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<b>Meeting Name</b>	DCUSA Panel
<b>Meeting Date</b>	18 November 2009
<b>Paper Title</b>	Initial Assessment Report – DCP 056
<b>Purpose of Paper</b>	For Decision
<b>Synopsis</b>	This paper presents a Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

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## 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 056 - DCUSA PROCUREMENT

- 2.1 DCP 056 has been raised by EDF Energy Networks following discussions at the DCUSA IDNO/DNO Billing group and seeks an amendment to allow the DCUSA to tender and subcontract for any activities required under the Agreement which are required to be carried out by DCUSA Ltd.
- 2.2 The current Code of Practice for portfolio billing requires that an Agent is in place to handle data processing. The portfolio approach is deemed (by the industry and Ofgem) to be an activity that falls within the scope of DCUSA. Although a change to DCUSA to enable portfolio billing has not yet been formally put forward the IDNO/DNO Billing group is looking at the nature of such a change and the best mechanism for implementation.
- 2.3 Under the current drafting of the Agreement DCUSA Ltd is unable to run a tender process and procure such an agent, as its ability to subcontract is limited to activities that the Panel is required to perform. This Change Proposal is designed to facilitate DCUSA Ltd procuring the services of an agent for portfolio billing, so long as portfolio billing is an activity that captured within the DCUSA. However rather than limit the scope to portfolio billing, the change is somewhat future proofed by referring to any third party activity required by DCUSA Ltd.
- 2.4 The originator considers that the Change Proposal will better facilitate DCUSA Objective 3<sup>1</sup> as in respect of the portfolio billing approach this will enable compliance with CDCM. The proposal may also facilitate DCUSA objective 4<sup>2</sup> because it enables DCUSA Ltd to act commercially in light of any obligations placed on it by the DCUSA.

## 3 PROGRESSION OF DCP 056

- 3.1 This change is deemed to be an urgent Change Proposal in accordance with Clause 10.7.3 as it is linked to an imminent date related event. Ofgem has indicated that portfolio billing should be in place by April 2010 and this CP is required to enable its implementation within the DCUSA. The proposed implementation date for DCP 056 is 25 February 2010.
- 3.2 The proposal impacts a Part 1 matter in accordance with Clause 9.5.1 of the Agreement as it impacts Clause 5 'Functions and Constitution of the Panel' and will therefore require Authority Consent.
- 3.3 It is recommended that the CP be progressed via the Definition Phase to allow a Working Group to consider the proposal and it is proposed that the IDNO/DNO Billing Group act as the Working Group for the CP.

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<sup>1</sup> The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

<sup>2</sup> The promotion of efficiency in the implementation and administration of this Agreement

3.4 A proposed timetable for the progression of the proposal is outlined below:

<b>Activity</b>	<b>Latest Date</b>
Panel Meeting – IA agreed	18 November 2009
Panel Meeting - Change Report Agreed	16 December 2009
Party Voting	04 - 18 January 2010
Change Declaration	22 January 2009
Authority Determination	25 January – 08 February 2010
Implementation	25 February 2010

#### **4 RECOMMENDATIONS**

The DCUSA Panel is invited to:

- Consider whether to accept the referral of DCP 056;
- Agree that the CP should be treated as a Part 1 matter;
- Agree that the CP should be assessed by the IDNO/DNO Billing Group; and
- Agree the progression of the CP in accordance with the timetable set out in Section 3.4.

#### **5 APPENDICES**

- A – DCP 056 Change Proposal