

|   |  |   |
|---|--|---|
| <h1>DCUSA Change Report</h1>  |  | At what stage is this document in the process?  |
| <h1>DCP 372</h1> <h2>Changes to the Theft Code of Practice</h2> <p><i>Date raised: 12 August 2020</i></p> <p><b>Status of Change: Urgent Change with an Extraordinary Release Date</b></p>  |  | <div style="border: 1px solid black; padding: 5px;"> <p>01 – Change Proposal</p> <hr/> <p>02 – Consultation</p> <hr/> <p>03 – Change Report</p> <hr/> <p>04 – Change Declaration</p> </div> |
| <p><b>Purpose of Change Proposal:</b></p> <p>This Change Proposal seeks to incorporate suggested changes to the relevant sections of the DCUSA Theft Code of Practice (Schedule 23) as a result of the gap analysis exercise against the Supplier and Network Operator Guidelines, and ahead of the formation of the new schedule being incorporated into v2.0 of the Retail Energy Code.</p> |  |   |
|    | <p>This document is issued in accordance with Clause 11.20 of the DCUSA, and details DCP 372 'Changes to the Theft Code of Practice'.</p> <p>DCP 372 is considered a Part 1 Matter and will therefore require the Authority's approval to be Implemented. Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2), noting that the result of the Party vote will act as a recommendation as to whether DCP 372 should be accepted or rejected. Completed voting forms are to be sent to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> by <b>08 October 2020</b>.</p> <p>The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.</p> <p>If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to <a href="mailto:dcusa@electralink.co.uk">dcusa@electralink.co.uk</a> or telephone 020 7432 3008.</p> |   |
|    | <p>Parties Impacted: <b>Suppliers, Distribution Network Operators (DNOs) and Independent Distribution Network Operators (IDNOs)</b></p>  |   |
|    | <p>Impacted Clauses: <b>Schedule 23 – Theft of Electricity Code of Practice</b></p>  |   |

| Contents  |   |  Any questions?  |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
|---|---|---|----------|------|-----------------------------|----------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------|-----------------|--|-----------------|-------------------|------------------|------------------------------|---|
| <ul style="list-style-type: none"> <li><b>1 Executive Summary</b> <span style="float: right;">3</span></li> <li><b>2 Governance</b> <span style="float: right;">3</span></li> <li><b>3 Why Change?</b> <span style="float: right;">4</span></li> <li><b>4 Solution</b> <span style="float: right;">4</span></li> <li><b>5 Relevant Objectives</b> <span style="float: right;">5</span></li> <li><b>6 Impacts &amp; Other Considerations</b> <span style="float: right;">5</span></li> <li><b>7 Implementation</b> <span style="float: right;">6</span></li> <li><b>8 Legal Text</b> <span style="float: right;">6</span></li> <li><b>9 Recommendations</b> <span style="float: right;">6</span></li> <li><b>10 Attachments</b> <span style="float: right;">6</span></li> </ul>  |   | <p>Contact:<br/><b>Austin Gash</b></p> <hr/> <p> <b>DCUSA@electralink.co.uk</b></p> <hr/> <p> <b>0207 432 3008</b></p> <hr/> <p>Proposer:<br/><b>Jane Edge</b></p> <hr/> <p> <b>Jane.Edge@britishgas.co.uk</b></p> <hr/> <p> <b>n/a</b></p> |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Timetable   |   |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| <p>The timetable for the progression of the CP is as follows:</p> <p><b>Change Proposal timetable</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9e1f2;">Activity</th> <th style="background-color: #d9e1f2;">Date</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d9d9d9;">Initial Assessment by Panel</td> <td style="background-color: #d9d9d9;">19 August 2020</td> </tr> <tr> <td>Change Report Approved by Panel</td> <td>16 September 2020</td> </tr> <tr> <td>Change Report issued for Voting</td> <td>17 September 2020</td> </tr> <tr> <td>Party Voting Closes</td> <td>08 October 2020</td> </tr> <tr> <td>Change Declaration Issued to Parties/Authority</td> <td>09 October 2020</td> </tr> <tr> <td>Authority Consent</td> <td>13 November 2020</td> </tr> <tr> <td>Expected Implementation Date</td> <td>5 working days following Authority consent <sup>1</sup></td> </tr> </tbody> </table> |   |   | Activity | Date | Initial Assessment by Panel | 19 August 2020 | Change Report Approved by Panel | 16 September 2020 | Change Report issued for Voting | 17 September 2020 | Party Voting Closes | 08 October 2020 | Change Declaration Issued to Parties/Authority | 09 October 2020 | Authority Consent | 13 November 2020 | Expected Implementation Date | 5 working days following Authority consent <sup>1</sup> |
| Activity  | Date  |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Initial Assessment by Panel   | 19 August 2020  |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Change Report Approved by Panel   | 16 September 2020                                       |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Change Report issued for Voting   | 17 September 2020                                       |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Party Voting Closes   | 08 October 2020   |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Change Declaration Issued to Parties/Authority  | 09 October 2020   |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Authority Consent   | 13 November 2020  |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |
| Expected Implementation Date  | 5 working days following Authority consent <sup>1</sup> |   |          |      |                             |                |                                 |                   |                                 |                   |                     |                 |  |                 |                   |                  |                              |   |

<sup>1</sup> This timetable follows the standard timeframes for the Authority to provide their decision within, however, it should be noted that a decision by the Authority could be prior to or after that which is normally expected.

## 1 Executive Summary

### What?

- 1.1 The Theft Code of Practice contained within Schedule 23 of DCUSA was last fully reviewed in Q3 2018. Upon the introduction of the Supplier and Network Operator Best Practice Guidelines, Theft Steering Group (TSG) members suggested that at a future point in time there should be a review to determine if these should be codified.

### Why?

- 1.2 This topic was discussed at the March 2020 Theft Issues Group (TIG) meeting, and members suggested that the Guidelines should be signposted from Schedule 23, however as they need reasonably frequent updates, and contain alternative approaches for organisations to consider, the full content should not be added to Schedule 23 however that some further elements of the Guidelines should be considered for codification.
- 1.3 TIG members recommended an approach for TSG members consideration at the April 2020 meeting which would entail a review of the existing Code of Practice narrative, taking the form of a gap analysis between the Code of Practice and Supplier and Network Operator Best Practice Guideline documents and a review of the topic areas by way of a TIG sub-group. Feedback from the TIG sub-group was then shared with the wider TIG. TSG members also requested that Ofgem confirm if proposed changes should be made by way of a DCUSA Change Proposal or through the drafting of the REC Code of Practice schedule. Ofgem confirmed a DCUSA Change Proposal should be progressed on the basis that it requires Authority consent. This also enables incorporation of the changes into the REC schedule to be consulted on as part of v2.0 in the Autumn of 2020.

### How?

- 1.4 An exercise was undertaken to review the gaps in the Theft of Electricity Code of Practice (Schedule 23) against the Supplier Best Practice Guidelines and the Network Operator Best Practice Guidelines. The gaps identified were then presented to the May 2020 TIG meeting, and several areas were identified for inclusion in the Code of Practice. In addition, some tidying up of Schedule 23 was undertaken to align the text with definitions.

## 2 Governance

### Justification Part 1 Matter

- 2.1 Whilst this CP is directly relevant to the Retail Code Consolidation (RCC) SCR, the Authority have confirmed that they are comfortable that DCP 372 progresses through the DCUSA Change Control Process as the updates to Schedule 23 are complementary to, and should be implemented ahead of, the RCC SCR.
- 2.2 As DCP 372 has an impact on the drafting of the REC schedules, it has been considered that it should be treated as a Part 1 Matter and will therefore require the Authority's approval prior to being Implemented.

## Requested Next Steps

- 2.3 The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 372.
- 2.4 The DCUSA Panel recommends that this CP be issued to Parties for voting. Requested Next Steps

## 3 Why Change?

### Background of DCP 372

- 3.1 This Change Proposal seeks to incorporate suggested changes to the relevant sections of the DCUSA Theft Code of Practice (Schedule 23) as a result of the gap analysis exercise and to ensure that no further updates are required to Schedule 23 of DCUSA before the introduction of the REC.

## 4 Solution

### DCP 372 Assessment

- 4.1 As was noted in section 1 above, an exercise was undertaken by a sub-group of members from the TIG, which was to review the gaps in the Theft of Electricity Code of Practice (Schedule 23) against the Supplier Best Practice Guidelines and the Network Operator Best Practice Guidelines. The results were fed back to the TIG and then recommendations provided to the TSG. The following areas have been identified for inclusion in the Code of Practice:

| Activity Area             | Addition to Code   | Rationale   |
|---------------------------|--|---|
| Post Theft Investigation: | 1. The Network Operator should follow up with the Occupier (and where different the owner of the property) to register their meter with a Supplier until registered or disconnected. | Needs end point to Network Operator process (as disconnection default option)       |
| Pre-Theft Investigation   | 2. Review of Category A, B and C definition table  | Lead Source additions since last review and split between Supplier/Network Operator |

- 4.2 In addition to the above items and as noted in Section1 above, during the gap analysis exercise, a small number of minor housekeeping amendments were also identified and as such the TIG agreed to pick up the required amendments as part of the proposed legal text for DCP 372. The main example of such a housekeeping item is the amendment to the defined term 'Premise' to 'Premises' and then alignment of the term throughout the entirety of Schedule 23.

## 5 Relevant Objectives

### Evaluation Against the DCUSA Objectives

- 5.1 For a DCUSA Change Proposal to be approved, it must be demonstrated that it better meets the DCUSA Objectives. There are five General DCUSA Objectives and six Charging Objectives. The full list of objectives is documented in the CP form provided as Attachment 3.
- 5.2 The Proposer and the TIG consider that DCP 372 better facilitates DCUSA General Objective 4 as this change will help bring about the efficient transition of Schedule 23 'Theft of Electricity Code of Practice' from DCUSA governance to under REC governance.

| 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 impact   |
| <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

### Impacts on any Significant Code Review or other significant industry change projects

- 6.1 The Retail Code Consolidation Significant Code Review does not apply to the DCUSA and no other SCR would be impacted by this Change Proposal.
- 6.2 As a theft matter, any constraint seen in relation to similar changes proposed to the SPAA may have to be considered.

### Environmental Impacts

- 6.3 In accordance with DCUSA Clause 11.14.6, the Proposer assessed whether there would be a material impact on greenhouse gas emissions if DCP 372 were implemented. The Proposer did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

## 7 Implementation

- 7.1 It is suggested that DCP 372 be implemented by extraordinary release, which is to be set for five working days following Authority approval. It is worth noting that an 'indicative timeline' was provided on the DCP 372 CP Form which was 20 November 2020 and was provided to give Parties a view of dates applicable to a standard timeline for Authority decision. As DCP 372 has been progressed as an Urgent change, leaving the implementation date as five working days following Authority approval allows for the change to be implemented as soon as possible following any such approval and therefore is not reliant upon a specific future date.

## 8 Legal Text

- 8.1 The proposed amendments to the legal text in Schedule 23 are set out within Attachment 1. The legal text has been reviewed by the TIG and the Proposer, who all agree that the amendments meet the intent of the CP.

## 9 Recommendations

### Panel's Recommendation

- 9.1 The Panel approved this Change Report on 16 September 2020. The Panel considered that the Proposer has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 372.
- 9.2 The Panel have recommended this report be issued for voting and DCUSA Parties should consider whether they wish to submit views regarding this CP. The Voting Form can be found in Attachment 2.

## 10 Attachments

Attachment 1 – DCP 372 Legal Text

Attachment 2 – DCP 372 Voting Form

Attachment 3 – DCP 372 Change Proposal Form