a credit note against the next invoice. Essentially this is a mechanism by which the actual costs (determined at the end of the year) are reconciled to the year's budget (which is set at the start of the year).
- 3.3 During 2007/08, the efficient governance of DCUSA (compared to the budget approved by the Parties at the start of that year) has resulted in an overpayment that is significant. The DCUSA Board has recommended that in the interests of good governance and economic efficiency, it should be permissible that any overpayment may be reimbursed by cheque payments. This will ensure that any overpayment is returned to Parties as quickly as possible and that Parties receive an immediate benefit. As such it is considered that this CP will better facilitate Objective 4 of the DCUSA - the promotion of efficiency in the implementation and administration of this Agreement.
- 3.4 The proposer has asked that the CP be considered as an Urgent Change Proposal as it is linked to a time-related matter. Clause 8.12 of the DCUSA mandates that the DCUSA reconciliation process must take place within 40 working days of Financial Year end (31 March 2008). If the change is not progressed in this manner, DCUSA will be required to raise credit notes with or before the next set of DCUSA invoices (July 2008), nullifying the ability to reimburse by cheque for this year efficiently.
- 3.5 It is recommended that the CP should be entered into the Assessment Phase and progressed directly through to the Report Phase.

4 PROGRESSION OF THE CP AS AN URGENT CHANGE

- 4.1 In order to expedite the progression of DCP 022 the Panel is also invited to consider and agree the Change Report for issue to Parties. It is recommended that the Change Report is issued to all DNO, IDNO and Supplier Parties for a period of 5 WD. The Change Report is attached as Appendix B.
- 4.2 A proposed timetable for the progression of the proposal is outlined below:

Activity	Latest Date
Ex-Committee Panel by email – IA Report agreed	18 April – 25 April 2008 ¹
Party Voting	28 April – 06 May 2008 ²

¹ This period will be reduced as soon as a quorum response is received.

Authority Determination Period	07 May – 03 June 2008
Implementation	ASAP following Authority Consent

5 RECOMMENDATIONS

The DCUSA Panel is invited to:

- Accept the referral of DCP 022;
- Agree that the CP should be entered into the Assessment Procedure;
- Agree that the CP should be treated as an Urgent change;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be progressed through the Report Phase;
- Approve the Change Report for issue to Parties; and
- Agree the progression of the CP in accordance with the timetable set out in Section 4.2.

6 APPENDICES

- Appendix A – DCP 022
- Appendix B – DCP 022 – Change Report

² This period will commence as soon as a Panel decision is reached.