
Meeting Name	DCUSA Panel
Meeting Date	16 December 2009
Paper Title	Initial Assessment Report – DCP 058
Purpose of Paper	For Decision
Synopsis	This paper presents a Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

1 INTRODUCTION

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

2 DCP 058 - LATE PAYMENT INTEREST ON COST CONTRIBUTION INVOICES

- 2.1 DCP 058 has been raised by ESP Electricity Limited. The CP seeks to allow DCUSA Limited, where deemed appropriate, 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 Payment Interest Charges and associated administration fees for payment defaults.
- 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 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 PROGRESSION OF DCP 058

- 3.1 This change is deemed to be a Standard Change Proposal. It is recommended that the CP be progressed directly to the Report Phase as the DCUSA Board has developed the proposal and is unlikely to be the subject of significant controversy between Parties.
- 3.2 The proposal impacts Part 1 matter in accordance with Clause 9.5.1 of the Agreement as it impacts Section 8 – 'Costs of the DCUSA' and will therefore require Authority Consent.
- 3.3 A proposed timetable for the progression of the proposal is outlined below:

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

Activity	Latest Date
Panel Meeting – IA agreed	16 December 2009
Panel Meeting - Change Report Agreed	16 December 2009
Party Voting	04 January - 18 January 2010
Change Declaration	19 January 2009
Authority Determination	19 January – 23 February 2010
Implementation	25 February 2010

4 RECOMMENDATIONS

The DCUSA Panel is invited to:

- Consider whether to accept the referral of DCP 058;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be progressed directly to the Report Phase; and
- Agree the progression of the CP in accordance with the timetable set out in Section 3.4.

5 APPENDICES

- A – DCP 058 Change Proposal