

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	DCP 058 'Late Payment Interest on Cost Contribution Invoices'
DATE OF ISSUE	04 January 2010
ISSUED TO	DCUSA Contract Managers
PARTIES ENTITLED TO VOTE	All Parties
RETURN DEADLINE (Voting End Date)	18 January 2010 – DCUSA@electralink.co.uk

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA. The Change Report details DCP 058 'Late Payment Interest on Cost Contribution Invoices'. The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.2 Parties are invited to consider the proposed amendment attached as Appendix A submit votes using the form attached as Appendix B to dcusa@electralink.co.uk by 18 January 2010.

2 INTENT DCP 058 – 'LATE PAYMENT INTEREST ON COST CONTRIBUTION INVOICE'

- 2.1 DCP 058 has been raised by ESP Electricity Limited. The CP seeks to allow DCUSA Limited to impose Late Payment Interest Charges and administration fees on those Parties who have defaulted on the payment terms of a Cost Contribution invoice.
- 2.2 At the November 2009 DCUSA Board Meeting it was noted that some Parties are consistently paying their Cost Contribution invoices late. This was deemed to be unfair on the Parties that do pay their invoices within the payment terms specified, as well resulting in unnecessary costs being incurred by the Secretariat in chasing late payments. This Change Proposal seeks to provide the Panel with a vehicle to impose late payments interest charges and administration fees on those Parties who have defaulted on the payment terms of a cost contribution invoice.
- 2.3 The Proposer considers that, should this CP be accepted, there will be a natural incentive for all Parties that fund DCUSA Limited to pay their contribution costs within the specified payment terms. This will reduce any cash flow burden on DCUSA Limited as well as unnecessary costs incurred in the administration of bad debtors and remove a deemed unfairness on those Parties that do pay on time.
- 2.4 The Proposer considers that the Change Proposal will better facilitate DCUSA Objective 4¹ as the change will encourage the timely payment of invoices, ensure that funds are available to DCUSA Ltd as required, reduce

¹ The promotion of efficiency in the implementation and administration of this Agreement.

the requirement to chase late payments and ensure that the DCUSA has a clear system in place for managing debtors and charging interest on late payments.

3 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 3.1 The proposed legal drafting of DCP 058 has been reviewed by Wragge and Co and is attached as Appendix A.

4 PANEL RECOMMENDATION

- 4.1 The Panel approved the DCP 058 Change Report on 16 December 2009.
- 4.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that DCP 058 should be issued to all Parties for voting for a period of 10 Working Days.
- 4.3 The timetable for the progression of the Change Proposal is set out below:

ACTIVITY	DATE
Party Voting	04 January – 18 January
Change Declaration	19 January
Authority Consent	19 January – 23 February
Implementation	25 February 2010

Appendices:

- A. DCP 058 – Legal Text
- B. Voting Form