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SCHEME IN RESPECT OF UNAUTHORISED ELECTRICITY SUPPLIES

Pursuant to Schedule 6 of the Electricity Act
1989

Date: 5 August 2011
Version No: 1.0

Who we are

Electricity North West Limited owns one of the fourteen regulated electricity distribution networks in England, Wales and Scotland.

We have a licence which specifies a distribution service area within which we have to provide services to electricity supply companies. Our service area covers the North West of England.

We have developed this Scheme in accordance with the requirements of Schedule 6 of the Electricity Act 1989 (“the Schedule”). This Scheme sets out the manner in which, and the persons by whom, any quantity of electricity taken illegally from us is to be determined in the circumstances described below.

A copy of this Scheme has been provided to the Gas and Electricity Markets Authority and to the Energy Ombudsman, and is available to any person on request.

Entitlement to Recover the Value of Electricity Illegally Taken

1. Paragraph 4 of the Schedule entitles us to recover the Value of a supply of electricity taken by any person through a connection to our distribution system where:
 - (a) The supply of electricity is in the course of being conveyed by us; or
 - (b) The supply of electricity:
 - (i) has been conveyed by us to premises at which the connection has been restored in contravention of paragraph 5(1) of the Schedule; and
 - (ii) is not being taken under either a contract made with an authorised supplier or a contract deemed to have been made with an electricity supplier under paragraph 3 of the Schedule or paragraph 23 of Schedule 7 to 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, if the electricity had been taken in the circumstances mentioned in paragraph 3(2) of the Schedule, could reasonably be expected to have been payable in respect of the electricity under a contract deemed to have been made because of that paragraph.
3. In order for a supply of electricity to be taken legally, the person taking it must be doing so where the quantity of the electricity being taken through a connection is being recorded (or estimated) and provided to us pursuant to the Balancing and Settlement Code and the Distribution Connection and Use of System Agreement.
4. Accordingly, we may levy charges under this Scheme where we have not received adequate data (in our sole opinion), quantifying the electricity taken from our distribution system for all relevant periods of time, pursuant to the Balancing and Settlement Code or the Distribution Connection and Use of System Agreement.

Calculation of the Quantity of an Unauthorised Supply

5. For the purpose of calculating charges under this Scheme, we will estimate the quantity of electricity taken by reference to the following factors:
 - a) The consumption experience of the types of apparatus connected to the customer's installation;
 - b) The usage of customers with a similar pattern of use (relying, where appropriate, on electricity industry data); and
 - c) The length of time that the connection is assessed to have been energised.

Calculation of the Value of an Unauthorised Supply

6. The Value of electricity taken will be determined from:
 - a) The quantity of electricity as determined in paragraph 5 above; and
 - b) The average price, derived from the three largest suppliers operating in our distribution service area during the period identified in paragraph 5 above; and
 - c) The most suitable supply tariff based on the customer's type of connection.
7. In addition to the rights that we have under this Scheme, we may also take additional action, including but not limited to:
 - a) Disconnecting the connection and recovering the costs of doing so;
 - b) Recovering the costs of any damage to our distribution system, meters, plant or equipment;
 - c) Recovering the costs of the investigation; and
 - d) Pursuing actions for electricity theft under the relevant legislation.