

**DCUSA CP 366 – Theft Detection Incentive Scheme Company Mergers**

**Draft Legal Text**

**Amend the following definition in paragraph 2 in Schedule 30 of the DCUSA as follows:**

**Theft Target** in respect of SY1 is set out in paragraph 3.6, and for subsequent Scheme Years is to be set as described in paragraphs 3.7 to 3.14 (inclusive); and each Supplier **Party**'s individual Theft Targets are as described in paragraphs 5.4 to 5.7 (inclusive).

**Insert a new paragraph 5.7 in Schedule 30 of the DCUSA as follows:**

5.7 If, following the date of the market share figures on which the Theft Targets for a Scheme Year were calculated but before the end of that Scheme Year, a Supplier Party purchases all (or substantially all) of a Qualifying Supplier Party's electricity supply contracts (or its electricity supply contracts related to either the Residential Sector or the Commercial Sector), then the Scheme Administrator shall:

- (a) reduce to zero the selling Supplier Party's Theft Target(s) for that Scheme Year and the Residential Sector and/or the Commercial Sector;
- (b) increase the purchasing Supplier Party's Theft Target(s) by the amount of the selling Supplier Party's Theft Target(s) as they existed prior to such reduction (or, if the purchasing Supplier Party was not previously a Qualifying Supplier Party, recognise that Supplier Party as a Qualifying Supplier Party and allocate the selling Supplier Party's Theft Target(s) to the purchasing Supplier Party); and
- (c) re-allocate any and all Confirmed Thefts in that Scheme Year previously identified as having been detected by the selling Supplier Party to the purchasing Supplier Party (or, in the case of the purchase of only contracts relating to either the Residential Sector or the Commercial Sector, reallocate only Confirmed Thefts related to that sector).

**Amend paragraph 6.1 in Schedule 30 of the DCUSA as follows:**

6.1 A "Qualifying Supplier Party" is a Supplier Party who has been active in the market throughout the whole Scheme Year and may include Supplier Parties whose target is less than

1, but who elect to be included in the Scheme. However, a Qualifying Supplier Party excludes any new market entrants that have entered the electricity market during that Scheme Year, or any Supplier Party that has withdrawn from the market such that it has zero Metering Points registered at the end of that Scheme Year. This will ensure that those entering or leaving the market during a Scheme Year are not unfairly disadvantaged. However, this definition is without prejudice to the operation of paragraph 5.7.

**Amend paragraph 7.2 in Schedule 30 of the DCUSA as follows:**

7.2 All debits and credits associated with the Scheme Year will be calculated by the Secretariat 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 (subject to Paragraphs 5.6 and 5.7).

This will be done using the following formula: [...]

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