

DCUSA DCP 080 Consultation Responses – Collated Comments

	Question One	Do you understand the intent of the CP?	Working Group Comments
1	British Gas	We fully understand the intent of the CP.	Noted
2	CE Electric	Yes	Noted
3	EDF	EDF Energy fully understands the intent of the CP and agrees that further clarity is needed around the definition of theft in conveyance.	Noted
4	Electricity North West	Yes	Noted
5	EON	Yes	Noted
6	Independent Power Networks Limited	Yes	Noted
7	Npower	Yes	Noted
8	Scottish Power Energy Retail	Yes, Scottish Power Energy Retail has been part of both the DCP54 and DCP80 working groups.	Noted
9	SP Distribution/ SP Manweb	Yes	Noted
10	UK Power Networks	Yes	Noted
11	WPD	Yes, The CP has set out to define the boundaries between the responsibilities of the supplier and those of distribution services for the purposes of revenue protection services.	Noted
	Question Two	Are you supportive of the principles established by this proposal?	

12	British Gas	We are very supportive of the principles of this proposal. We feel it is very important that all parties are clear on their responsibilities with regard to dealing with theft. We believe that DCP 080 will provide this clarity and ensure Suppliers and Distributors are clear on their obligations.	Noted
13	CE Electric	Yes, however, it would have been helpful if Ofgem had been in a position to offer its interpretation of theft in conveyance as part of the DCP054 work.	The Working Group noted that Ofgem provided its initial view under the DCP 054 Working Group, which was contested by the industry.
14	EDF	<p>EDF Energy is supportive of the principle established by DCP 080 whereby electricity abstracted from any point above the outgoing terminal of the cut out, where a supplier is registered to the metering point, falls to the supplier to pursue the person responsible. Where electricity is abstracted from the cut out or any point prior to that, then this constitutes theft in conveyance and it falls to the distributor to take action.</p> <p>We are not supportive of the principle established by DCP 080A whereby only electricity abstracted for use at a third party premises not registered by a supplier constitutes Theft in Conveyance and that the supplier is responsible for the recovery of costs in all other instances, irrespective of whether the abstraction took place above the cut out, from the</p>	Noted

		cut out or prior to the cut out.	
15	Electricity North West	Yes	Noted
16	EON	We are supportive of the principle that this area needs clear definition.	Noted
17	Independent Power Networks Limited	Yes	Noted
18	Npower	Yes	Noted
19	Scottish Power Energy Retail	Yes, we welcome the creation of a clearly defined termed	Noted
20	SP Distribution/ SP Manweb	Yes	Noted
21	UK Power Networks	Yes	Noted
22	WPD	We are supportive of any change that brings clarity to ill defined areas of legislation.	Noted
	Question Three	Which definition of theft in conveyance do you support? Please give supporting reasons.	
23	British Gas	<p>We strongly support DCP 080 for the following reasons:</p> <ul style="list-style-type: none"> • DCP080 gives the entitlement to recover value of electricity taken to the party best placed to remedy the situation. For example Suppliers are responsible for metering equipment whereas distributors are responsible for the mains service cable and cut-out. 	Noted that the DCP 054 Working Group will address the issues with the responsibilities of Suppliers.

		<p>Responsibility therefore for recovering charges from the responsible person should rest with the party who owns the equipment at the point where theft has taken place. This will ensure those parties responsible are better able to manage their exposure and ensure processes and procedures are implemented to minimise theft.</p> <ul style="list-style-type: none">• DCP080 gives the entitlement to recover value of electricity taken to the party with the technical expertise to remedy the situation• Distributors have a monopoly with regard to repair and replacement of damaged distribution equipment. Should DCP 080A be implemented distribution businesses would be free to proactively seek out theft which is the responsibility of Suppliers with the knowledge that Suppliers have no alternative but to procure the replacement of damaged equipment from that distribution business. Strict controls would need to be put in place to ensure charges made to Suppliers for these services were fair and reasonable.	
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		<ul style="list-style-type: none"> We believe it is important where possible to maintain consistency of approach between the gas and electricity industry. By implementing DCP 080 this consistency is maintained. <p>This will assist dual fuel suppliers and new entrants to the market who would have to operate different processes if different arrangements were allowed to operate across the two fuels.</p>	
24	CE Electric	<p>We support the definition in 80A as this more closely reflects roles and responsibilities under current industry arrangements; furthermore the definition proposed for 80 appears to be flawed in relation to current obligations on suppliers. Specifically:</p> <ul style="list-style-type: none"> Current responsibilities to ensure effective revenue protection, inspections at premises and the correct attribution of units into settlements need to be maintained and aligned to current obligations on parties. 80A more closely reflects current industry arrangements; Paragraph 3(8) of Schedule 6 of the Electricity Act clearly envisages the supplier's recovery of the cost of illegally- 	<p>The working Group noted that the DCP 054 Working Group are looking at Terms and Conditions and placing missing units into settlement.</p>

		<p>abstracted electricity (in setting out the need for the terms of deemed contracts to provide for the calculation of the quantity of electricity taken illegally). We cannot think of any rational basis for this to be different if the supplier's contract with the customer is express rather than deemed.</p> <ul style="list-style-type: none">• The suppliers' current obligation to inspect at premises is not, inadvertently or deliberately, restricted to meters but continues to cover all associated apparatus at the service position;• The definition proposed under DCP 080, including reference to "meters" and "equipment owned the customer", is inappropriate as it does not align to supplier's current obligations in relation to inspection and detection in standard licence conditions (SLCs);• SLC 12.1(b) requires suppliers and their agents to take reasonable steps to detect and prevent damage to any electrical plant, electric line or metering equipment through which premises are supplied. Note that this does not just cover meters and equipment owned by customers, but all electrical lines and plant including the DNO's connection equipment inside the premises;• Obligations under SLC 12.16(b) also cover	
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		<p>metering equipment, electrical plant and electric lines; and</p> <ul style="list-style-type: none"> Given the above, the definition of theft in conveyance in 80A is the most appropriate as it maintains the alignment of the supplier's responsibility for theft with other obligations. 	
25	EDF Energy	<p>EDF Energy supports DCP 080.</p> <p>We feel that DCP 080 provides a much cleaner definition of Theft in Conveyance and leaves less ambiguity as to the responsibilities of parties when handling theft.</p> <p>The simple premise that electricity abstracted above the outgoing terminal of the cut out is the responsibility of the supplier and electricity abstracted from the cut out or any point prior to that, is Theft in Conveyance and falls to the distributor to take action, is easy to understand and less open to interpretation by existing or new participants.</p> <p>DC080A effectively limits Theft in Conveyance to scenarios where stolen energy is used at a premise where there is no registered user. E.g. a traveller's caravan connected directly to overhead mains on a piece of waste ground.</p>	Noted

26	Electricity North West	<p>DCP080A – Where a consumer has a contract in place with a supplier and that site (MPAN) is registered it is clear in our mind that any theft of electricity is to prevent the payment of electricity bills. The electricity bill is sent to the consumer from the supplier with whom such a contract is in place.</p> <p>The supplier has the relationship with such a consumer and therefore they should be recovering the lost revenue on behalf of both parties rather than expecting the distributor to deal directly with the consumer in particular instances. If this is not the case we have two parties chasing lost revenue from the consumer since the supplier will need to recover their part of the bill as a consequence of the requirement under the BSC to process lost units through the settlements process.</p> <p>If this approach is not adopted it may undermine the settlements process by providing a disincentive for suppliers to process lost units through it thereby smearing the costs across the supplier community and impacting distributors through the losses incentive mechanism.</p> <p>Issue 39 (which attempts to see how we can process such units into settlements) will equally have no effect if suppliers are dis-incentivised to</p>	<p>Noted. The Working Group agreed that they need to prevent customers being charged twice. The Bill from the Supplier could be added onto a pre payment meter but there is nothing in place for a DNO to recover costs.</p>
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		<p>process such data.</p> <p>It would also seem odd that two parties are chasing lost revenue that could potentially be progressed through the courts for each element of the electricity bill. That said is it the intent that we chase on behalf of the supplier in such instances where it is theft in conveyance? This would seem inappropriate</p> <p>Should such an approach not be adopted it throws open the debate as to why Revenue Protection sits under Supplier related activities. Surely we should have the capability to protect our own income.</p>	
27	EON	<p>We are supportive of the definition provided in DCP80 and not that in DCP80A.</p> <p>DCP 80 gives a much clearer and unambiguous definition of parties' responsibility with regard to theft and follows established practice in gas and current practice in Electricity industry. All parties are clear on which equipment is provided by whom and therefore who is responsible for the safety and maintenance of such equipment. Distributors charge Suppliers for the use of their system up to point of the metering equipment, not just to a vague point of entry described in DCP80A as a premise. It should therefore be right and proper that parties are fully responsible for their equipment, this includes the Distributor being</p>	The Working Group noted that charges is a DCP 054 Working Group issue.

		<p>responsible for the security of their plant and lines as described in the Act. If Distributors have been negligent in this area by allowing their equipment to be vulnerable to theft they should be responsible for that theft and recover it from the relevant party. This is also true as far as suppliers and their equipment is concerned. DCP80A is trying to absolve Distributors it would seem of some of their responsibilities by claiming Electricity is no longer being conveyed after it has entered a premise, despite continuing to charge for conveyance beyond this point which seems contradictory at best.</p> <p>The definition of Premise referred to in DCP80A is not suitable to be used in determining which Supplier may be responsible for the theft either. Where a premise has more than one metering point and more than one Supplier appointed, it is not clear who should take responsibility; DCP80 does not have this uncertainty.</p>	
28	Independent Power Networks Limited	<p>IPNL is supportive of DCP080A for the following reasons:</p> <ul style="list-style-type: none"> • Suppliers are better placed to deal with theft as have direct contact with end users. • Suppliers via their agents are most likely to discover theft occurrences. • Experience of theft occurrences to date have 	Noted

		tended to follow the principles of DCP080.	
29	Npower	We support the definition proposed under DCP080. In our view, this best reflects the provisions of the Electricity Act 1989, commercial responsibilities and obligations as envisaged under the current distribution price control arrangements (eg the losses incentive).	Noted
30	Scottish Power Energy Retail	While DCP080A matches the way ScottishPower Revenue Protection currently works we believe DCP080 details the correct delineations.	Noted
31	SP Distribution/ SP Manweb	<p>We consider that the definition of theft in conveyance, as provided in DCP 080A, is appropriate and we support its adoption within DCUSA.</p> <p>We consider it appropriate that Suppliers are responsible, and best placed to, pursue action against customers found to be abstracting electricity <u>consumed at premises</u>, whether it be taken from the cut out, prior to it or beyond.</p>	Noted
32	UK Power Networks	<p>UKPN supports DCP080A.</p> <p>The electricity industry is based on the supplier having the primary relationship with the customer. Therefore where such a relationship exists the supplier should take responsibility for theft.</p> <p>DCP 080A makes reference to electricity being used at Premises and the relationship of the supplier to</p>	Noted

		<p>the premises and its owner or occupier.</p> <p>This builds on the interaction of the wording of:</p> <p>Schedule 6 para 4 of the Electricity Act which states "Where any person takes a <u>supply</u> of electricity which is in the course of being conveyed by an electricity distributor" and goes on to state, in relation to unauthorised reconnections, "and (b) the supply is taken otherwise than in pursuance of a contract made with an authorised supplier.....",</p> <p>the Electricity Act definition of "supply" which states "in relation to electricity, means its supply to premises",</p> <p>the Electricity Act Schedule 3 para 3 which states "where an electricity supplier supplies electricity to any premises otherwise than in pursuance of a contract the supplier shall be deemed to have contracted with the occupier (or owner....)",</p> <p>Ofgem's "Statement on Deemed Contracts" of 24 June 2010 which states that a deemed contract exists when electricity is consumed by the owner or occupier of a premises, and</p> <p>the DTi document "A Fair Deal For Customers....(September 1999)" which states at</p>	
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		<p>4.2.5 that "Deemed contracts might apply in certain cases of theft of electricity...where a deemed contract would not be applicable, the value of electricity stolen from the distribution network may be recovered by a distributor".</p> <p>From these it is argued that a supplier's relationship with a customer is in relation to consumption at premises and that if the customer takes a supply (even if it is theft) that relationship holds true - in order to take a supply it will normally be supplied by the relevant supplier.</p>	
33	WPD	<p>We support the definition 80a.</p> <p>Where a customer abstracts electricity at a premises they make a deemed contract with the supplier. Current that is drawn down a service cable into the property it is destined to be metered within the premises as defined by law. As distribution companies do not purchase the distributed electricity it is the supplier of the premises who is the victim of theft.</p> <p>A connection from the cut-out, to bypass the meter, is technically not much different to a bypass from the live tails. In both cases the consumer does not intend to pay for the electricity that has been purchased by the supplier. The argument</p>	Noted

		around the responsibility for the equipment installed by the supplier or the distributor, for transport or measurement of electricity, should not be the main discussion point here. The discussion should be centred around whom the intended victim electricity abstraction is.	
	Question Four	What impact does each definition have on parties and customers?	
34	British Gas	<p>Should DCP 080A be adopted we believe that a fundamental review of the statutory powers of all parties would be required. This would need to include a review of rights of entry, health and safety obligations and disconnection rights.</p> <p>By implementing DCP 080 distributors are incentivised to ensure distribution assets are repaired and replaced at the lowest cost possible as these costs will be borne by the distribution businesses themselves.</p> <p>If DCP 080A were to be implemented Suppliers would be forced to procure services directly from distribution business for repair and replacement of damaged distribution equipment. Without proper regulation of the charges for these services Suppliers could be exposed to unreasonable costs which ultimately would be borne by all customers if suppliers are unable to recover costs from the</p>	Working Group agreed that the rights of entry would be reviewed under the DCP 054 and the DCP 080 legal text has been updated.

		responsible person such as with cannabis farms.	
34	CE Electric	The definition proposed in DCP 80 appears to be flawed as it could create a perverse incentive for suppliers to not inspect beyond the meter and customer's equipment in contraction with obligations under SLC12.	
35	EDF Energy	<p>We believe that DCP 080 would only have minimal impact on parties and customers as it is consistent with our current understanding of what constitutes Theft in Conveyance.</p> <p>By contrast, DCP 080 A could have a significant impact as Suppliers and Meter Operators will not generally have the technical expertise required to deal with connections at the cut out and prior and will therefore have no alternative but to employ distributors on a contractual basis. Even though theoretically suppliers can recover costs from their customers, in practice this is difficult and seldom happens. Most theft at the cut out and prior tends to be of a serious nature, such as cannabis farms, and other "commercial" enterprises, with the inevitable impact on settlements once again to the financial disadvantage of the supplier.</p>	Noted.
36	Electricity North West	This is covered in the response above.	Noted.
37	EON	DCP 80 has no impact on parties as the Act already requires both Distributors and Suppliers to be able	Noted.

		<p>to invoice for theft of Electricity. It also makes Disconnection easier if needed as the Act allows for Disconnection by the party who has made that connection i.e. the Distributor. A Supplier will have much more difficulty in Disconnecting as it is unclear if a meter has been by passed that a contract exists and if so what rights they may have under that contract.</p> <p>DCP80A will require Suppliers to change their processes to invoice for theft in conveyance, and try and establish a legal right via a deemed contract with a thief that they may not have a contract with. Under DCP80A it is our understanding that we may have to recover the value of stolen units from our registered customer at a premise regardless of the fact that that they may not be the thief relying on them to make a claim against the real thief, this cannot be a suitable way forward.</p>	
38	Npower	<p>DCP080 enables each party involved in a theft case to clearly understand where its responsibilities lie. It will enable robust processes to be put in place (perhaps via a Code of Practice which could be governed under the DCUSA) to enable action to be taken to deal with theft in conveyance effectively and to ensure that customers are dealt with appropriately in a given set of circumstances.</p> <p>DCP080A would in our view create confusion and difficulty, particularly with regard to rights of</p>	Noted.

		access and disconnection and the relationships between suppliers in cases where there are multiple premises/ customers involved in theft incidents.	
39	Scottish Power Energy Retail	<p>DCP080 could imply that a supplier will be liable for settlement charges but cannot bill a customer if the DNO is liable for billing etc. Do all DNOs/IDNOs have processes to establish the amount of energy stolen and the subsequent issue of assessment? Would they also carry out debt follow up? Will the DNO follow through with litigation or prosecution? As a supplier we want to ensure the customer is held accountable for the theft, i.e. the work does not stop at simply making the site safe.</p> <p>As mentioned above, we would have to amend our current business processes to align with DCP080.</p>	Noted.
40	SP Distribution/ SP Manweb	<p>The target outcome should be:</p> <ul style="list-style-type: none"> a) Customers pay for energy consumed; and b) Lost units are entered into settlements. <p>Whilst both definitions provide clarity:</p> <p>DCP080 – This proposal fails to achieve the target outcome because the distributor does not have the ability to enter units into settlements and is unable as a result to recover the true economic value of its loss.</p>	Noted.

		<p>The adoption of DCP080 will result in greater costs to the industry and a greater likelihood of customers not being pursued for stolen energy.</p> <p>DCP080A – We consider that the proposed definition is more closely aligned with the Supplier hub principle and correctly places the obligation on the Supplier to take action where electricity is consumed at a premises and the supply is registered to an MPAN. There is a greater likelihood that the customer will be pursued for stolen energy under this option.</p>	
41	UK Power Networks	<p><u>Impact on customers</u> Customers are already confused as between suppliers and distributors.</p> <p>Creating a scenario that allocates the responsibility for dealing with a customer to the distributor or the supplier dependent on that customer's choice of where to make his illegal connection, the deciding factor being a matter of inches, leads to more confusion.</p> <p>Where theft has occurred and there are costs to recover from the customer, the supplier has a range of techniques such as pre-payment metering, debt management via billing etc. and is covered by codes of conduct and regulatory overview in dealing with these matters. The distributor would</p>	Noted.

		<p>have no recourse other than to legal action if there was non-payment of any charges levied.</p> <p><u>Impact on suppliers</u></p> <p>Suppliers are best placed to deal with customers. They have established methods for recovering doubtful debts, such as prepayment meters, whereas distributors would be faced with court action. In addition, suppliers have codes of practice for their dealings with customers over debt. DCP080A places more of the responsibility on suppliers and hence reinforces that relationship in a controlled way.</p> <p>DCP080A allocates a larger proportion of theft to an individual supplier and hence is more cost reflective. This benefits all suppliers if units are entered into settlement as they will not bear the cost of theft by another supplier's customer through the correction factor.</p> <p><u>Impact on distributors</u></p> <p>Where theft has occurred, distributors are penalised via their losses incentive. It is perverse that the distributor should recover the value of the electricity stolen when a. he does not bear the cost of the settlement and generation charges, b. he cannot enter the units into settlement and c. any revenue would have to be treated as excluded to have any value to the distributor (even the DUoS</p>	
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		element thereof). DCP080A works better with exempt distribution (an expected future growth area) and with non-distributor owned R+Ls where the tampering may be with equipment that is not owned by the distributor and is owned by someone not a party to DCUSA where the responsibility is being defined. DCP080 has the potential of placing an obligation on someone who is not a party to DCUSA or else of creating uncertainty as to responsibility. DCP080A would reduce that uncertainty.	
42	WPD	Definition 80 is unfair to honest consumers and other supply companies not registered at the affected premises. Any units lost that are stolen by an occupier of a premises will not be put into settlement against the registered supplier of the premises where the units should have been metered. Instead these units will be smeared across all suppliers upon settlement and costs will be passed onto consumers by the suppliers. Increased costs of identifying abstraction / illegal connections by distribution companies would also lead to increased costs passed onto consumers.	Noted.
	Question Five	Please provide examples if you believe that either of the proposed definitions creates issues with regard to existing obligations or rights under the Electricity Act, for example in Schedule 6 or Schedule 7?	

43	British Gas	We believe the obligations and rights as currently documented under Schedule 6 and Schedule 7 of the Electricity Act support the definition of Theft in Conveyance as defined under DCP 080. For example under Schedule 6 rights to disconnect where damage has occurred to electrical line or electrical plant is given to the distributor. Rights to disconnect where an offence has been committed in relation to the electricity meter is given to the Supplier.	Noted.
44	CE Electric	The proposed definition for 80 appears to be flawed as it is at odds with current rights and obligations. Paragraph 3(8) of Schedule 6 of the Electricity Act clearly envisages the supplier's recovery of the cost of illegally-abstracted electricity (in setting out the need for the terms of deemed contracts to provide for the calculation of the quantity of electricity taken illegally). We cannot think of any rational basis for this to be different if the supplier's contract with the customer is express rather than deemed.	Noted.
45	Electricity North West	We believe that DCP080 create an issue regarding Schedule 6 of the electricity act which states: "4 (1) Where any person takes a supply of electricity which is in the course of being conveyed by an electricity distributor, the distributor shall be entitled to recover from that person the value of	Noted. Ofgem have noted that 4.1 of the Act means that both the Supplier and the DNO can recover the value of the electricity taken.

		<p>the electricity so taken.</p> <p>(2)Where—</p> <p>(a)any person at premises at which a connection has been restored in contravention of paragraph 5(1) takes a supply of electricity which has been conveyed to those premises by an electricity distributor; and</p> <p>(b)the supply is taken otherwise than in pursuance of a contract made with an authorised supplier, or of a contract deemed to have been made with an electricity supplier by virtue of paragraph 3 above or paragraph 23 (former tariff customers) of Schedule 7 to the Utilities Act 2000,</p> <p>the distributor shall be entitled to recover from that person the value of the electricity so taken.</p> <p>(3)Each electricity distributor shall make, and from time to time revise, a scheme providing for the manner in which, and the persons by whom, the quantity of electricity taken in such circumstances as are mentioned in sub-paragraph (1) or (2) is to be determined for the purposes of that sub-paragraph.”</p>	
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		Albeit para 2 is referring to restoration of connection the reference to the fact that distributors only need to put in place a scheme for the recovery of the value of lost units if there is no supply contract in place seems to support the argument that where supply contracts exist then recovery should be via the supplier for existing connections. DCP080 goes against such convention whereas DCP080A is supportive of this approach.	
46	EON	The Act is unclear and as shown can be used to interpret two opposing views.	Noted.
47	Npower	<p>We think that DCP080A has implications with regard to rights of access and disconnection.</p> <p>For example, under DCP80A, if a customer at one property (A) steals from a neighbouring property (B) by illegally making a connection to the electric line before the cut out, then the supplier for property A would be responsible for resolving the situation. However the supplier at property A has no right of access to property B to investigate or rectify the situation, and is unaware of the identity of the supplier to property B.</p> <p>We also consider that DCP080A could have implications in terms of ability to deal with issues on site. For example, suppliers do not have rights under the Electricity Act to work on Distribution-owned equipment and also do not have the skills</p>	Right of entry, issues on site and disconnections will need to be addressed by DCP 054.

		<p>or knowledge to be able to deal with theft from the network eg electricity being stolen direct from the mains or service cable. Distributors may and should wish to have involvement in and control over decisions taken about scenarios of theft in conveyance.</p> <p>Under Schedule 6 paragraph 6 and Schedule 7 paragraph 11 to the Electricity Act, suppliers only have the right of disconnection in certain scenarios and this relates to incidents involving damage to or interference with an electricity meter. We think that this limitation on suppliers' ability to act would render the definition proposed under DCP080A unworkable.</p>	
48	Scottish Power Energy Retail	We cannot see any issues regarding the Electricity Act. However, we believe DCP080 could create an issue with Supplier SLC12.1 – Detection and prevention of electricity theft. This clearly places the obligations onto the supplier and an equivalent SLC does not exist for distributors.	Noted.
	Question Six	Does either of the proposed definitions have implications for parties operating under the existing Revenue Protection Code of Practice?	
49	British Gas	We believe the existing revenue Protection Code of Practice is largely out of date and does not reflect changes made to the structure of industry parties or changes that have been made to licence	Noted.

		<p>conditions over time.</p> <p>This code of practice is being re-drafted under DCP 054 and therefore any changes in obligations made by DCP 080 or DCP 080A can be reflected in the drafting of the new code of practice.</p>	
50	CE Electric	<p>Current responsibilities to ensure effective revenue protection, inspections at premises and the correct attribution of units into settlements need to be maintained and aligned to current obligations on parties. 80A appears to more closely reflect current industry arrangements.</p> <p>It seems logical that revenue protection arrangements and responsibility for stolen energy match current inspection obligations on suppliers under SLC12.</p>	Noted.
51	EDF	None identified at the present time.	Noted.
52	Electricity North West	This will have no impact on the current drafting of the RPSCoP. It may however help and assist in the redrafting of the code of practice covered under DCP054.	Noted.
53	EON	No.	Noted.
54	Npower	We think that the existing RP Code of Practice caters for both definitions to a limited extent, but requires updating and expanding to ensure that all parties are aware of their obligations and the	Noted.

		procedures to be followed. We are aware that this is being carried out under the DCP054 working group, and it is essential that this work is brought to fruition.	
55	Scottish Power Energy Retail	ScottishPower Revenue Protection Service, and others, may have to review how they interact with the DNO/IDNO.	Noted.
56	SP Distribution/ SP Manweb	We consider the existing Revenue Protection Code of Practice to be outdated and support the work of the DCP 054 working group to progress its update.	Noted.
57	UK Power Networks	No	Noted.
58	WPD	Parties operating under the current RP COP will not be adversely affected by these definitions.	Noted.
	Question Seven	Are there any unintended consequences of this proposal?	
59	British Gas	<p>All parties should be incentivised appropriately to actively seek out and detect theft. This should be done by ensuring that those parties with the technical and statutory capability to resolve issues are given the responsibility for remedying and recovering costs in each appropriate scenario.</p> <p>We support the Settlement Cost Smearing solution for entering units into settlement. Under this model no single Supplier is penalised for the costs of stolen energy and therefore Suppliers are better incentivised to actively seek out and detect theft.</p>	Noted.

		We believe that the Settlement Cost Smearing model supports the definition of Theft in Conveyance as outlined in DCP 080 as any stolen energy would not have to be entered into settlement to enable the distribution business to claim under their losses incentive.	
60	CE Electric	The definition proposed in DCP 80 appears to be flawed as it could create a perverse incentive for suppliers to not inspect beyond the meter and customer's equipment in contradiction with obligations on suppliers under SLC12.	Noted.
61	EDF	None identified at the present time.	Noted.
62	Electricity North West	Apart from those indicated above, it should determine	Noted.
63	EON	At present Distributors recover a suitable amount of income for the maintenance of their network and the conveyance of Electricity via that network. If by the acceptance of DCP80A they no longer perform all these duties it may have a consequential impact by reducing their allowed revenue. This reduction in revenue could then be used to help fund the extra duties that a Supplier will be required to perform.	Noted .
64	Independent Power Networks Limited	IPNL is not aware of any unintended consequences stemming from this proposal.	Noted.
65	Npower	If DCP080 is implemented, this could impact on the Consumer Focus complaints process, in that	Noted.

		complaints about the actions taken by Distributors in dealing with theft cases may be recorded against suppliers who have had little or no involvement in what has gone on. This will need to be addressed when agreeing the processes to be adopted by parties, should this definition be accepted for implementation.	
66	Scottish Power Energy Retail	See response to Electricity Act question.	Noted.
67	SP Distribution/ SP Manweb	None that we are aware of.	Noted.
68	UK Power Networks	None that we can think of.	Noted.
69	WPD	None	Noted.
	Question Eight	Under DCP 080A what should happen if more than one supplier were registered to different MPANs at a Premises?	
70	British Gas	<p>Scenarios where more than one supplier is involved are best resolved by the distributor. Under DCP 080A the supplier is responsible if they are registered to the MPAN and the use of the stolen energy can be attributed to the premise where the MPAN is registered.</p> <p>An example such as where theft has occurred in a block of flats but cannot be attributed to a single supplier must remain the responsibility of the distributor to ensure that theft is appropriately followed up.</p>	Noted. All scenarios will be issued to the DCP 054 Working Group.

71	CE Electric	Two MPANs for the same premises would seem more likely where there is import and export. In this case the responsibility for stolen units should sit with the supplier registered for the import.	
72	EDF	<p>It is not clear how this scenario would be handled under DCP 080A. Also, given that the definition of premises in the Electricity Act is fairly vague, this could potentially be a very common scenario.</p> <p>A premises is defined in the Electricity Act as:</p> <p>“premises” includes any land, building or structure,</p> <p>The scenario may also exist where more than one MPAN exists at a premises and not all Meter Points are registered to a user.</p> <p>EDF Energy believes that further discussion and clarity is required in this area before DCP 080A could be recommended as the preferred option.</p>	Noted
73	Electricity North West	<p>I assume this question relates to instances where theft occurs prior to the cut-out. At or after the cut-out the answer will be the same as DCP080 since such a supplier is known.</p> <p>In response this depends on a number of scenarios:</p> <p>If the MPANS are Import and Export that and have</p>	Noted

		<p>differing Suppliers it should be the Supplier of the Import MPAN that such instances are reported to since such theft impacts that area.</p> <p>If it is multi occupancy i.e. flats with one point of supply and multiple Metering Points it should be based on which flat was illegally benefitting from the extraction. The MPAN for that flat being then identified and the supplier notified accordingly since that supplier is also losing revenue from such an extraction.</p> <p>If it is multi-feeder then this should follow a similar approach to the one above in that further investigation is required to see which Metering Point is being bypassed and that MPAN identified. The Supplier would then be notified that theft has occurred for such an MPAN.</p> <p>If it relates to data inaccuracies, the supplier who is responsible for the supply at the time of identification should be notified based on who is registered to that Metering Point within MPRS at the time of such identification.</p>	
74	EON	This is unclear and is one of the reasons DCP80A is unworkable as well as being unfair.	Noted
75	Independent Power Networks Limited	On the assumption that an example of this may be where a block of flats is supplied by multiple suppliers, most cases of theft or tampering are likely to be detected by a meter reader when	Noted

		visiting the site to obtain a meter read. IPNL would therefore recommend that in such instances, the meter reader would inform the Supplier who they are acting on behalf of and provide the meter details at the affected supply point. Should the meter not belong to the Supplier, ECOES can be used to confirm the relevant Supplier and the relevant Supplier then contacted to notify them of the theft or tampering occurrence.	
76	Npower	Processes would need to be developed to ensure that only one of the suppliers at the premises concerned was required to take action to deal with the theft incident, and to ensure that any costs incurred and monies recovered were correctly allocated. We think this would be very difficult to manage.	Noted
77	Scottish Power Energy Retail	We believe this would be a rare occurrence. The 2 suppliers would have to set up an agreement to resolve responsibility. We believe this should be done on a case by case basis just now and if required a process could be raised at a later date.	Noted.
78	SP Distribution/ SP Manweb	<p>We do not consider this to be a material issue:</p> <ul style="list-style-type: none"> a) We consider in most instances the supplier's responsibilities with regard to an individual premise will be clearly defined; and b) The number of instances will be relatively low. 	Noted

79	UK Power Networks	<p>This situation also exists under DCP080 where theft is from the outgoing terminal of the cut-out. DCP080 is about defining theft in conveyance. It is not about defining how theft that is not in conveyance should be dealt with. We believed that work is being developed by the DCP054 working group.</p> <p>However, there is clearly a culprit and point of use regarding electricity theft and it will clearly be import or export so it is likely that there will be clear relationship with a supplier.</p> <p>Alternatively this DCP is not designed to address flaws with registration processes.</p>	
81	WPD	<p>The deemed contract should be made by the occupier of a particular registered premises. As such the victim is the registered supplier of the premises occupied by the thief. In the case of a multiple occupancy premises the thief will be bypassing a specific registered meter and will have a supplier identifiable by the MPAN of their specific occupied property.</p>	
	Question Nine	Are there any scenarios of theft that have not been captured in the list included in paragraph 3.8 of this document?	
82	British Gas	<p>We would like to clarify where responsibility would lie for the scenario where a new (rogue) supply has</p>	<p>Rebuttable presumption, should address this. Agreed to issue responses</p>

		been taken from a main feeding a registered MPAN. We believe that in both DCP 080 and DCP 080A responsibility would rest with the distributor as the rogue supply would not have an MPAN allocated to it.	to the DCP 054 Working Group for their consideration.
83	CE Electric	Is seems unclear if electricity stolen from the meter tails between the out-going terminals of cut out and the meter is covered by one of the scenarios. These meter tails are installed by the meter operator and are not the property of the DNO.	Agreed to issue responses to the DCP 054 Working Group for their consideration.
84	EDF	<p>The scenario detailed in the previous question as well as the scenario detailed in our response have not been captured:</p> <ol style="list-style-type: none"> 1. Which party would be responsible if more than one supplier were registered to different MPANs at a Premises 2. Which party would be responsible if more than one MPAN exists at a Premises but not all MPANs were registered to a supplier? 	Agreed to issue responses to the DCP 054 Working Group for their consideration.
85	Electricity North West	Not to our knowledge.	Noted
86	EON	Yes, theft from an unmetered supply where there is no equipment provided by a Supplier. We believe all such theft should be the responsibility of the Distributor.	Agreed to issue responses to the DCP 054 Working Group for their consideration.
	Npower	Electricity stolen from an unmetered supply.	Agreed to issue responses to the DCP

		<p>Electricity stolen from the mains but not stolen for use at premises.</p> <p>Illegal reconnection made at a property that has been disconnected (eg supply pot-ended/cable removed).</p> <p>Electricity stolen from vacant premises where there is no supply contract in place (eg squatters).</p>	054 Working Group for their consideration.
87	Scottish Power Energy Retail	None that we know of.	Noted
88	SP Distribution/ SP Manweb	None that we are aware of.	Noted
89	UK Power Networks	Possibly exempt distributors. Note that the scenarios are imprecise in some cases e.g. theft from a neighbour, as it is unclear whether this is theft from a neighbouring service or from a neighbour's internal wiring. We have read it as the former.	Agreed to issue responses to the DCP 054 Working Group for their consideration.
90	WPD	None identifiable.	Noted
	Question Ten	Do you agree that the DCUSA should be amended to ensure that any changes to clause 32.3 are classified as Part 1 matters, and therefore require authority consent?	
91	British Gas	We agree	Noted
92	CE Electric	No, we are unclear of the benefits of making changes to 32.3 a part 1 matter.	Noted

93	EDF	Yes	Noted
94	Electricity North West	Yes. This affects clause 9.4 of DCUSA and as such should be a Part 1 matter.	Noted
95	EON	Yes.	Noted
96	Independent Power Networks Limited	Yes as relates to activities that are relevant to 9.4.2 and potentially 9.4.4 under the DCUSA.	Noted
97	Npower	Yes	Noted
98	Scottish Power Energy Retail	Yes	Noted
99	SP Distribution/ SP Manweb	We agree.	Noted
100	UK Power Networks	Yes, this will have an impact on the way distributors are regulated e.g. losses incentive, and also supplier regulation, so needs Ofgem's wider strategic view of changes	Noted
101	WPD	Yes. We believe that any changes to Clause 32.3 are classified as Part 1 matters.	Noted
	Question 11	<p>Do you consider that the proposal better facilitates the DCUSA objectives?</p> <p>Please provide supporting comments</p>	

102	British Gas	<p>Objective 2. This gives definition to a suppliers responsibilities with regard to theft and therefore create a level playing field for all including new entrants.</p> <p>Objective 3. This gives DNO and IDNO parties a clear understanding of their responsibilities of theft in conveyance and will enable them to comply with their statutory requirements.</p>	<p>It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.</p> <p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this CP.</p>
103	CE Electric	<p>Yes, objective 1. Anything that provides clarity in the area of revenue protection ought to reduce unallocated stolen energy thereby reducing losses and increasing efficiency.</p>	Agreed
104	EDF	<p><i>Objective 2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</i></p> <p>An approved definition of theft in conveyance would help to provide clarity around the roles and responsibilities of parties when handling theft and would help to create a level playing field for parties including new entrants into the market.</p>	<p>It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.</p> <p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this CP.</p>

		<p><i>Objective 3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</i></p> <p>An approved definition of theft in conveyance would also provide clarity to DNO and IDNO parties and would better enable them to comply with their statutory requirements.</p>	
105	Electricity North West	<p>We believe that both objective 2 and 3 are better facilitated by providing clarity around areas of responsibility where theft in conveyance occurs.</p>	<p>It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.</p> <p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this CP.</p>
106	EON	<p>Yes we agree with the working groups conclusions with regard to objectives 2 and 3.</p>	<p>It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.</p> <p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this</p>

			CP.
107	Independent Power Networks Limited	<p>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</p> <p>DCP080A achieves this objective as DNOs would only be required to carry out investigation activities where there is not a contract in place between the user and the Supplier.</p> <p>2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>By clarifying DNO and Supplier responsibility where illegal abstraction may occur.</p>	<p>The Working Group noted respondents views and agreed that DCP 080 and 080A better facilitates DCUSA General Objective 1, as the CP will give clarity to the issue of 'theft in conveyance' and will therefore assist with coordination of the Distribution System.</p> <p>The group agreed that the CP does not facilitate DCUCA General Objective 4; as this objective deals mainly with the administration of the agreement.</p>
108	Npower	2 The facilitation of effective competition in	It was agreed that DCUSA General

		<p>the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>This objective will be better facilitated by DCP080, as it will clarify responsibilities for dealing with theft cases and enable suppliers to focus resources on cases that properly fall to them to deal with.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>We think that this objective would be better facilitated, as having a definition of theft in conveyance within the DCUSA will clarify once and for all the responsibilities of the DNO and IDNO parties with regard to theft from the network and will provide a clear link to the losses incentive mechanism under the distribution price control arrangements. Theft in conveyance is already recognised as such by Schedule 6 paragraph 4 (1) to the Electricity Act 1989 as it allows a DNO to recover the value of electricity so taken.</p>	<p>Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.</p> <p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this CP.</p>
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109	Scottish Power Energy retail	<p>1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System.</p> <p>2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p>	Agreed.
110	SP Distribution/ SP Manweb	<p>Under DCP080A, we consider objectives 2 and 3 to be better facilitated:</p> <p>Objective 2 - This gives definition to suppliers' responsibilities with regard to theft and creates a</p>	It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.

		<p>level playing field for all suppliers, including new entrants.</p> <p>Objective 3 - This gives DNO and IDNO parties a clear understanding of their responsibilities of theft in conveyance.</p>	<p>The group agreed that DCUSA General Objective 3 is not facilitated as there is no licence obligation in relation to this CP.</p>
111	UK Power Networks	<p><u>DCP080</u></p> <p>DCP080 is contrary to objective 1 as it requires the DNO to bear costs he may be unable to recover. DCP080 does not meet objective 2 because settlement costs are likely to be shared between all suppliers rather than the one who has the relationship with the customer. UKPN does not agree that DCP080 facilitates objective 3 as there are no License obligations around this. Objective 4 is not relevant</p> <p><u>DCP080A</u></p> <p>DCP080A support objective 1 by avoiding the DNO bearing a cost that they cannot sensibly recover. DCP080A supports objective 2 by giving definition to a supplier's responsibilities with regard to theft, allocating costs correctly to the relevant supplier and therefore creating a level playing field for all, including new entrants.</p> <p>DCP080A does not facilitate objective 3 as there are no License obligations around this.</p>	<p>Agreed.</p>

		Objective 4 is not relevant	
112	WPD	<p>DCP80 / 80a is necessary to define the responsibilities of the supplier and the distribution companies to provide a clean, effective, efficient and fair service to all consumers.</p> <p>We therefore believe that this better facilitates DCUSA objective No. 2 – the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of competition in the sale, distribution and purchase of electricity.</p>	It was agreed that DCUSA General Objective 2 is also better facilitated as the CP will ensure that costs and responsibilities are transparent.
	Question 12	Do you have any comments on the proposed legal text?	
113	British Gas	<p>Unfortunately we have not been able to complete the legal review of the proposals in the timescales. I will however arrange for any legal comments to be forwarded as soon as possible.</p>	Noted
114	EDF	<p>DCP 080</p> <p>Our understanding was that the original purpose of DCP 080 was twofold:</p> <ol style="list-style-type: none"> 1. To include in the DCUSA a definition of Theft in Conveyance; and, 	The working group felt that additional clarity didn't help and the proposer of DCP 080 agreed to remove the avoidance of doubt clause.

	<p>2. To provide clarity around the associated roles and responsibilities of parties</p> <p>Whilst we are content that the legal drafting of DCP 080 adequately defines theft in conveyance, we believe that there may still be some ambiguity with the current legal drafting.</p> <p>EDF Energy have interpreted DCP080 to mean <u>all</u> theft/interference from the cut out and before is the responsibility of the Distributor irrespective of whether or not there is a registered user at the premises where the abstracted energy is used. This is also borne out by 3.4 in the consultation.</p> <p>However, we did receive a number of comments as part of our internal review where the current legal drafting had been interpreted to mean that Theft in Conveyance does not occur where a user is registered to the metering point. We do not believe that this is the intention.</p> <p>We believe that it may be worth giving consideration to additional wording that could be added to the legal drafting to clarify roles and responsibilities. For example, we believe that DCP 080 should make reference to the fact that the registered Supplier is only responsible for pursuing the customer where theft occurs between out-</p>	
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	<p>going tails of the cut-out and up to and including the meter.</p> <p>DCP 080A</p> <p>DCP 080A infers that Theft in Conveyance only occurs when electricity is abstracted for use at a Third Party Premises and not for use at a registered customers Premises. Is this the intention?</p> <p>DCP 080A also infers that unless electricity is abstracted for use at a third party premises that is not registered by a supplier, then the supplier is responsible for the recovery of costs, irrespective of whether the abstraction took place above the cut out, from the cut out or prior to the cut out. Again, is this the intention as we would expect abstraction from the cut-out/mains/neighbouring property/service cable to be the responsibility of the Distributor?</p> <p>DCP 080A does not appear to take into consideration what would happen where multiple Metering Points exist at a premises and may or may not have been registered by multiple users?</p> <p>EDF Energy believes that there is ambiguity around the proposed legal text and specifically the definition of Theft in Conveyance in DCP 080 A.</p>	
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		The intention of the CP is to introduce a clear definition of Theft in Conveyance and in turn, to provide clarity around commercial responsibilities and relationships. We are not satisfied that the current drafting of DCP 080 A meets this objective.	
115	Electricity North West	<p>DCP080 – There is a “disconnect” between the definition provided and the table of scenarios depicting who is responsible for theft. Such understanding can be lost if the definition is not refined. The area of concern relates to ‘stolen from the outgoing terminals of the cut out’.</p> <p>This scenario should be added as a) and the other two renumbered as b) and c) for order of occurrence in an attempt to provide clarity to the definition. Should this be accepted I would rather replace ‘cut-out’ with Electrical Plant since a “cut out” is only one example of such plant.</p> <p>Alternatively replace a) and b) in its entirety with</p> <p>“.....to the Metering Point and electricity is extracted from the outgoing terminals of the Electrical Plant”.</p> <p>Anything thereafter, be it the meter of the customer lines or equipment is superfluous to the</p>	Noted.

		definition.	
116	EON	DCP80A does not account for where there are multiple Suppliers appointed and is therefore unworkable in some scenarios.	Agreed to address this comment.
117	UK Power Networks	The “for the avoidance of doubt” in DCP080 adds doubt as it does not make it clear who is responsible where the electric line or plant or equipment is owned or the responsibility of the supplier (“User”) or his agent e.g. the MOP.	The proposer agreed to remove this clause.
	Question 13	Are there any alternative solutions or matters that should be considered?	
118	Scottish Power Energy Retail	<p>One area that should be considered is who should make the initial visit to establish whether the supplier or distributor is responsible for investigating the theft. Should it be whoever it is reported to first?</p> <p>Also, joint responsibility should be included, to ensure the work being carried out is done in a timely manner and the stomer dealt with (billed and prosecuted) as necessary.</p>	Feed back to DCP 054 Working Group
	Question 14	Are you supportive of the proposed implementation date?	
119	British Gas	Yes	Noted
120	CE Electric	Yes	Noted

121	EDF	Yes	Noted
122	Electricity North West	It would be helpful if this could be implemented in the June release or at least the outcome of the Ofgem determination is complete by this date so that DCP054 can continue with its work in developing further that change proposal.	Noted
123	EON	There is no date given as this dependent on an Ofgem decision.	Noted
124	Independent Power Networks Limited	Yes	Noted
125	Npower	Yes, however we consider that efforts should be made to ensure that the Theft Code of Practice is updated and brought within DCUSA governance on the same date if at all possible.	Noted
126	Scottish Power Energy Retail	Yes	Noted
127	SP Distribution/ SP Manweb	Yes	Noted
128	UK Power Networks	Yes	Noted
129	WPD	Yes	Noted
	Question 15	Please state any other comments or views on the Change Proposal.	
130	British Gas	It is important that all parties are clear on their obligations with respect to recovering costs of theft from the responsible person. Without this disputes are inevitable. We therefore support the	Agreed.

		implementation of DCP 080 to provide this clarity. DCP 080A cannot be implemented without a thorough review of the legal framework supporting the detection and remedying of theft in electricity. We believe however that the existing framework supports the implementation of DCP 080.	
131	EDF	<p>We agree that a clear definition of Theft in Conveyance is required and that inclusion in the DCUSA of an approved definition of Theft in Conveyance will also help to provide clarity around the roles and responsibilities of parties, help facilitate the entry of stolen units into settlement and aid the development of theft incentive schemes and the Revenue Protection Code of Practice.</p> <p>However, it is important that any definition included within the DCUSA is clear and not open to differing interpretations by parties.</p>	Agreed.
132	Electricity North West	It seems to us that a clear definition is required but this is only part of the jigsaw. The impact of such a definition can be minimised by reconsideration of issue 39 and the socialising of theft. We believe that this is already occurring now by lost units not entering the settlements process. We can support this as long as we can recover the lost units through the losses reporting mechanism.	Noted.
133	SSE Energy Supply Limited	As a supplier we believe DCP080 is more in line	Noted.

		<p>with our interpretation of current legislation.</p> <p>We also believe that an interpretation in line with DCP080A would cause some practical difficulties in terms of application. Suppliers have rights to investigate circumstances at the premises of their customers. If the beneficiary of the theft does not live at the premise where the theft is happening i.e. is at a neighbouring or adjacent property, the supplier of the customer benefitting from the theft would not be able to perform a full and complete investigation.</p>	
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