





DCUSA Change Declaration		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>Proposer Name: Andrew Sherry</p> <p>Proposing Party: Electricity North West</p> <p>Party Category: DNO</p> <p>Date: 09 March 2022</p>		<div>01 – Change Proposal</div> <div>02 – Consultation</div> <div>03 – Change Report</div> <div>04 – Change Declaration</div>
<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>DCUSA Parties have voted on DCUSA Change Proposal (DCP) 402 with the outcome being a decision on whether or not the Change Proposal (CP) is to be accepted and the proposed variation to the DCUSA made accordingly.</p> <p>The DCUSA Parties consolidated votes are provided as Attachment 3.</p>	
	<p>For DCP 402, DCUSA Parties have voted to:</p> <ul style="list-style-type: none"> Accept the proposed variation (solution); and Accept the implementation date. 	
	<p>Impacted Parties: Suppliers, DNOs and IDNOs.</p>	
	<p>Impacted Clauses: Schedule 1 – Paragraphs 2.13 and 2.13B</p>	

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report	16 March 2022
Change Report Approved by Panel	21 March 2022
Change Report issued for Voting	23 March 2022
Party Voting Closes	13 April 2022
Change Declaration Issued to Parties	14 April 2022
Implementation	23 June 2022



Any questions?

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1 Summary

What?

- 1.1 Following on from the Authority's Decision (see Attachment 3) 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 treatment as a 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.

Next Steps

- 2.2 DCUSA Parties voted to accept DCP 402 and as such, it will be implemented in line with Section 8 below.

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

- 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).

5 Code Specific Matters

Reference Documents

5.1 None provided.

6 Relevant Objectives

Assessment Against the DCUSA Objectives

6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. The full list of objectives is documented in the DCUSA.

	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 checked="" 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

6.2 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

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

7.1 None.

Does this Change Proposal Impact Other Codes?

BSC..... ☐ MRA..... ☐ Grid Code..... ☐ REC..... ☐
 CUSC..... ☐ SEC..... ☐ Distribution Code.. ☐ None..... ☒

7.2 This change will ensure there is no impact on other codes. Without it there will be a misalignment with the REC.

Consideration of Wider Industry Impacts

7.3 None,

Confidentiality

7.4 None.

8 Implementation

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

Implementation Date

8.2 23 June 2022.

9 Legal Text

Legal Text Commentary

9.1 The proposed legal text can be found in Attachment 1.

10 Voting

10.1 The 402 Change Report was issued to DCUSA Parties for Voting on 23 March 2022.

Part 2 Matter: Authority Decision is not Required

DCP 402 Proposed Variation (Solution) Decision

10.2 For the majority of the Party Categories that were eligible to vote:

- the number of groups in each Party Category which voted to accept the proposed variation was more than 65% of the total number of Groups in that Party Category which voted; and
- the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 65%

10.3 DCUSA Parties have voted to **accept** the proposed variation (solution) of DCP 402.

DCP 402 Implementation Date Decision

10.4 For the majority of the Party Categories that were eligible to vote:

- the number of groups in each Party Category which voted to accept the implementation date was more than 65% of the total number of groups in that Party Category which voted; and
- the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 65%.

10.5 DCUSA Parties have voted to **accept** the implementation date of DCP 402.

The table below sets out the outcome of the votes that were received in respect of the DCP 402 Change Report that was issued on 23 March 2022 for a period of 15 working days.

DCP 402	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	CVA REGISTRANT	GAS SUPPLIER
CHANGE SOLUTION	Accept	No votes received	Accept	N/A	N/A
IMPLEMENTATION DATE	Accept	No votes received	Accept	N/A	N/A

11 Recommendations

DCUSA Parties

11.1 DCUSA Parties have voted on DCP 402, with the outcome being a decision to accept the Change Proposal and thus the proposed variation to the DCUSA will be made accordingly.

12 Attachments

- Attachment 1: DCP 402 Legal Text
- Attachment 2: DCP 402 Consolidated Party Votes
- Attachment 3: DCP 349 Authority Decision Letter
- Attachment 4: DCP 402 CP Form