

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 100
Date of submission	8 th July 2011
Attachments	Draft legal text
Originator Details	
Company Name	Npower Limited
Originator Name	Sasha Pearce
Category	SUPPLIER
Email Address	Sasha.pearce@npower.com
Phone Number	0121 336 5261
Change Proposal Details	
CP Title	Payment timescales alignment and simplification
Impacted parties	All parties
Impacted Clause(s)	20, 21, 22, 44, 45 and Schedule 4
Part 1 / Part 2 Matter	Part 2
Related Change Proposals	
Change Proposal Intent	
<p>To align the arrangements for payment of Use of System charges with other similar arrangements and to facilitate the management of credit cover particularly over Bank Holiday periods. In addition, to amend the timescales for raising disputes as set out in Schedule 4 to align with the new payment timescales.</p>	
Business Justification and Market Benefits	
<p>Industry Codes and Agreements specify different timescales for payment of invoices.</p> <p>This inconsistency creates difficulties and additional costs for Parties. In cases where the payment timescales are in "days" Parties have to make special arrangements for paying invoices that fall due on or around Bank Holidays. Usually, this leads to an increased workload on the days leading up to Bank Holidays, and on occasions Suppliers have to make special payment arrangements with banks to avoid default. On the other hand, Parties do not have to make such arrangements for paying invoices in which the payment timescales are defined as "Working Days", as this excludes Bank Holidays.</p> <p>This Proposed Amendment would allow all Parties to plan their workload more effectively. It would also allow Parties more time to validate invoices falling due on or around Bank Holidays and should result</p>	

in fewer erroneous disputes. It should reduce the need to make special bank payment arrangements, or make early payment of invoices in the run up to Bank Holidays. As a consequence, Parties will be better able to manage their cash flow. It should also reduce the number of incidences where warning notices have to be issued, credit cover limits are breached and Distributors have to handle cash payments or other short notice credit arrangements, many of which have to be unpicked again a short while later.

Proposed Solution and Draft Legal Text

It is proposed to amend the invoice payment timescales within DCUSA so that payment should be made within [x] Working Days, rather than [y] Calendar Days.

Currently the Disputes process set out in Schedule 4 requires disputes to be raised within 14 days of receiving a request for payment; therefore we propose to amend the timescales for raising disputes to 10 Working Days, so that this process continues to align with the payment timescales for Use of System charges.

Draft legal text is attached at Appendix A.

Proposed Implementation Date

November 2011.

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

If other please specify

Consideration of Wider Industry Impacts

No impacts identified.

Environmental Impact

None.

Confidentiality

N/A

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes.

- ☐ 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

Rationale for better facilitation of the DCUSA Objectives identified above

This change will better facilitate competition by removing inconsistencies and allowing Parties to use their resources more effectively, thereby reducing costs. It will simplify the management of credit cover and will reduce Parties' costs but should not have any impact on the business of the Distributors. It will allow easier access to the market for new participants as payment timescales will be clearer and easier to manage.

It will promote efficiency in the administration of this Agreement by easing the process of paying Use of System charges, enabling better opportunity for validation of invoices, raising of disputes, and management of credit cover requirements. Presently, parties have to make special arrangements for paying invoices that fall due on or around Bank Holidays. This increases costs and workload. This proposal will allow Parties to manage better their arrangements for payment of invoices and allow them to plan resource to be confident in the integrity of these invoices.

PART C – MANDATORY FOR CHARGING METHODOLOGIES PROPOSALS

DCUSA CDCM Objectives

Please tick the relevant boxes.

CDCM 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

General Objectives:

- ☐ 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

Rationale for better facilitation of the DCUSA Objectives identified above

CDCM Objectives:

General Objectives:

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Data Field	Guidance
Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
Change Proposal Intent	Outline the issue the CP is seeking to address. Please note that the intent of the CP cannot be altered once submitted.
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
CP Status	A CP may be deemed 'urgent' in accordance with Clause 10.4.8 of the DCUSA. The proposer should give supporting reasons.
DCUSA General Objectives	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
DCUSA CDCM Objectives	Indicate which of the DCUSA CDCM Objectives will be better facilitated by the Change Proposal. Please note that a CDCM change may also facilitate the DCUSA General objectives.
Draft Legal Text	Insert proposed legal drafting (change marked against any existing DCUSA drafting). The Change Proposal Intent will take precedence in the event of any inconsistency.
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 .
Impact of Wider Industry Change	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.
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.
Proposed Implementation Date	The Change can be implemented in February, June, and November of each year.
Proposed Solution	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.
Rationale for DCUSA Objectives	Provide 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.
Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.