

DCUSA Change Proposal Form

This form should be used by DCUSA Parties who wish raise a draft or formal Change Proposal and for DCUSA members and other interested parties to return their comments on DCUSA Change Proposals which have been circulated for consultation.

Originators - please complete Section A of this form and submit to DCUSA@electralink.co.uk.

Respondents – please complete Section B of this form and return it to DCUSA@electralink.co.uk your response should include your assessment of the solution and comments on the Change Proposal drafting. If you reject the solution then please supply your reason for rejection and an alternative solution. Even if you reject a solution your responses should state whether the proposed implementation date is acceptable to your organisation. If it is not acceptable, please indicate the reasons why and an alternative date.

SECTION A: To be completed by originator

Document Control	
CP Status	Standard / Urgent
Date Submitted	16 April 2008
CP Number*	DCP 022
Version Number	1.0
CP Ref*	04/08
Attachments	None

* Assigned by DCUSA Secretariat

Originator Details	
Party Name	EDF Energy (EPN) plc
Originator Name	Peter Waymont
Party Category	Distributor / Supplier / IDNO / DG
Email Address	Peter.waymont@edfenergy.com
Telephone Number	07875 112757

Change Proposal Details	
CP Title	Annual rebates by cheque
DCUSA Parties believed to be impacted	Distributor / Supplier / IDNO / DG
Proposal to Change	Part 1 / Part 2 / Other

	Schedule / Clause: 8.13
Summary of Change	<p>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. It should then compare the actual Cost Contribution that should have been paid with the amount actually paid by the Party during the year.</p> <p>Where there is an overpayment, the Panel should arrange for a reimbursement of the overpayment by means of a credit note against the next invoice.</p> <p>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).</p> <p>At the time of the DCUSA steering group it was envisaged that the adjustments would be immaterial and so a credit note would be sufficient and this was how DCUSA was drafted.</p> <p>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.</p> <p>The DCUSA Panel is of the opinion that in the interests of good governance, it should be permissible that any overpayment could be reimbursed by cheque payments.</p> <p>It should be at the discretion of the Panel whether cheque or credit note reimbursement should be adopted each year and the chosen method should be used in respect of all Parties (i.e. Parties should not have individual choice each year such that some have cheques and some have credit notes).</p> <p>Whichever method of reimbursement is adopted, the reimbursement should not prevent invoices being paid, e.g. in the expectation of credit notes or cheques being issued, the reimbursement process being in respect of a prior year and so separate to the invoicing process of the current year.</p>
Related CPs	none

Proposed Solution

Amend Clause 8.13 to read as follows:

8.13 Where, in respect of a Financial Year and any Party, the aggregate amount paid in accordance with Clause 8.11:

<p>8.13.1 is greater than the aggregate amount calculated in accordance with Clause 8.12, the Panel shall arrange for that Party to be reimbursed with the difference by means of either (at the Panel's discretion but so that each Party to be reimbursed in respect of a Financial Year is reimbursed by the same means):</p> <p style="padding-left: 40px;">(A) of a cheque payment; or</p> <p style="padding-left: 40px;">(B) a credit against the next invoice to be raised pursuant to Clause 8.10; or</p> <p>8.13.2 is less than the aggregate amount calculated in accordance with Clause 8.12, the Panel shall arrange for the difference to be added to the next invoice raised pursuant to Clause 8.10.</p>

Proposed Implementation Technique
Phased Implementation / Big Bang

Proposed Implementation Date
<i>Please specify and give a reason if proposed date is outside the release schedule</i>
February / June / November Release ——— Year:
Other: as soon as practicable after approval

DCUSA Objectives
<i>Please state which DCUSA Objective(s) will be better facilitated by this CP</i>
The promotion of efficiency in the implementation and administration of this Agreement.

Business Justification Including Market Benefits
The main benefit is in the cash flow of DCUSA parties.
The change is considered urgent because it is linked to a time-related matter, being the 31 March year end and the reconciliation process needing to take place within 40 working days thereafter (DCUSA Clause 8.12). Without the change being made before then, any credit note would need to be raised with or before the next invoices after that which is the invoices for the quarter commencing in July, nullifying the ability to reimburse by cheque for this year efficiently.

Authority Consent
Yes (Part One) / No (Part Two)