

DCP 351 – Recovery of Incorrectly Paid Incentive Scheme Credits

Draft Legal Text

Add new paragraphs 7.8 and 7.9 to Schedule 30 of the DCUSA as follows:

- 7.1 The Scheme Administrator will be responsible for the calculation of the financial debits and credits resulting from The Scheme, in accordance with the rules of The Scheme, utilising the information provided within the Scheme Year Summary Report.
- 7.2 All debits and credits associated with the Scheme Year will be calculated by the Scheme Administrator based on the total number of Confirmed Thefts shown within the final Scheme Year Summary Report, covering the full twelve-month period of the Scheme Year and utilising Supplier Party market share figures based on the figures utilised at the commencement of that Scheme Year, as per Paragraph 5.4 (subject to Paragraph 5.6).

This will be done using the following formula:

$$(X*(STD / TTD)) - (X*FMPS)$$

except where FMPS equals zero when expressed to five decimal places, in which case no credit or debit will be applied.

Where:

X is the total incentive pot value of the relevant section of the Scheme amended in line with the percentage change in CPI¹ between the index published for the start and the end of the Scheme Year.

STD is the number of Confirmed Thefts recorded by the Supplier Party.

TTD is the total number of Confirmed Thefts recorded in the Scheme Year.

FMPS is the final Metering Point market share of the Qualifying Supplier Parties in The Scheme expressed to five decimal places.

- 7.3 Once calculated, notification of the relevant debit and credit values will be communicated to each individual Qualifying Supplier Party by the Scheme Administrator, within 144 calendar days after the end of the Scheme Year.
- 7.4 For ease of administering the process for issuing The Scheme credits and debits, this activity will be undertaken by the Scheme Administrator via existing Supplier Party

¹ CPI figure to be taken from the prevailing figure published by the Office for National Statistics.

invoicing arrangements. All debit invoices issued under The Scheme will be subject to the normal payment terms as set out in Clause 8 of the main body of this Agreement.

- 7.5 Non-payment of The Scheme debit invoices will be treated in the same manner as the non-payment of other DCUSA Ltd invoices under this Agreement, with the same sanctions being applicable. The non-payment will also be reported to the Authority for information.
- 7.6 Arrangements should be such that DCUSA Ltd is never faced with a financial deficit associated with The Scheme.
- 7.7 The issuing of credits from The Scheme shall be done in such a way as to not discriminate between Qualifying Supplier Parties. This shall be achieved by paying out the proportion of The Scheme credits to all eligible Qualifying Supplier Parties commensurate to the proportion of The Scheme debits received at that time.

7.8 Where a credit payment has been incorrectly made to a Supplier Party, the Secretariat shall, on a case-by-case basis, invite the Panel to determine whether:

- (a) a financial adjustment should be made to re-claim an incorrectly paid credit amount; and/or
- (b) the Authority is to be notified that the relevant Supplier Party has incorrectly received a credit amount.

7.9 If the Panel determines that such a financial adjustment is necessary, then the Secretariat shall recover the amount which was incorrectly paid, and re-distribute a proportional amount to all Qualifying Supplier Parties for the Scheme Year to which the incorrect payment related, at the same time as the annual payments for the next Scheme Year are made.

Commented [GWL1]: We have expanded on the concept of 'eligible suppliers' as requested. We assume the intention was to re-distribute to the suppliers who would have received more but for the incorrect payment, and have therefore referred to Qualifying Supplier Parties for the SY to which the incorrect payment related. Is this the intent?