

Scheme in Respect of Electricity Supplies

Effective 1 October 2018

This document has been prepared by UK Power Networks (Operations) Ltd as agent for the three licensed electricity distribution businesses serving the East of England, London and the South East being respectively, Eastern Power Networks plc, London Power Networks plc and South Eastern Power Networks plc. References to UK Power Networks in this document shall be a reference to one or more of those companies, as the circumstances may require.

This scheme is made by UK Power Networks, in accordance with the requirements of paragraph 4 (3) of Schedule 6 ("the Schedule"), to the Electricity Act 1989 (as amended) and sets out the manner in which, and the persons by whom, any quantity of electricity taken in the circumstances set out in paragraphs 4 (1) and 4 (2) of the Schedule is to be determined for the purposes of that sub-paragraph.

This scheme further incorporates such provisions as are necessary for UK Power Networks to ensure compliance with its Distribution Licences issued by the Gas & Electricity Markets Authority, specifically Licence Conditions 49.7 and 49.8 which respectively address the recovery of the value of electricity taken (Compensation Type A) and the recovery of associated costs including, as applicable:

- the investigation of the particular case (Compensation Type B);
- the disconnection of the premises (Compensation Type C);
- making good any damage to the licensee's Distribution System (Compensation Type D); and
- pursuing any action in the particular case to recover any sums that may be due (Compensation Type E).

A copy of this scheme has been provided to the parties specified in the Electricity Act.

Compensation Type A: The Value of Electricity Taken

1. Paragraph 4 of the Schedule entitles UK Power Networks to recover the Value of a supply of electricity taken by any person through a connection to UK Power Networks' distribution system where:
 - (Paragraph 4 (1)) the supply of electricity is in the course of being conveyed by UK Power Networks; or
 - (Paragraph 4 (2)) the supply of electricity has been conveyed by UK Power Networks to premises at which the connection has been restored without permission of the electricity supplier that disconnected them or without UK Power Networks' permission, and it is not being taken pursuant to a contract made with an authorised supplier or in pursuance of a contract made with an electricity supplier by virtue of paragraph 3 of this Schedule

referred to below as a deemed supply contract or paragraph 23 of Schedule 7 of the Utilities Act 2000.

2. In this scheme, the term “Value”, in relation to any electricity taken in the circumstances mentioned above, means the amount which could reasonably be expected to have been payable in respect of the electricity under a deemed supply contract.
3. For the purpose of calculating compensation required under this scheme, UK Power Networks will estimate the quantity of electricity taken by reference to the following factors:
 - a) load measurements taken at the premises;
 - b) advances calculated from meter readings obtained from meters discovered in situ;
 - c) the consumption expected from the types of apparatus and appliances connected to the consumer’s installation;
 - d) the usage by customers with a similar pattern of use (relying, where appropriate, on electricity industry data); and
 - e) the length of time that the connection is assessed by UK Power Networks, in its absolute discretion, to have been installed or restored as applicable.
4. The Value of electricity taken will be determined from:
 - a) the quantity of electricity as determined in paragraph 3 above, and
 - b) the notional price that an electricity supplier would levy on a domestic customer charged on an unrestricted tariff in the circumstances described in this scheme if the supply were being taken legally, as listed in the table on page 4 of this scheme.

Compensation Type B: Revenue Protection Investigation Fees

5. The on-site investigation of instances of unauthorised supplies and the assessment of the electricity taken are typically carried out by a revenue protection agent. UK Power Networks is entitled to recover compensation for the fees paid to that agent for the carrying out of these activities.
6. The fees paid by UK Power Networks and the compensation sought are determined by such criteria as the type or use of the premise (e.g. domestic, commercial or any premise utilised in the cultivation of cannabis) and/or the urgency of attendance by the agent due to the potential public safety implications. The fees may be varied from time to time.

Compensation Type C: Disconnection

7. Regulation 26 of The Electricity Safety, Quality and Continuity Regulations 2002 (ESQCR) makes provision for the disconnection of a supply where UK Power Networks is not satisfied that the consumer's installation is:

“constructed, installed, protected and used or arranged for use so as to prevent, so far as is reasonably practicable, danger or interference...”

This may follow a notice period permitted for remedial actions or may take place immediately where justified on grounds of safety.

8. UK Power Networks may choose not to maintain the connection (i.e. to disconnect) where all reasonable efforts to resolve the unauthorised supply have been exhausted. This is provided for by the Electricity Act 1989 within Section 17: Exceptions from Duty to Connect:

“17(1) - Nothing in section 16(1) requires an electricity distributor to make a connection if and to the extent that ... it is not reasonable in all the circumstances for him to be required to do so”.

9. Where disconnection of an unauthorised supply occurs UK Power Networks will seek reasonable recompense for the costs incurred in carrying out the works. This sum may be based upon the specific costs associated with the particular disconnection or a standard rate for typical types of disconnection situations.

Compensation Type D: Additional Site Visits & Asset Repair

10. Should the initial investigation not result in immediate disconnection then it is likely that further visits to the premises may be undertaken by UK Power Networks personnel or agents working on our behalf in the furtherance of resolution of the unauthorised supply. The purpose of such visits may include, but is not limited to: confirming the provenance of the installed service; assessing the appropriateness of any alteration or extension to our network; making good any damage or interference; reviewing the service capacity where extra premises have increased the load; or effecting a de-energisation of the supply.
11. The compensation will be set at a level to recover the reasonable costs incurred in terms of time, travel and, where applicable, any materials used.
12. Visits, works or activities associated with the full-scale replacement or upgrade of the electricity service are charged in accordance with normal new connection procedures (www.ukpowernetworks.co.uk) and consequently fall outside the scope of this scheme.

Compensation Type E: Administration

13. Both the resolution of unauthorised supplies and the actions to recover compensation can involve significant administrative effort. UK Power Networks shall seek the recovery of costs which arise from the time expended, the procurement of information from the Land Registry or online data resources, legal fees, court fees and other debt collection costs.

Additional Actions

14. In addition to the rights that UK Power Networks has under this scheme, UK Power Networks may take additional actions, including but not limited to:
 - a) pursuing actions for electricity theft under relevant legislation;
 - b) criminal prosecution for theft; and
 - c) criminal prosecution under paragraph 6 of the Schedule.

Notional Price of Electricity by UK Power Networks' Licensed Area			
Applicable Dates for Supply Taken		Pence per day	Pence per kWh
From	To		
Eastern Power Networks plc			
1 April 2010	30 September 2010	16.70	9.94
1 October 2010	31 March 2011	17.12	10.20
1 April 2011	30 June 2013	28.30	11.74
1 July 2013	30 June 2014	22.17	13.17
1 July 2014	31 December 2015	21.73	13.69
1 January 2016	31 May 2017	21.78	13.73
1 June 2017	30 September 2018	24.30	15.60
1 October 2018	<i>Until further notice</i>	27.74	17.14
London Power Networks plc			
1 April 2010	30 September 2010	17.19	10.89
1 October 2010	31 March 2011	17.19	10.89
1 April 2011	30 June 2013	13.15	12.20
1 July 2013	30 June 2014	22.57	13.34
1 July 2014	31 December 2015	21.73	14.03
1 January 2016	31 May 2017	21.78	14.06
1 June 2017	30 September 2018	24.30	15.57
1 October 2018	<i>Until further notice</i>	27.74	16.94
South Eastern Power Networks plc			
1 April 2010	30 September 2010	12.65	11.20
1 October 2010	31 March 2011	12.65	11.20
1 April 2011	30 June 2013	13.15	12.03
1 July 2013	30 June 2014	22.75	13.33
1 July 2014	31 December 2015	21.73	14.15
1 January 2016	31 May 2017	21.78	14.18
1 June 2017	30 September 2018	24.30	16.03
1 October 2018	<i>Until further notice</i>	27.74	17.48