

DCUSA CHANGE DECLARATION

DCP 080 and DCP 080A – Theft in Conveyance

VOTING DATE: 11 August 2011

DCP 080	WEIGHTED VOTING			
	DNO	IDNO / OTSO	SUPPLIER	DG ¹
CHANGE SOLUTION	Reject	Reject	Accept	N/A
IMPLEMENTATION DATE	Accept	Accept	Accept	N/A
RECOMMENDATION	<p>Change Solution – Reject. In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was less than 50% in all Categories that voted.</p> <p>Implementation Date – Accept. In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was less than 50% in all Categories that voted.</p>			
PART ONE	Part One – Authority Determination Required			

DCP 080A	WEIGHTED VOTING			
	DNO	IDNO / OTSO	SUPPLIER	DG ²

¹ No votes were cast in this category of Parties

² No votes were cast in this category of Parties

CHANGE SOLUTION	Accept	Accept	Reject	N/A
IMPLEMENTATION DATE	Accept	Accept	Reject	N/A
RECOMMENDATION	<p>Change Solution – Reject. In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the change solution was less than 50% in all Categories.</p> <p>Implementation Date – Accept. In respect of each Party Category that was eligible to vote, the sum of the Weighted Votes of the Groups in that Party Category which voted to accept the implementation date was greater than 50% in all Categories that voted.</p>			
PART ONE	Part One – Authority Determination Required			

PARTY	DCP 80 SOLUTION (A/R)	DCP 080A SOLUTION (A / R)	IMPLEMENTATION DATE (A/R)	Please describe any implications of implementing DCP 080 or 080A prior to DCP 054:	COMMENTS
DNO PARTIES					
Electricity North West Ltd	-	Accept	Accept	<p>We are less concerned over when this change proposal is implemented but more interested in how quickly the decision is made. The sooner the decision is known the sooner DCP054 can progress with their change proposal.</p> <p>The wording of this implementation date should provide a steer to the DCP054 working group of the expected implementation of that change proposal.</p>	N/A
Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks (SPN) plc, UK Power Networks (IDNO) Ltd,	Reject	Accept	Accept	None	DCP080A correctly puts the customer interface with the supplier in the majority of cases. This is appropriate as the supplier is best able to deal with customers and is able to recover value through methods that

					<p>don't involve the courts.</p> <p>As per our consultation response, we do not believe that DCP080 meets the DCUSA objectives.</p> <p>DCP080 is contrary to objective 1 as it requires the DNO to bear costs he may be unable to recover.</p> <p>DCP080 does not meet objective 2 because settlement costs are likely to be shared between all suppliers rather than the one who has the relationship with the customer.</p> <p>DCP080 does not facilitate objective 3 as there are no License obligations around this matter.</p> <p>Objective 4 is not relevant</p> <p>On 24th June 2010 Ofgem published a statement regarding deemed contracts. In forming its view, Ofgem stated that it had reviewed statutory provisions as a whole, including consideration of the original policy proposals which were found in "A Fair</p>
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					<p>Deal For Consumers: Modernising the Framework For Utility Regulation, The Future of Gas and Electricity Regulation, The Government's Proposals For Legislation" (published September 1999).</p> <p>With regard to deemed contracts, the 1999 document states "Their purpose is to address the situation where a supply is taken without there being an express contract in place for that supply and a supplier is responsible for the cost of that supply, by virtue of the organisation of the wholesale market for electricity. Where this happens, the terms of that supply should be governed by a contract deemed to be in place between the consumer and the supplier. It is not intended to provide for the recovery of a standing charge where a supply is available but not in fact taken."</p> <p>In considering the matter of theft in conveyance, the 1999 document goes on to say,</p>
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					<p>"Deemed contracts might apply in certain cases of theft of electricity, for instance illegal reconnection or meter tampering. It is also intended to extend the provisions in gas to electricity, so that, where a deemed contract would not be applicable, the value of electricity stolen from the distribution network may be recovered by a distributor through civil proceedings for debt."</p> <p>Our interpretation of this is that the intent of the original policy was that the distributor should pursue the consumer only in the rare occasions when there is no deemed or actual supply contractual relationship between the consumer and supplier - and hence no supplier has responsibility for the cost of the supply by virtue of the wholesale market.</p> <p>DCP080A appears to be more closely aligned to the original policy intent.</p>
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					DCP080 by contrast conflicts with the original policy intent by proposing that a supply contract (whether deemed or actual) can be voided purely by virtue of the ownership of the particular assets to which a person attaches an illegal connection.
NEDL	Reject	Accept	Accept	N/A	N/A
WPD South West, WPD South Wales, WPD East Midlands and WPD West Midlands	Reject	Accept	Accept	None	None
YEDL	Reject	Accept	Accept	N/A	N/A
IDNO PARTIES					
Independent Power Networks Limited	Reject	Accept	Accept	IPNL believes that DCP080A could be implemented prior to DCP054 as will provide interim benefits by clarifying the roles on responsibilities of parties on detection of theft.	N/A
The Electricity Network Co Ltd	Reject	Accept	Accept	N/A	We believe that DCP 080A is consistent with schedule 6 of the Electricity Act.

ESP Electricity Ltd	Reject	Accept	Accept	None that we are aware of.	None.
SUPPLIER PARTIES					
British Gas	Accept	Reject	Accept	We do not believe that DCP 080A could be implemented before DCP 054 as this proposal would fundamentally change the existing method of dealing with theft in these circumstances. DCP 054 includes a revised Theft Code of Practice which will need to be updated to reflect proposed changes in DCP 080A. We do not believe the same implementation issues exist for DCP 080 as this proposal reflects current practice in the industry.	British Gas has made a number of points with respect to these proposals in its response to the consultations on DCP 080 and 080A and in summary we believe the definition of Theft in Conveyance in DCP 080 ensures the responsibilities for dealing with theft are given to those parties best placed to remedy the situation.
E.ON UK	Accept	Reject	Accept	None for DCP80 as this is current practice. DCP80A changes the current arrangements and therefore needs internal changes.	DCP80A changes the current arrangements and seeks to enable Distributors to charge for damage caused to their network from theft on it. The funding for this activity currently comes via

					the DUoS charge and is part of their regulated income, by implementing DCP80A this may mean that this service is paid for twice. All our other comments have been raised at the consultation stage, although remain unanswered in the final report.
Npower	Accept	Reject	Accept	We do not consider that any significant operational constraints or difficulties would arise as a direct result of implementing this Change whilst the current industry arrangements on theft apply. The existing Code of Practice can still be operated. There will of course need to be additional liaison between DNOs and Suppliers while the use of the agreed definition beds in. One key issue will be how consumer complaints are dealt with under the new arrangements, and if	We consider that there would be difficulties arising from implementation of DCP080A. DCP080A would in our view create confusion and difficulty, particularly with regard to rights of access and disconnection and the relationships between suppliers in cases where there are multiple premises/ customers involved in theft incidents. For example, under DCP80A, if a customer at one property (A) steals from a neighbouring property (B) by illegally making a connection to the electric line before the cut out, then the supplier for property A would be responsible for resolving the

				<p>DCP080 is implemented it will be important to consider whether this could lead to an increase in complaints recorded against suppliers through no fault of their own. Ideally, our preference would be for the new Code of Practice under DCP054 to be implemented simultaneously with the new definition as this would ensure that processes to support interaction with customers can be developed and documented.</p>	<p>situation. However the supplier at property A has no right of access to property B to investigate or rectify the situation, and is unaware of the identity of the supplier to property B.</p> <p>It would also be very difficult to allocate responsibility for action in theft scenarios at multiple-occupier premises (eg blocks of flats).</p> <p>We also consider that DCP080A could have implications in terms of ability to deal with issues on site. For example, suppliers do not have rights under the Electricity Act to work on Distribution-owned equipment and also do not have the skills or knowledge to be able to deal with theft from the network eg electricity being stolen direct from the mains or service cable. This could lead to delays in addressing safety matters, also in carrying out a disconnection where appropriate.</p>
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					<p>Under Schedule 6 paragraph 6 and Schedule 7 paragraph 11 to the Electricity Act, suppliers only have the right of disconnection in certain scenarios and this relates to incidents involving damage to or interference with an electricity meter. We think that this limitation on suppliers' ability to act would render the definition proposed under DCP080A unworkable.</p> <p>Lastly, we consider that implementation of DCP080A would dilute the question of equipment ownership – after all, the cut out and anything before are owned by the distributor, no matter whether a supplier is registered to the site or not.</p>
Scottish Power Energy Retail Ltd	Accept	Reject	Accept	None identified but there may be a dependency on the changes that are required within the BSC to support DCP054. If these changes are not progressed with Elexon in line with the DCP054 dates then it may have an	N/A

				impact on the final release dates.	
SSE Energy Supply Limited	Accept	Reject	Accept	N/A	N/A