









Part A: Generic

DCUSA Change Proposal (DCP)		At what stage is this document in the process?
<h1>DCP 374:</h1> <h2>Energy Theft Transition into the Retail Energy Code</h2> <p><i>Date:</i> 09 September 2020</p> <p><i>Proposer Name:</i> Stacey Buck</p> <p><i>Company Name:</i> BU-UK</p> <p><i>Company Category:</i> IDNO</p>		<div>01 – Change Proposal</div> <div>02 – Consultation</div> <div>03 – Change Report</div> <div>04 – Change Declaration</div>
<p>Purpose of Change Proposal:</p> <p>DCP 374 seeks to make the required amendments to the Agreement in order to facilitate an orderly transition of the theft arrangements within DCUSA Ltd into the Retail Energy Code.</p>		
	<p>Governance:</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> Treated as an Urgent Change with an extraordinary release date Progressed to the Change Report stage; and Considered a Part 1 Matter <p>The Panel will consider the proposer's recommendation and determine the appropriate route.</p>	
	<p>Impacted Parties:</p> <p>All DCUSA Parties</p>	
	<p>Impacted Clauses:</p> <p>DCUSA Main Body, Schedule 14, Schedule 23, Schedule 25, Schedule 26, Schedule 30</p>	

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Indicative Timeline ¹		 email address austin.gash@electralink.co.uk
The Secretariat recommends the following timetable:		 telephone 0203 319 1866
Initial Assessment by Panel	21 October 2020	Proposer: Stacey Buck
Change Report Issued to Ex-Committee Panel	22 October 2020	 email address stacey.buck@bu-uk.co.uk
Change Report Approved by Panel	29 October 2020	 telephone 07855270624
Change Report issued for Voting	30 October 2020	
Party Voting Closes	13 November 2020	
Change Declaration Issued to Parties	16 November 2020	
Authority Consent (provisional date)	07 December 2020	
Expected Implementation Date is 5 working days following Authority Consent	14 December 2020 ²	

1 Summary

What?

- 1.1 Changes are required to the DCUSA ('the Agreement') in order to effect an orderly transition of the theft arrangements to the Retail Energy Code (REC) from within DCUSA Ltd, the legal entity that provides a corporate vehicle for the Agreement to operate under. These appropriate processes and procedures

¹ This timetable follows a shortened timeframe due to legal advice from Gowlings recommending that DCP 374 should be implemented ahead of REC v1.1 designation on 16 December 2020.

² This timetable follows a shortened timeframe for the Authority to provide their decision within, this is due to the above recommendation from Gowlings.

are required to be amended in order to allow for Directors of DCUSA Ltd to undergo the transition of the theft arrangements within DCUSA Ltd, following the go-live of the Retail Energy Code (REC).

- 1.2 The DCUSA Panel, DCUSA Ltd Board, and DCUSA Secretariat have been working closely RECCo and DCUSA Legal Advisors in order to agree the activities that will transition, the dates of transition and to draft this change proposal and the associated legal text changes that are required.

Why?

- 1.3 The Retail Code Consolidation (RCC) Significant Code Review (SCR) is expected to be implemented on 01 September 2020. As part of go-live, theft provisions that are currently administered through the DCUSA will migrate to the REC between 01 April 2021 and 01 September 2021, and to enable this transfer, text changes to the DCUSA and REC are required.
- 1.4 The Theft Risk Assessment Service (TRAS) and Energy Theft Tip Off Service (ETTOS) arrangements and Electricity Theft Detection Incentive Scheme (TDIS) are due to transition into the REC with an effective date of 01 April 2021 as part of REC v1.1. The Theft Code of Practice will transition into the REC as part of v2.0 on 01 September 2021.
- 1.5 The rights/obligations of Suppliers and Network Parties under the DCUSA will generally end on the relevant date and accrued rights/obligations of Suppliers and Network Parties will be preserved (under the REC for those processes that are being moved to the REC and under the DCUSA for those that are not).
- 1.6 For those processes that are being moved to the REC, DCUSA Ltd.'s role generally ends (with RECCo required to perform the equivalent role under the REC). However, DCUSA Ltd will deal with the annual report and debits/credits under the final TDIS scheme year;
- 1.7 The Legal Advisor has not currently included an express obligation on DCUSA Ltd to maintain Supplier access to particular TRAS data after 1 April 2021, as currently there is an uncertainty as to what will be retained therefore this will be considered at a later date
- 1.8 Through discussions with Ofgem, it is understood that the Standard Licence Conditions for Suppliers and Network Operators will be amended to remove the requirement to accede to, or continue to be, a Party to the theft arrangements within the DCUSA Agreement.
- 1.9 Changes are required in advance of the RCC to enable the DCUSA Board to function and ultimately to undertake the transition of the theft arrangements within DCUSA Ltd.

How?

- 1.10 The key change to DCUSA has been to deal separately with TRAS/ETTOS/GTIDS, and to provide for the deletion of these schedules (and the end of the parties rights/obligations under the DCUSA in respect of these schedules) on the occurrence of 'Energy Theft Consolidation' – a new concept to be designated under the REC, and currently expected on 1 April 2021. More specifically, these changes will make amendments to the following clauses of the DCUSA Schedules listed below:

- Definitions (Section 1A, Clause 1),

- Duties (Section 1B, Clause 5.3),
- Revenue Protection (Section 2A, Clause 32)
- Energy Theft Consolidation (Section 2A, Clause 32B)
- Website Requirements (Schedule 14, Paragraph 3a)
- Website Requirements (Schedule 14, Paragraph 3A(a))
- Schedule 23 – Theft Code of Practice (Proposed timing of transition is 01 September 21)
- Schedule 25 – Theft Risk Assessment Service (Proposed timing of transition is 01 April 21)
- Schedule 26 – Energy Theft Tip Off Service (Proposed timing of transition is 01 April 21)
- Schedule 27 – Unregistered Consumers
- Schedule 30 – Electricity Theft Detection Incentive Scheme (Proposed timing of transition is 01 April 21)

1.11 Full details of the proposed changes can be found within the attachment to this DCP.

2 Governance

Justification for Authority Consent

- 2.1 DCP 374 change proposal should be treated as a part 1 matter and as such require Authority Consent as it is likely to have a significant impact on the interests of electricity consumers and it concerns the governance or the change control arrangements applying to this Agreement;
- 2.2 This Change Proposal should:
- Be treated as a Urgent Change with an extraordinary release date 5 working days following Authority Consent; and
 - Progressed to the Change Report phase.

3 Why Change?

Legal Text

- 3.1 As within Section 1, 'Why?', changes are required to enable Directors of DCUSA Ltd to enact an orderly transition of the theft arrangements within DCUSA following the date of the RCC (upon which, the theft arrangements with DCUSA will cease to exist and the REC 'takes over'). The suggested legal text amendments are in the attachment to this change proposal.

4 Code Specific Matters

Reference Documents

4.1 N/A

5 Relevant Objectives

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 checked="" type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Positive
<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
5.1 This change proposal better facilitates DCUSA General Objective 3) and 4) as it makes provisions for the orderly closedown of processes catered for under DCUSA to be transferred to the REC following RCC.	

6 Impacts & Other Considerations

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

6.1 This change proposal impacts upon the RCC SCR as it directly links into the amalgamation and implementation of the new REC. This change proposal is required to enable an orderly transition of the theft arrangements within DCUSA Ltd by the RCC date.

Does this Change Proposal Impact Other Codes?

6.2 As a theft matter, any constraint seen in relation to similar changes proposed to the DCUSA may have to be considered.

- | | |
|-----------|-------------------------------------|
| BSC | <input type="checkbox"/> |
| CUSC | <input type="checkbox"/> |
| Grid Code | <input type="checkbox"/> |
| MRA | <input checked="" type="checkbox"/> |
| SEC | <input type="checkbox"/> |
| Other | <input checked="" type="checkbox"/> |
| None | <input type="checkbox"/> |

6.3 Whilst not directly impacted, the MRA is proposing a similar change, MRA CP 0267, which has the same ultimate aim as theft provisions within SPAA (SCP 506) and this change proposal, albeit for the MRA. For the avoidance of doubt, SCP 506 and MRA CP 2067 have no interrelationship and do not impact each other. SCP506 however does impact DCUSA since the services of ETTOS and TRAS are provided to both SPAA and DCUSA and the costs shared between the two at an agreed allocation.

Consideration of Wider Industry Impacts

6.4 N/A

Confidentiality

6.5 N/A

7 Implementation

7.1 It is suggested that this change proposal should be implemented by extraordinary release, which would be set for five working days following Authority Consent. It is worth noting that the 'Indicative Timeline' provided on page 2 of this document provides a view of dates applicable to a shortened timeline for Authority decision.

8 Recommendations