





| DCUSA Change Proposal (DCP) | | At what stage is this document in the process? |
|---|---|--|
| <h1>DCP 402:</h1> <h2>Amendment to the 'Effective From' Date of DCP 349</h2> <p>Date Raised: 09 March 2022</p> <p>Proposer Name: Andrew Sherry</p> <p>Company Name: Electricity North West</p> <p>Party Category: DNO</p> | | 01 – Change Proposal |
| | | 02 – Consultation |
| | | 03 – Change Report |
| | | 04 – Change Declaration |
| <p>Purpose of Change Proposal:</p> <p>To amend the 'effective from' date currently set in the DCP 349 legal text, which has been approved to be implemented on 01 April 2022, from 24 June 2022 to 29 June 2023. This allows for a transition time of a minimum of 12 months for existing Suppliers to move to the new requirements.</p> | | |
|  | <p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> • Treated as a Part 2 Matter • Treated as a Standard Change • Progressed to the Change Report phase <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p> | |
|  | <p>Impacted Parties:</p> <p>Suppliers, DNOs and IDNOs</p> | |
|  | <p>Impacted Clauses:</p> <p>Schedule 1 – Paragraphs 2.13 and 2.13B</p> | |

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| Indicative Timeline | | | |
| The Secretariat recommends the following timetable: | | | |
| Initial Assessment Report | | 16 March 2022 | |
| Change Report Approved by Panel | | 20 April 2022 | |
| Change Report issued for Voting | | 22 April 2022 | |
| Party Voting Closes | | 13 May 2022 | |
| Change Declaration Issued to Parties | | 17 May 2022 | |
| Implemented | | 23 June 2022 | |

1 Summary

What?

- 1.1 Following on from the Authority's Decision (see Attachment 1) to accept DCP 349 'Effectiveness of the current provision of unsecured cover under Schedule 1', it has been noted that there was an error in the legal text in relation to the date upon which the requirements are to become effective. The DCP 349 legal text, which will be implemented on 01 April 2022, includes reference to 24 June 2022 as being the date from which the new requirements are to have effect from, however this should read 29 June 2023. This Change Proposal (CP) is raised as a housekeeping change to amend the legal text that will be introduced by DCP 349 (Schedule 1, Paragraphs 2.13 and 2.13B) to state 29 June 2023 as the date from which the new requirements are to have effect from.

Why?

- 1.2 It was always the intention to allow a transitional period of a minimum of 12 months, following Authority approval for existing Suppliers to transition to the new requirements. This was stated within the DCP 349 Change Report. This CP will ensure that this transition time is provided.

How?

- 1.3 By amending Schedule 1 (Paragraphs 2.13 and 2.13B) to replace 24 June 2022 with 29 June 2023.

2 Governance

Justification for Part 2 Matter

- 2.1 This CP should be treated as a Part 2 matter as it is a simple housekeeping change. DCP 349 and the proposed solution has already been approved by the Authority, this CP simply amends the effective from date to reflect the 12-month transitional period as was always the intent.

Requested Next Steps

- 2.2 This Change Proposal should:
- Be treated as a Part 2 Matter;
 - Be treated as a Standard Change; and
 - Proceed to the Change Report phase.

3 Why Change?

- 3.1 As stated above, throughout the development of DCP 349, it was always the intention to allow a transitional period of a minimum of 12 months, following Authority approval, for Suppliers to transition to the new requirements. This was stated within the DCP 349 Change Report. This CP will ensure that this transition time is provided.

4 Solution and Legal Text

4.1 The following amendments should be made to Schedule 1 (Paragraphs 2.13 and 2.13B)

2.13 With effect from ~~24 June 2022~~ 29 June 2023, the Payment Record Factor shall equal the number of months since the Good Payment Performance Start Date (as specified in Paragraph 2.14) multiplied by 0.033% (that is to say, by 0.4% per annum), subject to the following provisos and caps:

- (a) during the first 36 months from the first relevant account (as referred to in Paragraph 2.14(a) or 2.14(b), as applicable to the User), the Payment Record Factor shall be capped at a maximum value of 1.2% (i.e. the maximum which could be earned in that period);
- (b) during months 37 to 48 (inclusive) following such first relevant account, the Payment Record Factor shall be capped at a maximum value of 0.7%;
- (c) during months 49 to 60 (inclusive) following such first relevant account, the Payment Record Factor shall be capped at a maximum value of 0.4%;
- (d) from and including the 61st month following such first relevant account, the Payment Record Factor shall always be zero; and
- (e) on each occasion that the User fails to pay the Charges on or before the date by which such payment is required to be made under this Agreement (but for which the delay in payment is not so great as to create a new Good Performance Start Date under Paragraph 2.14(c)), the Payment Record Factor that would otherwise apply shall be reduced as follows:

| Age of debt past payment date when settled (Working Days) | Value of debt as a percentage of Charges invoiced | Reduction to Payment Record Factor |
|---|---|---|
| 1 to 3 | <25% | Loss of 25% of previously accrued good payment performance |
| | ≥25% and <75% | Loss of 50% of previously accrued good payment performance |
| | ≥75% | Loss of 100% of previously accrued good payment performance |

2.13A The Company shall give the User notice of any adverse change in the calculation of its Payment Record Factor under Paragraph 2.13.

2.13B It is acknowledged that the User's first relevant account (as referred to in Paragraph 2.14(a) or 2.14(b), as applicable to the User), may have been before ~~24 June 2022~~ 29 June 2023, and furthermore that it might have been more than 60 months before ~~24 June 2022~~ 29 June 2023 (such that the User's Payment Record Factor shall always be zero from ~~24 June 2022~~ 29 June 2023).

4.2 The proposed legal text can also be found in Attachment 2.

5 Code Specific Matters

5.1 None.

6 Relevant Objectives

| | DCUSA General Objectives | Identified impact |
|--------------------------|--|-------------------|
| <input type="checkbox"/> | 1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks | None |
| <input type="checkbox"/> | 2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity | None |
| <input type="checkbox"/> | 3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences | Positive |
| <input type="checkbox"/> | 4. The promotion of efficiency in the implementation and administration of the DCUSA | None |
| <input type="checkbox"/> | 5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. | None |

6.1 This CP seeks to allow a minimum of 12 months transition time for Suppliers to move to the new rules as set out in the recently approved DCP 349 'Effectiveness of the current provision of unsecured cover under Schedule 1'.

7 Impacts & Other Considerations

7.1 None.

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

7.2 None

Does this Change Proposal Impact Other Codes?

| | | | |
|---------------------|--------------------------|-----------|-------------------------------------|
| BSC..... | <input type="checkbox"/> | MRA..... | <input type="checkbox"/> |
| CUSC..... | <input type="checkbox"/> | SEC..... | <input type="checkbox"/> |
| Grid Code..... | <input type="checkbox"/> | REC..... | <input type="checkbox"/> |
| Distribution Code.. | <input type="checkbox"/> | None..... | <input checked="" type="checkbox"/> |

Consideration of Wider Industry Impacts

7.3 None.

Confidentiality

7.4 None.

8 Implementation

Proposed Implementation Date

8.1 This CP should be implemented on 23 June 2022 (DCUSA Standard Release).

9 Recommendations

The Code Administrator will provide a summary of any recommendations/determinations provided by the Panel in considering the initial Change Proposal. This will form part of a Final Change Report.