





DCUSA Change Declaration		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>Date Raised: 18 February 2020</p> <p>Proposer: Rebecca Lowe</p> <p>Party Name: EDF</p> <p>Party Category: Supplier</p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
<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>DCUSA Parties have voted on DCUSA Change Proposal (DCP) 367 with the outcome being a decision on whether or not the Change Proposal (CP) is to be accepted and the proposed variation to the DCUSA made accordingly.</p> <p>This document provides the DCUSA Change Declaration for DCP 367.</p> <p>The DCUSA Parties consolidated votes are provided as Attachment 1.</p>	
	<p>For DCP 367, DCUSA Parties have voted to:</p> <ul style="list-style-type: none"> • Accept the proposed variation (solution); and • Accept the implementation date. 	
	<p>Parties Impacted: Suppliers</p>	
	<p>Impacted Clauses: Schedule 30 of DCUSA – Electricity Theft Detection Incentive Scheme</p>	

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Any questions?

Contact:

Code Administrator



DCUSA@electralink.co.uk



020 7432 3011

Proposer:

Rebecca Lowe



Rebecca.Lowe@edfenergy.com



+44 (0)20 8186 2518

Timeline

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report Approved by Panel	18 March 2020
Change Report Approved by Panel	15 April 2020
Change Report issued for Voting	17 April 2020
Party Voting Closes	11 May 2020
Change Declaration Issued to Parties	13 May 2020
Implementation	25 June 2020

1 Summary

What?

- 1.1 Under Electricity Theft Detection Incentive Scheme (ETDIS) rules, Suppliers who are not mandated to participate in the Scheme can opt-in after the date the Supplier targets 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.
- 1.2 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.
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 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?

- 1.8 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?

- 1.9 The proposed legal text amendments to Schedule 30 of the DCUSA is provided as Attachment 2.

2 Governance

Justification for Part 2 Matter

- 2.1 This CP is classed as a Part 2 Matter as it does not have a material impact on DCUSA Parties and does not meet the criteria that would require the Authority to make a decision.

Next Steps

- 2.2 DCUSA Parties voted to accept DCP 367 and as such, it will be implemented in line with Section 8 below.

3 Why Change?

Background of DCP 367

- 3.1 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.

4 Solution

DCP 367 Assessment

- 4.1 As was noted in section 1 above, the TIG agreed to add the proposed legal text in to Schedule 30 of DCUSA.
- 4.2 The proposed legal text amendments to Schedule 30 of the DCUSA is provided as Attachment 2.

5 Code Specific Matters

- 5.1 Not applicable.

6 Relevant Objectives

Assessment against the DCUSA Objectives

- 6.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better meets the either the DCUSA General Objectives or, and as is the case for DCP 367, the DCUSA Charging Objectives.
- 6.2 The Proposer and the TIG consider that DCP 367 better facilitates DCUSA General Objective 4 as this change will help to ensure effective administration of the Electricity Theft Detection Incentive Scheme.

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 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 Licence.	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 and Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

7 Impacts & Other Considerations

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

- 7.1 It is not believed that DCP 367 will impact on any SCR currently in progress and that this CP needs to be raised in order to ensure that any SCR currently in progress can correctly interpret the legal text.

Consumer Impacts

- 7.2 No consumer impacts have been identified.

Environmental Impacts

- 7.3 In accordance with DCUSA Clause 11.20.5A, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 367 were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

8 Implementation

- 8.1 Subject to Party approval, DCP 367 will be implemented on 25 June 2020. As DCP 367 is classified as a Part 2 Matter, Authority determination is not required.

9 Legal Text

- 9.1 The legal text for DCP 367 has been recommended by the Proposer and reviewed by the DCUSA legal advisor and is provided as Attachment 2.
- 9.2 The Proposer is satisfied that the legal text meets the intent of the change.

10 Voting

- 10.1 The 367 Change Report was issued to DCUSA Parties for voting on 17 April 2020 for a period of fifteen working days.

Part 2 Matter: Authority Decision is not required

DCP 367 Proposed Variation (Solution) Decision

- 10.2 For the majority of the Party Categories that were eligible to vote:
- the number of groups in each Party Category which voted to accept the proposed variation was more than 65% of the total number of Groups in that Party Category which voted; and
 - the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the proposed variation was more than 65%

- 10.3 DCUSA Parties have voted to **accept** the proposed variation (solution) of DCP 367.

DCP 367 Implementation Date Decision

- 10.4 For the majority of the Party Categories that were eligible to vote:
- the number of groups in each Party Category which voted to accept the implementation date was more than 65% of the total number of groups in that Party Category which voted; and
 - the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 65%.

- 10.5 DCUSA Parties have voted to **accept** the implementation date of DCP 367.

The table below sets out the outcome of the votes that were received in respect of the DCP 367 Change Report that was issued on 17 April 2020 for a period of 15 working days.

DCP 367	WEIGHTED VOTING
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	DNO ¹	IDNO ²	SUPPLIER	CVA REGISTRANT ³	GAS SUPPLIER ⁴
CHANGE SOLUTION	N/A	N/A	Accept	N/A	N/A
IMPLEMENTATION DATE	N/A	N/A	Accept	N/A	N/A

11 Recommendations

DCUSA Parties

11.1 DCUSA Parties have voted on DCP 367, with the outcome being a decision to accept the Change Proposal and thus the proposed variation to the DCUSA will be made accordingly.

12 Attachments

- Attachment 1 – DCP 367 Consolidated Party Votes
- Attachment 2 – DCP 367 Legal Text
- Attachment 3 – DCP 367 Change Proposal Form

¹ Not eligible to vote

² Not eligible to vote

³ Not eligible to vote

⁴ Not eligible to vote