
Meeting Name	DCUSA Panel
Meeting Date	21 October 2009
Paper Title	Initial Assessment Report – DCP 054
Purpose of Paper	For Decision
Synopsis	This paper presents a Change Proposal that has been submitted to the DCUSA Secretariat and requests agreement on its progression.

1 INTRODUCTION

- 1.1 This paper refers a DCUSA Change Proposal (DCP) to the DCUSA Panel for agreement on its progression.
- 1.2 The Change Proposal (CP) has been assessed by the Secretariat in accordance with Section 10.11 of the DCUSA. The CP has met the requirements set out in the DCUSA and ElectraLink has prepared a recommendation for consideration by the Panel.

2 DCP 054 REVENUE PROTECTION / UNRECORDED UNITS INTO SETTLEMENTS

- 2.1 DCP 054 has been submitted by Electricity North West Limited and seeks to ensure that a revenue protection service is put in place by either the Company or the User, that the ability to audit the User to ensure to clause 32 is applied, and to ensure proper governance of the Revenue Protection Code of Practice.
- 2.2 ENW Limited considers that the failure of Users to detect and report illegal abstraction and to enter unrecorded units into settlements can have a major impact on Company's allowed revenue and the level of reported losses. Previous audit requests to ELEXON via the appropriate BSCPs have not been conclusive in the findings thus rendering the current practices open to potential miss use of unrecorded units. The proposer considers that this Change Proposal will ensure all parties are responsible for the energy used.
- 2.3 The proposer considers that Objective 1¹ will be facilitated as identifying theft and correctly entering the units into the settlement process can reduce the demand on the network by ensuring everyone pays for their usage. Objective 2² is also facilitated as clear contractual obligations on suppliers, and clear audit rights to distributors to ensure these are undertaken, will ensure that no supplier can gain a competitive advantage by failing to undertake these activities.

3 PROGRESSION OF DCP 054

- 3.1 DCP 054 has been submitted as a standard Change Proposal. The CP is a Part 1 matter in accordance with Clause 9.4.2 of the DCUSA and therefore requires Authority Consent.
- 3.2 It is proposed that the CP be progressed through the definition phase and that a Working Group be established to discuss the issue in greater detail.
- 3.3 It is proposed that this CP should be implemented in the June 2010 Release.
- 3.4 A proposed timetable for the progression of the proposal is outlined below:

Activity	Latest Date
Panel Meeting – IA agreed	21 October 2009
Working Group	01 November – 10 February

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;

Panel Meeting - Change Report Agreed	17 February 2010
Party Voting	22 Feb – 08 March 2010
Change Declaration	09 March 2010
Authority Consent	10 March – 15 April 2010
Implementation	25 June 2010

4 RECOMMENDATIONS

The DCUSA Panel is invited to:

- Consider whether to accept the referral of DCP 054;
- Agree that the CP should be treated as a Part 1 matter;
- Agree the progression of the CP in accordance with the timetable set out in Section 3.4.

5 APPENDICES

- A – DCP 054 Change Proposal