

Minutes

Meeting Name	DCP 054 Working Group	Meeting Number	004
Meeting Date	04 March 2010	Meeting Time	10:00
Venue	Institute of Directors, 116 Pall Mall, London, SW1Y 5ED		

Attendee

Glenn Sheern (Chair)
 Angela Mann
 Andrew Wallace
 Christopher Harding
 Kevin Woollard
 Jon Spence
 Mike Blake
 Paul Coule
 Sasha Pearce
 Tony Savka
 Alex Burford (Secretary)

Company

E.ON UK
 E.ON UK
 Ofgem
 EDF Energy Customers
 British Gas
 ELEXON
 EDF Energy Networks
 Scottish Power Energy Retail
 NPower
 Electricity North West Limited
 ElectraLink Ltd

1. ADMINISTRATION

- 1.1 No apologies were received.

2. AGREEMENT OF MINUTES OF MEETING 003

- 2.1 The minutes of the last meeting were agreed without amendment.

3. OUTSTANDING ACTIONS

- 3.1 An updated Actions Log is attached as Appendix A.

4. INTENT AND SCOPE OF DCP 054

- 4.1 TS noted that the original intent of the Change Proposal was to ensure that stolen units were placed into settlement and expressed concern that the Working Group's discussions have become broader than the scope of the original CP and are not fully considering the original issue raised. He also noted that the Losses incentive Scheme was based is no longer available as an option for consideration.
- 4.2 GS reminded the Working Group that its Terms of Reference had been amended to take into account the broader issues following a recommendation from the DCUSA Panel that the wider context of issues including missing units and incentive schemes should be considered alongside stolen units. Members agreed that in order for units to be accounted for in settlement there must be an incentive scheme to encourage parties to detect and report theft. It was also agreed that the incentives scheme be agreed via a consultation document.
- 4.3 TS agreed to support the progression of work on the understanding that the solution(s) developed will include a mechanism for ensuring that missing units are recognised in settlement.

5. REVIEW OF INCENTIVE SCHEMES

- 5.1 At meeting 003 a number of members took an action to assess the 5 identified incentive schemes against the following criteria:
- How will the scheme operate, i.e. a technical description and simple worked example?
 - How will the scheme be funded?
 - What are the rewards/ expected benefits of the scheme?
 - What will the coverage be e.g. National/Domestic?
 - When could the scheme start / be effective from?
 - How would the scheme be implemented?
 - How will performance be measured?
 - How will the scheme be monitored /audited?
 - How will reporting work under the scheme?
 - What governance framework is required – where will the scheme sit?
 - Are there any disadvantages of implementing this scheme
- 5.2 KW presented a paper assessing the Reasonable Endeavours scheme against the agreed criteria. He noted that the mechanism for recording stolen units are in settlement is taken into account under the scheme. It was noted that Suppliers would be able to recover costs incurred in pursuing theft of electricity cases up to a maximum of £1000 per category of cost. It was also noted that the governance for the scheme could sit within the DCUSA, with rules and payment levels defined within a separate schedule.
- 5.3 AW noted that modification P0274 - Creation of a National Revenue Protection Service has been raised under the Uniform Network Code in the gas industry and it was agreed that the outcome of this modification may be constructive in the discussions regarding DCP 054.
- 5.4 The Working Group agreed to review each of the remaining 4 incentive schemes identified at meeting 003 at the next meeting and to consider the impact of the UNC discussions.
- 5.5 The Working Group reviewed the Electricity Theft Model developed by KW which sets out costs associated with each incentive scheme. KW noted that he had estimated the average amount of theft over a 3 year period as 4,000 units to allow the direct comparison of each scheme. The group agreed that there would be value in seeking views as to what parties

think is the average number of stolen units per annum as part of a consultation exercise.

- 5.6 The Working Group agreed that the costs required to set up and manage the incentive schemes will be central to assessing their viability. The Working Group therefore agreed that the costs structure of each of the incentive schemes should be considered as part of a consultation.
- 5.7 The Working Group discussed Revenue Protection and JS took an action to document group's views of the current process and circulate to Working Group Members in advance of the next meeting.

Action: JS

- 5.8 The Working Group suggested that a flagging mechanism could be used in Data Collector's systems to notify Supplier when theft is detected or suspected. AM was supportive of a flag on MPRS / ECOES that a tamper / theft had occurred at a property/MPAN, but the Information Commissioner vetoed this on the basis that coupled with the customer data Supplier's hold, it would form personal information and that misjudgements could be formed by a new supplier, who would not have the full case information. Supportive of the suggestion noting that the Information Commissions Office (ICO) would be unlikely to support this as it could be regarded as a breach of personal information.
- 5.9 GS suggested that the Working Group review the 2006 Report of the Theft of Energy Working Groups April 2006 developed by the Energy Retail Association (ERA) and the Energy Networks Association (ENA) following Ofgem's consultations in 2004 and 2005 on the theft of energy. The Working Group also discussed the roll and responsibility of conveyance and noted that an appendix in the ERA and ENA document covers theft in conveyance. The group agreed the document should be circulated to the Working Group for discussion. GS took an action to circulate the document to the group for review and discussion at the next meeting.

Action: GS

- 5.10 The Working Group agreed DNO's issue MPAN's before a supplier is appointed, this is generally referred to as a skeleton MPAN, the customer (or developer) then registers with a supplier. Where the industry process which assumes each market participant is separate is not followed, the process can break down ending up with a meter being installed ahead of the supplier being fully registered. This then allows electricity to be consumed but no registered supplier to bill the end user for the usage, and when a supplier does get registered, they are not allowed to back bill for the period where there wasn't a registered supplier. What are the risks / consequences of this? It was agreed that the issue of Supplier appointment should also be addressed through a consultation.
- 5.11 AM noted that the majority of revenue protection issues relate to domestic properties. The Working Group discussed whether the providers of Revenue Protection Services (RPS) have the authority to change a meter. It was agreed that DNO provided RP Service Providers DO have the authority and industry accreditation (MOCOPA) to change the meter, but should do so in accordance with the relevant Supplier Policy, taking

into consideration on-site safety and vulnerability issues. However, British Gas RP investigators DON'T have the industry accreditation, so call on their in-house meter operator to carry out the technical work of changing the meter. The Working Group agreed that Parties should be asked to detail their current processes and confirm which agents have the authority to change meters during a site visit as part of the consultation.

- 5.12 GS and ElectraLink took an action to develop a consultation document to allow Parties to review the incentive schemes and comment on the other issues identified. ElectraLink agreed to circulate the consultation to the Working Group for review before it is issued to Parties.

Action: GS and ElectraLink

6. EXCHANGE OF INFORMATION TABLE

- 6.1 The Working Group reviewed the exchange of information table developed by SP. It is envisaged that the table, which outlines the timeframes and relevant parties for the current processes where an exchange of information is required, will be included in the Code of Practice. The group reviewed the table and suggested a number of amendments but agreed that 5 working days is a reasonable time frame for information to be passed between the relevant parties. ElectraLink took an action to update the document in accordance with the comments made.

Action: ElectraLink

7. REVIEW OF THE CODE OF PRACTICE AND UK RPA MANUAL

- 7.1 GS noted that the SPAA Expert Group (SEG) is also discussing the issue of revenue protection and theft with a view to developing a Code of Practice document to be governed within the SPAA. The Working Group considered that there may be merit in holding a joint meeting to consider common practices in gas and electricity and align the development of the Codes of Practice / develop a single dual fuel document. The Working Group considered that it would be beneficial to meet following the publication of the Ofgem guidance document on vulnerable customers and disconnection and AW confirmed that this would be published shortly.
- 7.2 GS took an action to speak to the Chair of the SPAA Expert Group to progress the joint discussions.

Action: GS

8. WORK PLAN

- 8.1 The Working Group noted that it would not be in a position to issue a Change Report to the April Panel given the amount of work required to develop the proposal. The Working Group agreed to ask the Panel for an extension for a further 40 Working Days from 21 April 2010. ElectraLink took an action to seek approval from the Panel at its March meeting.

Action: ElectraLink

9. ANY OTHER BUSINESS

- 9.1 There was no other business raised at the meeting.

10. DATE OF NEXT MEETING

- 10.1 The next meeting of DCP 054 Working Group will take place at 10.00am on 23 March 2010 at ElectraLink, London.

APPENDIX A – ACTIONS**OPEN ACTIONS**

No.	Action	On	Due
003/01	Review each of the Schemes and report back to the next meeting: Losses Incentives – TS SETS – PC NRPS – GS	TS, PC and GS	16/03/10 Ongoing
004/01	Document group's views of the current revenue protection process and circulate to Working Group Members in advance of the next meeting.	JS	16/03/10
004/02	Circulate the Electricity and Gas Report document to the group for their review and discussion at the next meeting.	GS	16/03/10
004/03	Develop a consultation document to allow Parties to review the incentive schemes and comment on the other issues identified by the Working Group	GS and ElectraLink	16/03/10
004/04	Update the exchange of information document in accordance with the comments made.	ElectraLink	16/03/10
004/05	Speak to the Chair of the SPAA Expert Group to progress the joint discussions.	GS	16/03/10
004/06	Seek approval for an extension of timeframe from the Panel at its March meeting.	Electralink	16/03/10

CLOSED ACTIONS

No.	Action	On	Due
003/01	Review each of the Schemes and report back to the next meeting: Reasonable Endeavours – KW Hybrid - KW	KW	26/02/10 Complete and discussed on the Agenda.

003/02	Develop a worked example for the Reasonable Endeavours scheme and to distribute it to the Working Group as a template for the other scheme's technical examples.	KW	26/02/10 Complete, and distributed to member.
003/03	Create the table setting out the sender / receiver for each data / communication flow and the required timescales for each	SP	26/02/10 Complete and discussed on the agenda.
003/04	Update the Code of Practice and UK RPA Manual in line with the decisions taken by the Working Group and to capture wider issues on a log.	ElectraLink	26/02/10 Complete, and disrupted to members.
003/05	Update the next DCP 054 Agenda with an item to discuss the Ofgem document.	ElectraLink	26/02/10 Complete and discussed on the agenda.