

Derogation Application

Originator Details

Companies	Gazprom Energy
Originator's Name	(This is intentionally left blank when issued for comment)
Email Address	(This is intentionally left blank when issued for comment)
Telephone Number	(This is intentionally left blank when issued for comment)

Details of obligation(s) to which you are seeking a derogation, quoting relevant DCUSA clause(s)

Paragraph	Schedule 30 – The Electricity Theft Detection Incentive Scheme
Obligation	2020/21 Electricity Theft Detection Incentive Scheme

Reason Derogation Sought - details of the justification for seeking this derogation

It is our view that the Theft Detection Incentive Schemes (TDis) for the reporting year of 2020/21 should be cancelled as a result of the current operational restrictions imposed as a result of the COVID-19 Pandemic and subsequent Lockdown(s).

It is our strong view that suppliers have a requirement to deprioritise non-safety related theft detection activity. It would therefore be inappropriate for the 2020/21 TDis to commence on 1 June as currently scheduled. This request is in line with both Ofgem letters including the Ofgem Supplier letter from Johnathan Brierley of 8 April 2020 and the Theft Detection Incentive Schemes letter from Jon Dixon dated 15 April.

Conditions – description of the conditions of this derogation (i.e. the extent to a derogation is requested / whether a less onerous obligation will be met for the period of the derogation)

We consider that a complete cessation is appropriate on the basis of the fluid nature of the lockdown(s) and the likely phased and medium term return to business as usual in line with Ofgem expectations of the impact continuing till the “end of next winter” thus removing uncertainty for stakeholders.

We also consider that this derogation would grant us the opportunity to remove the unnecessary complexity of transitioning our participation in the scheme in a year when governance transitions from SPAA to REC where there is a new Performance Assurance Regime.

We also consider that it may be more appropriate for the new Performance Assurance Board (PAB) to decide future incentives in light of the new Theft Arrangements being put in place.

Impact - details of the anticipated impact on the costs and operations of other parties:

As the COVID-19 restrictions impact all parties we would be happy for the panel to consider applying this derogation to all Suppliers participating in the 2020/21 scheme year.

Action Being Taken - details of the action you will take to become compliant with the obligation including dates of any key milestones associated with these actions:

It is currently proposed that this derogation is in place for 12 months due to the uncertain duration of the lockdown(s) and for the reasons set out above

Timescales - period of time for which the derogation is sought

12 months

Associated Derogations – details of any previous or current derogations which are related to this one

To be completed by Panel Secretary

Date Application received	23 April 2020
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Date Application presented to DCUSA Panel	11 May 2020
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Outcome	
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Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.