

DCUSA CHANGE REPORT	
CHANGE PROPOSAL	DCP 027 – Invoicing
DATE OF ISSUE	24 July 2008
ISSUED TO	DCUSA Contract Managers Ofgem – For Information
PARTIES ENTITLED TO VOTE	All Supplier, DNO and IDNO Parties
RETURN DEADLINE (Voting End Date)	14 August 2008 – 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 027 – ‘*Invoicing*’. The voting process for the proposed variation and the timetable of the progression of the 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 and Legal Drafting attached as Appendix B and submit votes using the form attached as Appendix C to dcusa@electralink.co.uk by 11 August 2008.

2 BACKGROUND

- 2.1 The Panel considered DCP 027 at its meeting on 18 June 2008. The Panel agreed to progress DCP 027 as a standard change impacting Part 1 matters in accordance with Clause 9.4 and Clause 9.5 of the Agreement as it impacts Section 1B - Governance.
- 2.2 The Panel agreed that the CP should be entered directly into the Report Phase in accordance with Clause 11.6 as it is “concerned solely with the technical legal drafting” of the Agreement and is “unlikely to a subject of significant controversy between parties”.

3 DCP 027 – INVOICING

Raising Party	EDF Energy Networks
CP Status	Standard
Change Synopsis	This change seeks to add clarity to the DCUSA drafting by better describing the practical and accounting processes that have been adopted to

	date and have been recommended by the DCUSA Auditors.
Parties Impacted	Distributors, Suppliers & IDNOs
Part 1 / Part 2	Part 1
Authority Consent	Required
Proposed Implementation	November 2008

- 3.1 DCP 027 was raised by EDF Energy Networks following a recommendation from the DCUSA Auditors. The DCUSA drafting currently DCUSA states that invoices for a quarter should be raised in advance of the quarter. This requirement is not pragmatic or efficient for accounting purposes as the income and costs are out of line by a quarter and in practice DCUSA Ltd has raised invoices at the start of each quarter.
- 3.2 The Auditors have also highlighted that there is a degree of incoherence between Clauses 8.9.2 and 8.10. This change seeks to better clarify the drafting to reflect that Clause 8.9 is backward looking in terms of the actual costs incurred (and which each Party should bear), whereas Clause 8.10 is forward looking in terms of the budget to be invoiced (and which each Party should pay). Any differences between the two different points of view are taken care of in the year end reconciliation process under Clause 8.12.
- 3.3 This change therefore seeks to add clarity to the DCUSA drafting by better describing the practical and accounting processes that have been adopted to date and are recommended by the DCUSA Auditors.

4 PROPOSED AMENDMENT AND LEGAL DRAFTING

- 4.1 The proposed legal drafting of DCP 027 has been reviewed by Wragge & Co and the DCUSA Auditors and is attached as Appendix B.

5 PANEL RECOMMENDATION

- 5.1 The Panel approved the DCP 027 Change Report at its meeting on 16 July 2008. The Panel considers that this CP will better facilitate Objective 4¹ of the DCUSA as it will ensure that the Agreement accurately reflects the practical accounting processes that are followed by DCUSA Limited.
- 5.2 In accordance with Clause 12.4 of the DCUSA the Panel has determined that DCP 027 should be issued to all Parties for voting for a period of 15 Working Days. Subject to approval, DCP 027 will be implemented in the November 2008 Release.
- 5.3 The timetable for the progression of the Change Proposal is set out below:

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

Party Voting	24 July – 14 August 2008
Change Declaration	15 August 2008
Authority Determination	18 August - 23 September 2008
Implementation	06 November 2008

Appendices:

- A. DCP 027 v1.0
- B. DCP 027 - Legal Drafting
- C. DCP 027 - Voting Form