

Meeting Session	DCUSA Panel (Open Session)
Paper Reference	Panel_2017_0719_01_Derogation Application
Action	For Decision
Meeting Date	19 July 2017

Derogation Application

1. Synopsis

- 1.1 This paper seeks Panel approval for Huddle Energy Limited derogation from the requirements set out in DCUSA Schedule 25 Theft Risk Assessment Service (TRAS) Section 8.

2. Executive Summary

- 2.1 In accordance with Clause 56 of the DCUSA, Parties are entitled to seek derogations from obligations set out in mandatory schedules within the Agreement.
- 2.2 The Panel may resolve to grant a derogation and specify any conditions as well as the term, scope and application of the derogation. The Panel may also amend or retract any such derogation, or any such conditions relating thereto, from time to time as it sees fit.
- 2.3 We have received one derogation application as set out in Section 3 below. The Panel is invited to consider the application and determine whether or not the derogation should be granted and any associated conditions.

3. Derogation Application

- 3.1 We have received a derogation application as set out in the table below. The full details of the application are contained in Attachment 1.

Party	Derogation From	Summary of supporting comments	Proposed timescales
Huddle Energy Limited	DCUSA Schedule 25, Section 8	<p>Huddle Energy is seeking a derogation from Theft Risk Assessment's Supplier Data because Huddle Energy is convinced that it will be a huge burden for the new entrant and that granted derogation will not impact the industry's good practise or any of the processes.</p> <p>Huddle Energy is a new and relatively small supplier compared with the rest of the industry. For the first 3 months Huddle</p>	A derogation is requested for three months.

		<p>Energy will not be supplying large volume of customers (in the first three months we should have less than 300 customers). Hence, our exception will not impact industry or influence Theft Risk Assessment calculations.</p> <p>We understand the risks of not providing the data to TRAS for the first months. However, we will be supplying student houses and there is little risk that tenants will be stealing energy.</p> <p>Moreover, we are building our own CRM system. Thus, for the first months we will be testing and fixing our systems. For this reason, to set a considerable time for programming our system to be able to send the reports to Experian will be a huge burden for us and might be even inaccurate.</p> <p>We would appreciate your consideration of our reasons and good will to comply with obligations when we are ready.</p>	
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4. Representations and Objectives

- 4.1 The applications have been processed in accordance with Clause 56 and were issued to all Parties and Ofgem for a period of 10 Working Days

5. Decision Making Process

- 5.1 Clause 56.1 of the DCUSA states that the Panel may resolve *“to grant a derogation to any Party or Parties in relation to any obligation or obligations contained in this Agreement”* and that the Panel shall *“specify the term, scope and application of such derogation”*.

6. Recommendations

- 6.1 The DCUSA Panel is invited to:
- **NOTE** the contents of this paper; and
 - **DETERMINE** whether to grant a derogation to Huddle Energy Limited

7. Attachments

- **Attachment 1** – Huddle Energy Limited Derogation Application

Fungai Madzivadondo