

Part A: Generic

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 367:</h1> <h2>TDIS - Clarification to the Final Supply Point Market Share (FSMS)</h2> <p><i>11 February 2020</i></p> <p>Proposer Name: <i>Rebecca Lowe</i></p> <p>Company Name: <i>EDF Energy</i></p> <p>Company Category: <i>Supplier</i></p>		<p>01 – Change Proposal</p> <p>02 – Consultation</p> <p>03 – Change Report</p> <p>04 – Change Declaration</p>
<p>Purpose of Change Proposal:</p> <p>This change seeks to improve the methodology used for rounding the Individual targets issued to Suppliers as ahead of the scheme year and correction of Supplier market share to consider only participating Suppliers as the total population. So, the overall aim of the scheme to remain cost neutral can be achieved.</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> • Treated as a Standard Change; • Progressed to the Change Report stage; and • Considered a Part 2 Matter <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>Suppliers</p>	
	<p>Impacted Clauses:</p> <p>Schedule 30 – Electricity Theft Detection Incentive Scheme</p>	

are calculated and issued. Supplier targets are relative to the size of the overall Scheme. Theft targets will be rounded to the nearest whole number. For a Supplier with a calculated Theft Target of less than 1 which opts into the Scheme, its Theft Target will be deemed to be 1.

Late entries to the Scheme added to the original market share figures will add up to more than 100%, creating incompatible Scheme values. There is no clear solution to this rounding error in the existing regulatory codes.

Each Scheme Year the Supplier receives an individual Theft Target from the Code Administrator based on its market share figures, using the latest Supply Point portfolio data information held by the scheme Secretariat no earlier than two months prior to the beginning of the Scheme year. This will be communicated to individual SPOCS (with Contract Managers also included) no later than 10 Working Days before the start of the Scheme Year.

This issue also has an impact on the calculations of the debits and credits completed by the scheme secretariat. In the codes, all debits and credits associated with the Scheme Year will be calculated by the Scheme Administrator based on the total number of Confirmed Thefts shown within the final Scheme Year Summary Report, covering the full twelve-month period of the Scheme Year and utilising Supplier Party market share figures based on the figures utilised at the commencement of that Scheme Year, as per Paragraph 5.4.

Currently, the Scheme Administrator identifies the 'Qualifying Suppliers' for use in calculating the Debits and Credits, which means that where a party has become insolvent (and thus is no longer a Qualifying Supplier) midway through the scheme they will need to be removed per scheme rules. This has an impact on the market share figures originally circulated to all participating Suppliers prior to commencement of the Scheme.

The independent audit report for the 2018/19 Theft Detection Incentive Schemes also identified this issue and in order for the incentive pots to be charge neutral, the market share percentage needs to be adjusted to consider only the participating suppliers as the total population. It was therefore recommended that the Scheme Administrator adopts a single methodology for recalculating market share percentages and is applied consistently for every scheme year in this instance.

At the February TIG, it was agreed for the Scheme Administrator to amend section 7.2 of the DCUSA schedule 30 to state where a Supplier exited or joined the Scheme after commencement the Scheme Secretariat will recalculate the market share figures for all qualifying Suppliers at the end of the scheme and reissue the updated figures to the qualified Suppliers.

Why

This change seeks to improve the methodology used for rounding the Individual targets issued to Suppliers as ahead of the scheme year and correction of Supplier market share to consider only participating Suppliers as the total population. So, the overall aim of the scheme to remain cost neutral can be achieved.

How

Amend the definition of FMPS in Paragraph 7.2 of Schedule 30 as follows:

$$(X*(STD / TTD)) - (X*FMPS)$$

except where FMPS equals zero when calculated to five decimal places, in which case no credit or debit will be applied.

Where:

X is the total incentive pot value of the relevant section of the Scheme amended in line with the percentage change in CPI between the index published for the start and the end of the Scheme Year.

STD is the number of Confirmed Theft detections recorded by the Supplier Party.

TTD is the total number of Confirmed Thefts recorded in the Scheme Year.

FMPS is the final Metering Point market share of the Qualifying Supplier Party in the Scheme Year (being the Supplier's market share as a percentage of the Metering Points of all the Qualifying Suppliers based on the figures used at the start of the Scheme Year under paragraph 5, expressed to five decimal places).

2 Governance

Justification for Authority Consent

The Change does not require Authority Consent as the proposal seeks to introduce a report to share data between code administrators.

Requested Next Steps

This Change Proposal should:

- Be treated as a Standard Change

3 Why Change?

Legal Text

Draft Legal Text is provided as attachment 1.

4 Code Specific Matters

Reference Documents

N/A

5 Relevant Objectives

DCUSA Charging Objectives	Identified impact
<input type="checkbox"/> 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	None
<input type="checkbox"/> 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)	None
<input type="checkbox"/> 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	None
<input type="checkbox"/> 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	None
<input type="checkbox"/> 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.	None
DCUSA General Objectives	Identified impact
<input type="checkbox"/> 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	None
<input type="checkbox"/> 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	None
<input type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	None
<input checked="" type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/> 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.	None

6 Impacts & Other Considerations

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

Retail Code Consolidation Significant Code Review does not apply to DCUSA, but as a theft matter constraint in SPAA may have to be considered.

Does this Change Proposal Impact Other Codes?

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other (tick) SPAA
- None

Consideration of Wider Industry Impacts

N/A

Confidentiality

N/A

7 Implementation

The proposed implementation date is 25 June 2020, which is the next applicable DCUSA release, subject to Party approval.

8 Recommendations