Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2022_0518_04_Housekeeping Log Summary Paper
Action	For Decision

Housekeeping Log Summary Paper

1. Synopsis

1.1 The DCUSA Panel has indicated a number of areas within the DCUSA that requires housekeeping changes. This paper summarises the progression of those actions and asks the Panel to approve new additions to the log and instruct the Secretariat on the next steps. The detail of the housekeeping amendments and their progression to date is recorded in the housekeeping log which acts as Attachment 1 to this paper.

2. Identified Housekeeping Item(s)

2.1 The Secretariat has identified that there are some outdated provisions within Clause 8 'Costs of the DCUSA'. Specifically, there is still some text related to the Theft Risk Assessment Service (TRAS) Arrangements and the Energy Theft Tip-Off Service (ETTOS), both of which were moved out of the DCUSA as of 01 April 2021. It was expected that the text needed to be retained for a period after transition but we believe that any such period may well have passed. Therefore, subject to consideration by the Panel, we'd recommend that the final removal of text within Clause 8 of the DCUSA associated with the TRAS Arrangements and the ETTOS is added to the 'Housekeeping Log' to be actioned in the future.

2.2 The Panel is asked to consider the proposed changes to Clause 8 as set out below:

Share of Costs

8.9 ~~Subject to Clause 8.9A, t~~The amount (a Cost Contribution) that each Party shall be obliged to bear as its share of the Recoverable Costs, in respect of each Quarter, shall:

8.9.1 in the case of each CVA Registrant (in its capacity as such), the OTSO Party and each Gas Supplier Party (in its capacity as such), be zero; and

8.9.2 in the case of each other Party, be calculated as follows:

$$CC = 50\% \times \frac{N}{TN} \times RC$$

where:

CC is the relevant Party's Cost Contribution ~~(other than that which is subject to Clause 8.9A)~~ in respect of that Quarter;

N is, in respect of a DNO Party or an IDNO Party, the aggregate number of Metering Points which each such Party has on its MPAS Registration System; and, in respect of a Supplier Party, the aggregate number of Metering Points against which that Party is registered across all of the MPAS Registration Systems (based, in each case, on the average figure for the three months comprising that Quarter and provided under clause 6.43 of the MRA Transition Schedule of the REC);

TN is, in respect of each Party and that Quarter, the aggregate number of Metering Points across all of the MPAS Registration Systems (based on the average aggregate figure for the three months comprising that Quarter and provided under clause 6.43 of the MRA Transition Schedule of the REC); and

RC is the total amount of the Recoverable Costs ~~(other than those which are subject to Clause 8.9A)~~ incurred, or otherwise accounted for, in that Quarter.

~~8.9A In respect of the Recoverable Costs relating to the Theft Risk Assessment Service Arrangements and/or the Energy Theft Tip-Off Service (including their development), each Party's Cost Contribution (in respect of each Quarter) shall not be calculated in accordance with Clause 8.9 and shall instead:~~

~~8.9A.1 in the case of all Parties other than Supplier Parties (in their capacity as Parties other than Supplier Parties), be zero; and~~

~~8.9A.2 in the case of each Supplier Party (in its capacity as such), be calculated as follows:~~

~~**SC = (N/TN) x TRC**~~

~~Where:~~

~~SC is the relevant Supplier Party's Cost Contribution in respect of that Quarter and the Recoverable Costs relating to the Theft Risk Assessment Service Arrangements and the Energy Theft Tip-Off Service;~~

~~N has the same meaning as in Clause 8.9;~~

~~TN has the same meaning as in Clause 8.9; and~~

~~TRC is the total amount of the Recoverable Costs relating to the Theft Risk Assessment Service Arrangements and/or the Energy Theft Tip-Off Service incurred, or otherwise accounted for, in that Quarter.~~

Recovery of Budgeted Costs

8.10 The Panel shall, in respect of each Party and within 7 days after the start of each Quarter:

8.10.1 calculate the Panel's best estimate (by reference to the Approved Budget) of that Party's Cost Contribution (together with VAT thereon, if applicable) in respect of that Quarter; and

8.10.2 arrange for an invoice or other statement, on such terms as the Panel may from time to time prescribe, for an amount equal to such estimate to be sent to that Party.

8.10.3 ~~Such invoices shall separately identify Recoverable Costs for TRAS Liabilities and for ETTOS Liabilities.~~ Such invoices shall be sent by post, by email, or by post and email, as specified by the receiving Party from time to time (or, where no preference has been specified, by post only). Such invoices shall ordinarily be payable within 30 days~~, or within such shorter period as the Panel may specify for TRAS Liabilities and/or ETTOS Liabilities~~.

8.11 Each Party shall, on receipt of an invoice or other statement submitted under Clause 8.10, pay the amount requested of it in accordance with (and within the time period prescribed by) the terms referred to in Clause 8.10.

8.11A Failure by a Party to pay (in cleared funds) an amount in accordance with Clause 8.11 shall be a "DCUSA Payment Default".

8.11B Where a Party commits a DCUSA Payment Default, the Panel shall send a notice (a "DCUSA Late Payment Notice") to the Party:

8.11B.1 setting out the amount owed by the Party;

8.11B.2 stating to whom payment should be made;

8.11B.3 specifying that the payment must be made by a method of same day payment, such as CHAPS; and

8.11B.4 stating that failure to pay may lead to an Event of Default under this Agreement.

8.11C Failure by a Party to remedy a DCUSA Payment Default may give rise to an Event of Default under and in accordance with Clause 54.1, and may lead to the Panel suspending a Supplier Party's rights in accordance with Clause 54.2.

~~8.11D If a DCUSA Payment Default of one or more Supplier Parties will cause DCUSA Ltd to be unable to pay the TRAS Service Provider in accordance with the TRAS Contract and/or the ETTOS Service Provider in accordance with the ETTOS Contract, then the Panel shall consider whether additional funding is required. Where additional funding is required the~~

~~Panel shall be entitled (as set out in paragraph 2.4 of Schedule 25 or paragraph 2.4 of Schedule 26, as applicable) to invoice all other Supplier Parties for the amount in default, calculating their share in accordance with Clause 8.9A (but without reference to the Supplier Parties in default). Where a Supplier Party that was in default subsequently pays some or all of the outstanding amount, the non-defaulting Supplier Parties shall be credited with the amount previously invoiced under this Clause 8.11D (as set out in paragraph 2.4 of Schedule 25 or paragraph 2.4 of Schedule 26, as applicable).~~

3. Recommendations

3.1 The Panel is invited to:

- **NOTE** the contents of the paper; and
- **AGREE** to add an item to the 'Housekeeping Log' with respect to the final removal of text within Clause 8 of the DCUSA associated with the TRAS Arrangements and the ETTOS.

4. Attachments

- Attachment 1 – Housekeeping Log

Dylan Townsend
Senior Governance Services Analyst