

DCUSA CHANGE DECLARATION
DCP 022 – Annual Rebates by Cheque

VOTING DATE: 28 April 2008

DCP 022	WEIGHTED VOTING		
	DNO	IDNO	SUPPLIER
CHANGE SOLUTION	Accept	Accept	Accept
IMPLEMENTATION DATE	Accept	Accept	Accept
RECOMMENDATION	<p>Change Solution – ACCEPT In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was greater than 50% in all Categories.</p> <p>Implementation Date – ACCEPT In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was greater than 50% in all Categories.</p>		
PART ONE / PART TWO	Part One – Authority Determination Required		

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A/R)	COMMENTS
DNO PARTIES			
Central Networks East	A	A	-
Central Networks West	A	A	-
EDF Energy Networks (EPN)	A	A	-
EDF Energy Networks (LPN)	A	A	-
EDF Energy Networks (SPN)	A	A	-
Electricity North West Limited	R	Neutral	<p>We are supportive of the Change Proposal to allow flexibility for the Panel to determine whether a cheque or a credit note is sent out to each DCUSA Party member where the actual costs are less than the budget; however we do not support the proposed legal drafting.</p> <p>Within the current drafting we know that there will be a credit against the next invoice (18.13.1). This is retained in the proposed drafting (18.3.1.B). Where the proposed reimbursement is by cheque (18.13.1.A) there is no defined timescale within which the cheque is to be sent out to Party members.</p> <p>In our opinion there should be a similar obligation placed on the Panel to reimburse by cheque prior to the</p>

			<p>next invoice to be raised. We suspect that this was the intent (supported by the business justification within the change proposal) but due to the nature of the change being classed as an Urgent change this has resulted in this requirement being inadvertently missing.</p> <p>If this had resulted in a consultation we would have suggested the following alternate proposal (ENW additions in italics):</p> <p>“8.13 Where, in respect of a Financial Year and any Party, the aggregate amount paid in accordance with Clause 8.11:</p> <p>8.13.1 is greater than the aggregate amount calculated in accordance with Clause 8.12, the Panel shall arrange for that Party to be reimbursed with the difference by means of either (at the Panel’s discretion but so that each Party to be reimbursed in respect of a Financial Year is reimbursed by the same means):</p> <p>(A) of a cheque payment <i>prior to the next invoice to be raised pursuant to</i></p>
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			<p><i>Clause 8.10; or</i></p> <p>(B) a credit against the next invoice to be raised pursuant to Clause 8.10; or</p> <p>8.13.2 is less than the aggregate amount calculated in accordance with Clause 8.12, the Panel shall arrange for the difference to be added to the next invoice raised pursuant to Clause 8.10."</p> <p>Implementation date</p> <p>Based on Clause 8.10 (which indicates that invoices will be sent in advance of each quarter) if the intent was to provide the cheque before the next invoice it is sensible to implement this before the next release (26th June) since waiting until this date would affect the ability to deliver this requirement.</p> <p>If the intent was to leave the defined timescale open to the Panel then I would be opposed to such an ad-hoc implementation date. This would ensure that credits are received in a timely manner based on existing processes.</p> <p>That said all invoices seem to be</p>
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		<p>received and dated in the first month of each quarter (and not in advance of each quarter as stated above). Clause 8.10 either needs to be amended in line with this process or invoices sent early. If the intent is to keep this process and amend DCUSA then there should be no reason to implement this change prior to the 26th June because the next invoices would tend to be raised in and around the 20th of July for Quarter two, a month after implementation.</p> <p>I am therefore neutral on this implementation date due to the actual process not being aligned to the DCUSA. Such alignment needs to be made.</p> <p>Other observations/queries</p> <p>To send a cheque or a credit note – I accept that this will be under the control of the Panel but it would be helpful to the Panel if there was an assessment criterion e.g. threshold limits developed in order to determine which option should be chosen.</p> <p>DCUSA Objectives – it is difficult to understand how this better facilitates the DCUSA objectives. It seems to me to increase the administration if a cheque is to be sent at or is at best</p>
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			<p>neutral.</p> <p>It is a concern (yet understood why) that another administration change proposal related to the funding of DCUSA has been produced especially after the comments received from Ofgem in their determination of DCP015. The Panel have on the operating plan the need to review the change control process for a number of months. We believe the time has now come to instigate such a review rather than the date proposed by the Panel of Q3 of 2008 (post the industry codes review).</p>
Northern Electric Distribution	A	A	-
Scottish Hydro Electric Power Distribution plc	A	A	We support this sensible and pragmatic proposal to facilitate the return of significant working capital to the DCUSA Parties.
Southern Electric Power Distribution plc	A	A	We support this sensible and pragmatic proposal to facilitate the return of significant working capital to the DCUSA Parties.
SP Distribution	A	A	-
SP Manweb	A	A	-
Western Power Distribution (South	A	A	-

Wales) plc			
Western Power Distribution (South West) plc	A	A	-
Yorkshire Electricity Distribution Plc	A	A	-
IDNO PARTIES			
The Electricity Network Company Ltd	A	A	-
SUPPLIER PARTIES			
British Gas	A	A	-
E.ON UK	A	A	-
EDF Energy Customers Plc	A	A	-
Npower Ltd, Npower Direct Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd, Electricity Plus Supply Ltd	A	A	-
ScottishPower Energy Retail Ltd	A	A	-
SSE Energy Supply Limited	A	A	-