

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 209
Date of submission	08 May 2014
Attachments	
Originator Details	
Company Name	Northern Powergrid
Originator Name	Chris Allanson
Category	DNO
Email Address	chris.allanson@northernpowergrid.com
Phone Number	01977 605937
Change Proposal Details	
CP Title	Resolving unregistered customers
Impacted parties	Distributors and Suppliers
Impacted Clause(s)	Including Schedule 23 Revenue Protection Code of Practice
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	Part 1 due to Clause 9.4.1 as it is likely to have a significant impact on the interests of electricity consumers;
Related Change Proposals	[See Guidance Note 3]
Change Proposal Intent	
<p>This change proposal results from the work carried out in the DCUSA Standing issues group (SIG) on DIF 28 'Getting Unregistered Consumers Registered By A Supplier'. The intent is to improve communications with unregistered customers, set out processes for managing unregistered customers up to, but excluding, the registration process itself and where necessary new obligations on parties. It is envisaged that changes would be required to Schedule 23 Revenue Protection Code of Practice.</p> <p>Getting unregistered customers registered by a supplier will reduce overall system losses and thereby reduce costs for customers in the round. This change proposal supports Ofgem's policy intent as set out in its decisions on Tackling Theft of Electricity in relation to reducing losses.</p> <p>The following matters are considered by the proposer as out of scope:</p> <ul style="list-style-type: none"> • Changes to the registration process itself; and • 'Back billing' of customers once registered by a supplier. 	

Business Justification and Market Benefits

Unregistered customers contribute to system losses, but distributors have no powers or facility to register such customers in settlements. Suppliers establish supply contracts and register customers and establishing clearer arrangements to manage such customers through to establishing a contract should (over time) reduce the number of unregistered customers and thereby reduce losses resulting from such customers.

Market benefits should accrue from:

- Clarifying roles and responsibilities for different scenarios of unregistered customers (building on the SIG's work on DIF 28);
- Reducing unregistered customers by getting them registered by a supplier;
- Getting the units consumed by such customers into settlements and reducing losses overall;
- Reducing the number of units subject to group correction in settlements;
- Such customers would then fall under the normal market arrangements for paying for the electricity they use; and
- Consequential benefits for customers, including that such customers would be registered by a supplier and receive smart meters in the roll-out.

Proposed Solution and Draft Legal Text

An outline specification of the change proposal is set out below with the intention that detailed changes to DCUSA, including to Schedule 23 and the legal drafting would be developed by a working group:

- Changes to Schedule 23 to address unregistered customers – recognising that some unregistered customers will result from identified cases of theft in conveyance and some customers will be innocent recipients of electricity that they are not paying for due to failings in industry processes;
- Changes to Schedule 23 to improve communication and processes in respect of unregistered customers;
- Develop industry standard templates for initial/ 'soft' letter(s) and subsequent/ 'firmer' letter(s) for unregistered customers;
- Develop supporting process, including for the use of the standard letter templates (for example in the event that a customer chooses/decides not to respond to the letters or ignores letters);
- Clarify Party responsibilities for different scenarios, e.g. for where there has or has not been a supplier registered to the premises previously;
- An obligation on suppliers so that when an unregistered customer responds to a distributor i.e. confirming which supplier the customer would like to be with, that supplier would be responsible for proactively contacting the customer to establish a contract with the customer; and
- Establish communication arrangements, including that the Supplier keeps the distributor informed of progress until registered.

Proposed Implementation Date

1 April 2015 or the first DCUSA release after that date to align with the start date of new licence obligations on DNOs regarding losses and theft (SLC 49 as currently proposed)

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

This change proposal should not impact other industry codes as it proposes management of unregistered customer up to the point of the Supplier agreeing a contract with a customer (as with the existing industry arrangements for new customers).

Environmental Impact

The change, if approved, is likely to have a positive environmental impact in that customers receiving regular bills from a Supplier are more likely to moderate and manage their consumption of electricity than unregistered consumers. In addition, as Suppliers role out smart meters to these customers (once registered) consumption will also become more manageable.

Confidentiality

None

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 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
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally

binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

Reducing non-technical losses caused by unregistered customers should make distribution networks more economically efficient (objective 1.). The change would help DNO's in support of licence obligations proposed for RIIO ED1 (SLC 49 on Losses and theft of electricity) (Objective 3.). Providing clarity on responsibilities should improve administration of the Agreement, including potentially Schedule 23 (Objective 4).

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

General Objectives:

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
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- 4 The promotion of efficiency in the implementation and administration of this Agreement

5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

Charging Objectives:

General Objectives:

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

DCUSA Standing Issues Group – DIF 28 ‘Getting Unregistered Consumers Registered By A Supplier’.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>

5	Proposed Implementation Date	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> • Submission of Company indicative tariffs is 31 December of each year. • Final tariffs are published on 1 April of each year. <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
6	Consideration of Wider Industry Impacts	<p>Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.</p>
7	Environmental Impact	<p>Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance.</p>
8	Confidentiality	<p>Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.</p>
9	DCUSA General Objectives	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
10	Detailed Rationale for DCUSA Objectives	<p>Provide detailed supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.</p>
11	DCUSA Charging Objectives	<p>Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.</p>