

## DCP 288, 288A and 288B Collated Consultation Two Responses with TIG Comments

| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>1. Which of the 4 proposed Options do you support and why?</b>   |
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| EDF Energy Customers Plc | Non-confidential                   | We support Option 4 as it is already a requirement for suppliers to submit meter point information to the TRAS (unless new supplier with a derogation). There is no additional action for suppliers, and information can be validated with Measurement/ profile class data provided by the DNO to ensure accuracy.  |
| Supplier 1               | Anonymous                          | We do not believe that any of the 4 options are best for the Industry or for Customers to act as a deterrent for theft. Although gas has had the GTDIS implemented by Ofgem and it would make sense to model electricity in a similar way we would prefer that more effort is put into the ETOS and the TRAS rather than through this type of scheme.                                     |
| Utilita Energy Ltd       | Non-confidential                   | We support option 4 – TRAS data submission. This option should provide accurate information on residential and commercial metering point data, as already provided by Suppliers to the TRAS Service Provider. This option minimises new onerous activities being introduced on parties and may help to improve Suppliers submission of TRAS data/ ensure it is received within deadlines. |
| British Gas              | Non-confidential                   | Option 4 would be our preferred option as it relies on data already available through the TRAS. This would introduce no additional obligations, on Suppliers, which could be time consuming and costly.   |
| Electricity North West   | Non-confidential                   | It would seem reasonable to take advantage of the current Theft Risk Assessment Service (TRAS) data submission process, to ensure all related activities are kept together under the TRAS. However, we note that the process will fall down if all Suppliers are not obliged to provide data to TRAS monthly.   |
| Supplier 2               | Anonymous                          | Option 4. The TRAS data submission process is already in use  |

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| Smartest Energy                        | Non-confidential | Our preference would be for Option 4 as this will involve minimal additional work for suppliers engaged in the TRAS process. We have some sympathy for Option 2 as this is the only option that does not rely on suppliers to send the data at some stage in the process; it is important to capture data for suppliers who are not engaging with the process. If going for Option 4, therefore, it is important to tighten up (through some kind of incentive or sanction) on those who are currently not engaged. |
| Opus Energy Ltd                        | Non-confidential | Option 4. Utilising this data is the most accurate and least onerous solution.  |
| npower                                 | Non-confidential | Option 4 is preferred.<br><br>Reasoning: the data is already submitted in the required (and most accurate) form so would neither require additional development, nor duplicate. The consultation paper notes that some suppliers are not submitting data to the TRAS provider. This shouldn't be a reason why TRAS data is not used for this purpose, any lacking data will either be minimal / breach of DCUSA.  |
| UK Power Networks                      | Non-confidential | UK Power Networks concurs with the TIG-recommendation to source the Residential/Commercial split information from TRAS. An extremely high proportion of MPANs are now submitted and there is the opportunity for Electralink to audit against the DNO metering point counts already held.   |
| Haven Power Ltd                        | Non-confidential | Option 4. Suppliers are already required to provide monthly figures, split by domestic/ commercial, through TRAS submissions. Utilising this data is the most accurate and least onerous solution.  |
| First Utility                          | Non-confidential | We offer qualified support for Option 4 as it provides less risk than the other options. Suppliers are submitting confirmed theft information through TRAS under Domestic or Commercial categories. This provides the Secretariat an opportunity to sense check the information submitted by suppliers.   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Option 4. Suppliers are currently required to submit data to the TRAS split by domestic and commercial so it would seem prudent to utilise this data as part of the determination of the metering point data. However, the validation process and audit proposals suggested would be important aspects to this Option.  |

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| Total Gas & Power   | Non-confidential | Option 4 as we believe this to be most efficient.   |
| Scottish Power      | Non-confidential | Option 4 is our preferred option. The process already exists within TRAS for suppliers to submit their data monthly with the required split between Residential and Business which aligns to the requirements of the ETDIS. |
| ICoSS               | Non-confidential | Option 4. We believe that it would be an efficient approach to make use of the already existing TRAS data to assist in determining metering point data, coupled with appropriate validation and audit proposals.            |
| <b>TIG Comments</b> |                  | TIG agreed to progress with Option 4 for Supplier data to be provided by the TRAS Service Provider. It was noted that consideration needs to be given to option 2 regarding potential missing data.                         |

| Company                  | Confidential/<br>Anonymous | <b>2. Are you supportive of the proposed approach for a missing data file?<br/>Please provide your rationale</b>  |
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| EDF Energy Customers Plc | Non-confidential           | Yes, using the previous 2 months TRAS submission data is reasonable if a file is missing, as all data will be validated against DNO Measurement class/profile data also   |
| Supplier 1               | Anonymous                  | If the model approved is one which uses the TRAS to provide the numbers then it would need rules to obtain the figures, we agree that there should be a deadline to extract the figures e.g. as of April submission but we would prefer if the April submission is missing that the TRAS Service Provider only goes back one month to provide numbers, there is such volatility in the market at the moment that going back any further could see a disproportionate target being applied. The target being linked to Consumption data submission will incentivise Suppliers to submit their data but as issues may occur we need to have an appropriate safety net. It is not clear in the event that no data has been supplied or where a Supplier is in derogation for the TRAS how the Theft Target will be calculated. There also needs to be a robust process for validating the numbers by the Secretariat to avoid disputes where parties do not believe the TRAS provider has provided the correct information |
| Utilita Energy Ltd       | Non-confidential           | Yes, this seems like a sensible approach. We would also suggest that where missing files occur for 2 or more consecutive months, this is reported to ElectraLink as the Code Administrator for DCUSA who should in turn contact the Supplier in question and remind them of their data submission requirements.   |
| British Gas              | Non-confidential           | Yes. We support the proposal to use the previous month's consumption file as this will be the most accurate data available.   |
| Electricity North West   | Non-confidential           | The approach detailed does seem an appropriate solution where a data file is missing.   |

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| Supplier 2                             | Anonymous        | Yes, we are supportive. It places a timeframe on the maximum number of months allowed for arrears and therefore an incentive to resolve any missing data file issues               |
| SmartestEnergy                         | Non-confidential | Yes, although it only deals with missing data if a submission has been made in the first place. If you go for Option 2 this is not an issue.                                       |
| Opus Energy Ltd                        | Non-confidential | Yes.   |
| npower                                 | Non-confidential | Yes. Use of a file no older than two months seems the most expedient option.   |
| UK Power Networks                      | Non-confidential | This is a sensible & common-sense approach.  |
| Haven Power Ltd                        | Non-confidential | Yes, this would seem to be a sensible and relatively straightforward approach.   |
| First Utility                          | Non-confidential | We are supportive of this approach as there is no viable alternative. The Secretariat should not be kept waiting for suppliers to submit monthly files causing unnecessary delays. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We support the proposed approach to missing data files as it will use the most recent data provided in the last quarter (previous two months) where any month is missed            |

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| Total Gas & Power   | Non-confidential | Yes as making use of the most recent data makes sense.  |
| ScottishPower       | Non-confidential | Yes. We believe that using the previous month's Consumption file data is the best option and provides an accurate estimate.   |
| ICoSS               | Non-confidential | The proposed approach in relation to missing data files seems appropriate as it will make use of the most recent data provided in the last two months as a reasonable basis.            |
| <b>TIG Comments</b> |                  | Most respondents agreed with the proposed approach for the previous month submission file to be used when a Supplier fails to submit or a file fails validation for the required month. |

| Company                  | Confidential/<br>Anonymous | <b>3. What default value should be put in place if a Supplier has not Submitted a file?</b>  |
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| EDF Energy Customers Plc | Non-confidential           | Option 2 could be used in the event a Supplier has not submitted a file. This is not a preferred option as it is not as accurate as the TRAS data in providing an accurate split between commercial and residential supplies. However it would be sufficient, so long as all Suppliers are aware of this default method should they not submit their TRAS files.   |
| Supplier 1               | Anonymous                  | This would depend what data the Secretariat has to validate the numbers, it should be in our opinion prorated based on the size of their portfolio and sector. We do not believe it should be defaulted to 1 but instead a formal calculation applied. The alternative is these Suppliers are forced down a self-provision of the numbers (which are validated by the secretariat). Unless the numbers can be validated it is not a fair way to allocate a target. Suppliers could skip the submissions near the data cut so they are given a lower target then if they submitted as they should.  |
| Utilita Energy Ltd       | Non-confidential           | Introducing a default value has its challenges, instead we would recommend that the Supplier should be contacted by the DCUSA Code Administrator to remind them of their TRAS data submission requirements and to gain agreement of how this can be rectified for future month submissions. Where the DCUSA Code Administrator fails to gain any engagement by a Supplier, this should be reported to the DCUSA Panel/SPAA EC for consideration of more formal routes of contact.  |
| British Gas              | Non-confidential           | <p>Where a Supplier has not submitted a file, the Secretariat should use the data provided by the DNO's. Where Suppliers only operate in the electricity market, this data would be the most accurate available in this instance. Where Suppliers operate in both markets, the Secretariat would need to apportion accordingly (at the same time, reminding those Suppliers of their obligations in respect of the TRAS).</p> <p>The TEG should also look at ensuring a robust escalation process is put in place for those Suppliers who are failing to successfully submit TRAS data on a regular basis as this is a breach of SPAA/DCUSA and licence obligations.</p> |

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| Electricity North West | Non-confidential | For Supplier respondents.   |
| Supplier 2             | Anonymous        | Previous month's data   |
| SmartestEnergy         | Non-confidential | In the first instance, it seems reasonable to take the previous month's submission but if a failure to submit persists then an incentive is required, as it is for those who have not submitted ever. After three instances of non-submission we would suggest taking the figures reported by Elexon under P315 and for those who are too small to feature then a default value of 1% or possibly even 2% could be deployed. This will provide an incentive to provide data.  |
| Opus Energy Ltd        | Non-confidential | Potentially, with the Secretariat validating the TRAS numbers via the DNO metering point submission, Suppliers who do not accede to the TRAS or have 2 months of missing TRAS Consumption files could have their portfolio determined by DNO data (assuming this could be split into domestic/commercial).  |
| npower                 | Non-confidential | Where suppliers have not submitted for longer than two months, but have submitted prior to that, there is the option of using an older file, uplifted by a standard, agreed percentage. There should be an agreed industry logic / methodology behind the % uplift.<br><br>For suppliers not yet signed up to the TRAS, they would formally join the scheme at the start of the year, but would be required to submit files from the beginning. In this way, the necessary figures would be available at the start of the next scheme year. |
| UK Power Networks      | Non-confidential | Noting that some suppliers are solely focussed on the residential or commercial sectors a default value or market average is unlikely to be helpful. With the high adherence to TRAS submission requirements the issue is of limited materiality and might best be overcome by the secretariat seeking a self-certification via the DCUSA Contract Manager.   |
| Haven Power Ltd        | Non-confidential | No comment.   |

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| First Utility                          | Non-confidential | We do not recommend the use of a default value that will be used for all suppliers. We believe that a penalty is introduced that is proportionate to the expected output of the missing data file. We recommend the TIG discuss this potential option.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | n/a   |
| Total Gas & Power                      | Non-confidential | Data from the previous month  |
| ScottishPower                          | Non-confidential | We are concerned that parties are failing to submit data files as required and request that this is something that should be monitored and addressed. In terms of a default position, we would recommend using option 3, whereby a request is submitted to Ofgem for the data (Ofgem Market Monitoring Report) highlighting the reason why. This might encourage parties to submit data as required.  |
| ICoSS                                  | Non-confidential | The previous month's value should be replicated.  |
| <b>TIG Comments</b>                    |                  | <p>TIG discussed the options for Suppliers that fail to submit data or are not signed up to submit TRAS data. Members advised for the below steps:</p> <p>For Suppliers that are signed up and fail to submit data files,</p> <ul style="list-style-type: none"> <li>• The Secretariat should find out when was the last submission and identify residential and commercial customers then look at the latest set of data from DNOs and apply percentage split on residential and commercial to the latest set of data received.</li> </ul> <p>For Suppliers not submitting data to TRAS, the Secretariat is to do the below:</p> <ul style="list-style-type: none"> <li>• Find out number of Suppliers that haven't submitted to TRAS in the last three months,</li> </ul> |

- Suppliers that have never submitted to TRAS,
- Whether there is other data available besides TRAS, and
- Find out Supplier Market share.

| Company                  | Confidential/<br>Anonymous | <b>4. When looking at Option 4 - Do you agree with the TIG's recommendation? Please provide your rationale.</b>   |
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| EDF Energy Customers Plc | Non-confidential           | Yes, the quoted cost for the TRAS service provider providing the report at the beginning of the scheme year appears to be a cost effective way of obtaining the required data for the Supplier targets to be determined. This will provide the most accurate data. Option 3 although accurate, is voluntary and only the larger suppliers submit this to Ofgem.   |
| Supplier 1               | Anonymous                  | Following on from answers 2 and 3 we are not sure all gaps are plugged for obtaining the customer count and then creating a robust Theft Target – the proposal by the TRAS Service Provider is one which we believe is suitable for what they can provide but it doesn't address the gaps. If this was to be the approved approach we believe it would require close monitoring to ensure targets are reflective of customer numbers given in such things as the Market Monitoring reporting. |
| Utilita Energy Ltd       | Non-confidential           | <p>Yes, we agree with the TIG's recommendation based on the reasonable costs being provided by Experian for providing the report to facilitate the scheme.</p> <p>We would however like to query what would happen where discrepancies are found following ElectraLink's proposed validation of the Experian report against separate DNO data received. How would these discrepancies be resolved and what impacts may these have on the agreed Electricity Incentive Scheme?</p>             |
| British Gas              | Non-confidential           | Yes. It is our opinion that this option is the most appropriate and cost effective available.   |
| Electricity North West   | Non-confidential           | The TIG's recommendation does seem reasonable by making use of some existing data that's already being provided. and commissioning a new report at a very reasonable cost to ensure the format is fit for purpose.  |

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| Supplier 2        | Anonymous        | Yes, we agree with the TIG's recommendation. It uses an existing channel for the provision of data.  |
| SmartestEnergy    | Non-confidential | Yes. This would be our preferred option so long as there are sanctions for non-submission. There is still the issue of companies not submitting files to Experian in the first place.  |
| Opus Energy Ltd   | Non-confidential | Yes. We agree with the TIG's recommendation as expert industry body.   |
| npower            | Non-confidential | Yes – please see above.  |
| UK Power Networks | Non-confidential | Yes, as explained in Q1, UK Power Networks agrees with the TIG's recommendation.   |
| Haven Power Ltd   | Non-confidential | Yes, this appears to be the most straightforward approach.   |
| First Utility     | Non-confidential | We agree with the TIG recommendations however we would like to see improvements on the level of detail of reporting for Option 2. DNO's should recognise that the four options do not provide effective detail to deliver a material incentive scheme and ensure a robust report is delivered for future scheme years to determine the difference between commercial and domestic metering points. |

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| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes, see above.  |
| Total Gas & Power                      | Non-confidential | Yes  |
| Scottish Power                         | Non-confidential | Yes. We support this recommendation as per our response to Question 1 - The process already exists within TRAS for suppliers to submit their data monthly with the required split between Residential and Business which aligns to the requirements of the ETDIS |
| ICoSS                                  | Non-confidential | Yes, see above.  |
| <b>TIG Comments</b>                    |                  | The majority of respondents agreed with the TIG's recommendation to use Option 4 as this is already an existing process for Suppliers to submit data split by commercial and residential.  |

| Company                  | Confidential/<br>Anonymous | <b>5. When looking at option 4 - Do you have any views on the use of the TRAS data for the purposes of the electricity incentive scheme? Please provide your rationale.</b>  |
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| EDF Energy Customers Plc | Non-confidential           | As Suppliers are already required to submit data to TRAS it is efficient for the industry to use this data for Theft Detection Incentive schemes where it matches the requirements (or can be amended to meet requirements using DNO data) rather than introducing duplicate reporting requirements.   |
| Supplier 1               | Anonymous                  | The ETDIS discussions reviewed the options and other than all Suppliers providing their own numbers this was the only independent option which saw the model mirroring gas and the TRAS submissions. As long as the counts are issued to the Secretariat with GDPR considerations (sent with encryption) then we would be comfortable for the use for its use for Theft Target creation only.                        |
| Utilita Energy Ltd       | Non-confidential           | Please see our response to question 1.   |
| British Gas              | Non-confidential           | It has previously been agreed that data, provided by suppliers, would be used for the sole purpose of the TRAS. Excluding year 1 of the incentive scheme, The TRAS will be calculating the ongoing targets for the incentive scheme and, as such, this will fall within the initial understanding of the TRAS. For this reason, we would have no issue with using the data for the purposes of the incentive scheme. |
| Electricity North West   | Non-confidential           | The commissioning of a new report at a very reasonable cost to ensure the format is fit for the purposes of the electricity incentive scheme.  |
| Supplier 2               | Anonymous                  | No.  |

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| SmartestEnergy                         | Non-confidential | Please see answers above.   |
| Opus Energy Ltd                        | Non-confidential | No comment.   |
| npower                                 | Non-confidential | All suppliers should be required to submit data and to participate in the scheme.   |
| UK Power Networks                      | Non-confidential | There is a minor risk in being dependent on another commercial contract with a finite life but: (a) numerous alternative mechanisms to derive residential/commercial splits have been identified; and (b) operation of the Scheme is in any event far more reliant on TRAS for the Confirmed Theft figures which are not readily available from any alternative source. |
| Haven Power Ltd                        | Non-confidential | No comment.   |
| First Utility                          | Non-confidential | n/a   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We believe that the TRAS data is a suitable source for lead provision as it is a neutral third party.   |
| Total Gas & Power                      | Non-confidential | n/a   |

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| Scottish Power      | Non-confidential | As per previous reply - The process already exists within TRAS for suppliers to submit their data monthly with the required split between Residential and Business which aligns to the requirements of the ETDIS |
| ICoSS               | Non-confidential | Given that TRAS is a neutral third party, we believe the using its data is an appropriate approach.  |
| <b>TIG Comments</b> |                  | The TIG noted general support for using TRAS data for the purposes of the incentive scheme. The TRAS data submission process aligns with the requirements of the incentive scheme.                               |

| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>6. Do you believe any of the other options should be considered further?<br/>Please provide your rationale.</b>   |
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| EDF Energy Customers Plc | Non-confidential                   | No – Option 4 is sufficient.   |
| Supplier 1               | Anonymous                          | We are unable to offer any new approaches for the working group to consider.   |
| Utilita Energy Ltd       | Non-confidential                   | We do not believe any of the other options should be considered further whilst there is a reasonable option for provision of Metering Point Data on the table which already aligns to the TRAS splitting of Metering Points across residential and commercial sites. |
| British Gas              | Non-confidential                   | No. The other options under consideration would be less accurate and more onerous on suppliers.  |
| Electricity North West   | Non-confidential                   | It seems more efficient to keep the end to end process under the banner of the TRAS, so we do not believe the other options should be considered further.  |
| Supplier 2               | Anonymous                          | No.  |
| SmartestEnergy           | Non-confidential                   | Yes. Option 2.   |
| Opus Energy Ltd          | Non-confidential                   | No. Options 1, 2 and 3 have the potential to result in inaccurate or inconsistent information.   |

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| npower                                 | Non-confidential | No – see answer to question 1.   |
| UK Power Networks                      | Non-confidential | No. This matter has been extensively considered by the TIG and the residential/commercial split is only being employed to allocate derived targets against an estimate of the prevalence of electricity theft. In the circumstances it is a 'yardstick' and absolute precision does not seem critical.   |
| Haven Power Ltd                        | Non-confidential | No. Options 1, 2 & 3 all have the potential to result in inaccurate or inconsistent information.   |
| First Utility                          | Non-confidential | Option 1 is a viable alternative however self-certifying suppliers should not be the driver for such an important material incentive scheme. An independent report should exist to ensure accuracy.<br><br>Option 2 should be considered once an effective report is delivered to define metering points by commercial or domestic.<br><br>Option 3 is not viable as only 6 suppliers provide MMR reporting to Ofgem for circa 80-85% of the market. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | If Option 3 were a process that all Suppliers were required to submit then this could be extrapolated for the purposes of the electricity incentive scheme but as this isn't the case then it would rely on suppliers opting in.   |
| Total Gas & Power                      | Non-confidential | If Option 3 were a process that all Suppliers were required to participate in then analysis would be based on this for the purposes of the electricity incentive scheme. However, this may not be workable given that an opt-in approach would be required.  |
| ScottishPower                          | Non-confidential | Whilst we recognise that there is merit in the other schemes, we do not feel there is no requirement for further consideration.  |

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| ICoSS               | Non-confidential | Option 3 were a process that all Suppliers were required to participate in then analysis would be based on this for the purposes of the electricity incentive scheme. However, this may not be workable given that an opt-in approach would be required.                      |
| <b>TIG Comments</b> |                  | Given the proposed approaches for missing data and non-TRAS submitting Suppliers the TIG considered whether there is a need to develop the other three options. It was highlighted that other options may be more onerous on Suppliers. TIG agreed to progress with Option 4. |

| Company                  | Confidential/<br>Anonymous | <b>7. Should the scheme proposed under DCP 288A consist of 12 months only? Please provide your rationale</b>   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | If DCP288A was the option going forward it should exist for 12 months only to reduce the length of the “soft landing” for smaller suppliers.   |
| Supplier 1               | Anonymous                  | Our preference is the scheme is implemented for an annual period consisting of 12 months, the Ofgem guidance has suggested that the gas and electricity schemes do not have to run on the same timetable, however as 288A is modelled on similar principles we would prefer to see it is for the same period starting when the gas scheme goes into its second year. |
| Utilita Energy Ltd       | Non-confidential           | Although we do not support DCP 288A, we believe the electricity Theft Detection Scheme should ultimately align with the timescales of the equivalent Gas Theft Detection Scheme, therefore our preference would be for first Scheme Year to align with the closure of the second year of the Gas Theft Detection Scheme in May 2019                                  |
| British Gas              | Non-confidential           | We believe that, should this scheme be implemented, it would make more sense to delay the introduction in order to tie in with the GTDIS year.<br><br>However we disagree in principle with the proposal that any Suppliers should benefit from a “soft landing”.  |
| Electricity North West   | Non-confidential           | For Supplier respondents.  |
| Supplier 2               | Anonymous                  | It should be aligned with the GTDIS i.e. the first Scheme Year is 15 months and then the second Scheme Year onwards is 12 months.  |

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| SmartestEnergy                         | Non-confidential | Not necessarily.  |
| Opus Energy Ltd                        | Non-confidential | No comment.   |
| npower                                 | Non-confidential | Not applicable - please see Q 10  |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents   |
| Haven Power Ltd                        | Non-confidential | If the scheme proposed under DCP 288A is implemented, we believe it should be reviewed after 12 months at which time there should be a clearer view on how realistic the targets set in the first year were.  |
| First Utility                          | Non-confidential | As proposer of DCP 288A we believe that the soft landing should remain at 24 months. Domestic consumers are generally finding improved fixed tariffs (circa 2 years) with emerging independent suppliers and do not need to engage in energy theft.   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We do not support DCP 288A. However, if this option were to be implemented, it would seem to us to be unequal treatment if this were to only benefit smaller suppliers active at that time. It would therefore seem more appropriate to apply this for the first 12 months following an eligible supplier becoming part of the TRAS scheme. |
| Total Gas & Power                      | Non-confidential | We do not support DCP 288A. However, if this option were to be implemented, it would seem to us to be unequal treatment if this were to only benefit smaller suppliers active at that time. It would therefore seem more appropriate to apply this for the first 12 months following an   |

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|                     |                  | eligible supplier becoming part of the TRAS scheme to ensure that new participants joining after the initial 12 months has passed are not disadvantaged.  |
| ScottishPower       | Non-confidential | Our preference would be for the scheme to run for the longer period in the first scheme year to align with the GTDIS. It would then revert to 12 months.  |
| ICoSS               | Non-confidential | We do not support DCP 288A. However, if this option were to be implemented, it would seem to us to be unequal treatment if this were to only benefit smaller suppliers active at that time. It would therefore seem more appropriate to apply this for the first 12 months following an eligible supplier becoming part of the TRAS scheme to ensure that new participants joining after the initial 12 months has passed are not disadvantaged.  |
| <b>TIG Comments</b> |                  | <p>A member of the TIG pointed out that the scheme offers deferential treatment for Suppliers. The scheme will affect only existing Suppliers. New Suppliers will not be able to join the scheme. It was suggested that Soft landing should be for a limited amount of time and not 24 months.</p> <p>The group considered whether the market share percentage will be different if the scheme was shortened to 12 months. The DCP 288A proposer noted that they would like the scheme to run for 24 months as proposed, as there is no significant support for 12 months.</p> <p>It was noted that a threshold of 2million is high. It creates an onus for large Suppliers to pick up the remaining confirmed theft target based on market share percentage.</p> |

| Company                  | Confidential/<br>Anonymous | <b>8. Under DCP 288A, how should Suppliers be treated under first and second scheme year? Please provide your rationale</b>   |
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| EDF Energy Customers Plc | Non-confidential           | Any “soft landing” should be a minimal period and should not be extended into the second scheme year. Any new Suppliers that enter the market when the Scheme is already in place should not receive a “soft landing” as the requirement would be known to them when deciding to enter the market and they are already protected by exemption from the scheme if target is calculated at less than 1.   |
| Supplier 1               | Anonymous                  | Based on our interpretation of the drafting it would appear that only Suppliers around at the start of 288A will see the soft landing, where there are new Suppliers into the market the second year they will have a hard delivery like the larger suppliers where the smaller suppliers will have a softer landing – we do not see this as a fair approach. Appreciate if the customer numbers are low enough the target would be 0 and therefore they could opt in but if they are of a large enough portfolio you could see some smaller suppliers getting a different target which is disproportional and if customers are aware of this could actually see them going to those suppliers and becoming a safe haven. |
| Utilita Energy Ltd       | Non-confidential           | We do not believe there is sufficient justification as to why a soft landing should be introduced for domestic Suppliers only, under 2 million Metering Points. Our preference would be for introducing similar arrangements for what was agreed under the Gas Theft Detection Scheme where Suppliers with a theft target of less than 1, will not be included in the Scheme. Without evidenced justification being provided, we can only see it adding complication to the scheme.   |
| British Gas              | Non-confidential           | Every Supplier is already mandated to detect, investigate and prevent theft from taking place. For this reason, it is our belief that there is no need for a soft landing as suppliers should already have Revenue Protection processes in place.   |

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|                        |                  | <p>The new licence requirements were implemented on 3rd July 2014 as per notification published on 7<sup>th</sup> May 2014 “Tackling electricity theft – new requirements for electricity suppliers” see extract below:</p> <p>“Our key decisions are:<br/> <input checked="" type="checkbox"/> To introduce a new SLC (SLC 12.A – Matters relating to theft of electricity) to strengthen the obligations on suppliers to investigate, detect and prevent electricity theft. The effect of the modification is to ensure that suppliers make reasonable efforts to tackle theft and protect consumers’ interests in undertaking this activity.</p> |
| Electricity North West | Non-confidential | For Supplier respondents.   |
| Supplier 2             | Anonymous        | As per the First Utility proposal: 33.3% for Scheme Year 1 and 66.6% for Scheme Year 2.   |
| SmartestEnergy         | Non-confidential | The phasing aspect as proposed does not per se cause us great concern. It would be overly complex to allow a soft landing for suppliers joining the scheme in future years  |
| Opus Energy Ltd        | Non-confidential | No comment.   |
| npower                 | Non-confidential | Not applicable - please see Q 10.   |

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| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.   |
| Haven Power Ltd                        | Non-confidential | See Q7.  |
| First Utility                          | Non-confidential | As per the previous response, we believe that emerging independent suppliers will still have a core number of customers that will not engage in energy theft going into Scheme Year 2. We still believe that these suppliers should be protected while also investigating potential theft cases. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Please see our answer to Question 7 above.   |
| Total Gas & Power                      | Non-confidential | Please see our answer to Question 7 above.   |
| ScottishPower                          | Non-confidential | We believe that there should be no adjustment to confirmed theft targets. We do not accept the proposer's rationale in relation to the assumption that customers who change from large suppliers to small suppliers are less likely to engage in energy theft.                                   |
| ICoSS                                  | Non-confidential | Please see our answer to Question 7 above.   |
| <b>TIG Comments</b>                    |                  | Some of the respondent noted that the proposed scheme is unfair as it does not allow soft landing for new Suppliers. The scheme gives deferential treatment to Suppliers. An attendee pointed out that 288A does not treat all Suppliers equally, as it works on assumptions.                    |

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|  | <p>The DCP 288A proposer confirmed that they would like to keep the scheme at 24 months.</p> |
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| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>9. Do you think the scheme should incorporate I&amp;C Suppliers? Please provide your rationale</b>   |
|--------------------------|------------------------------------|---|
| EDF Energy Customers Plc | Non-confidential                   | Yes – their obligation should be the same as Domestic Suppliers.  |
| Supplier 1               | Anonymous                          | We believe that the ETDIS should be as fairly distributed as possible and 288A only sees a soft landing for smaller domestic suppliers and the argument is that engaged switching acts as a theft deterrent. For I&C suppliers there are often half hourly readings which if not received would trigger visits so would act as a deterrent as well, therefore we believe that if a soft landing is applied for one it should be for all. This was discussed at previous groups but has not been incorporated or an alternate covering both submitted. |
| Utilita Energy Ltd       | Non-confidential                   | We are unclear why DCP 288A has not included I&C Suppliers within scope of the soft-landing approach, it only seems fair for equitable arrangements being in place for Suppliers across both sectors.   |
| British Gas              | Non-confidential                   | See answer to question 8.   |
| Electricity North West   | Non-confidential                   | For Supplier respondents.   |
| Supplier 2               | Anonymous                          | Yes. I&C supplied Customers should be using HH meters with comms as per P272. This greater availability of consumption data should enable potential theft to be picked up and investigated more easily.   |
| SmartestEnergy           | Non-confidential                   | Whilst we are not in favour of this particular alternative, if it is to go ahead we believe that a similar “soft-landing” should exist in the non-domestic segment (SME and I&C). We believe this could be achieved by using a threshold of 200,000.  |

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| Opus Energy Ltd                        | Non-confidential | No. We favour the original proposal DCP288, in line with the gas theft scheme SPAA Change Proposal CP16/327 as approved by Ofgem.   |
| npower                                 | Non-confidential | Not applicable - please see Q 10. Is <u>I&amp;C</u> the correct reference for this question?  |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.  |
| Haven Power Ltd                        | Non-confidential | <p>We think all suppliers (Domestic, SME and I&amp;C) should have appropriate and proportionate incentives to identify theft. A number of non-domestic suppliers' portfolios are made up predominantly of I&amp;C customers (with only few SME customers) - this will not be differentiated in their commercial market share. If such suppliers are incorporated in the scheme then those supplying purely in the I&amp;C sector should also be included.</p> <p>We do not see a great need for a glidepath approach to be adopted across the non-domestic sector, if (and only if) the theft incentives are targeted and structured in a way that reflects different customer portfolios and their relative propensity to theft.</p> |
| First Utility                          | Non-confidential | We have excluded I&C suppliers from the change proposal due to the natural consistency of how the I&C market operates. The domestic market has evolved with more suppliers and greater competition since the original Ofgem report in 2010.   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We do not support DCP 288A.   |
| Total Gas & Power                      | Non-confidential | We do not support DCP 288A. However, if I&C Suppliers were to be incorporated, consideration would need to be given to the differences between that market and the domestic market, particularly in relation to the different metering arrangements prevalent in that sector which would be likely to result in theft detection taking place at a much earlier stage.   |

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| ScottishPower       | Non-confidential | Based on our own experience where the level of theft cases identified for I&C sites is extremely low, we do believe that there is a strong case for suppliers that deal solely with I&C sites to be exempt from taking part in the scheme.   |
| ICoSS               | Non-confidential | We do not support DCP 288A. However, if I&C Suppliers were to be incorporated, consideration would need to be given to the differences between that market and the domestic market, particularly in relation to the different metering arrangements prevalent in that sector which would be likely to result in theft detection taking place at a much earlier stage.  |
| <b>TIG Comments</b> |                  | <p>Members highlighted that it is logical to incorporate I&amp;C Suppliers within the scheme however, If a party wants to raise another change specific to I&amp;C the Panel will have to choose which change goes forward as two other alternates have already been raised. The DCUSA Panel can only take forward three CPs for Voting i.e. the original CP and the 2 alternates. It was noted that if I&amp;C is included the proposed legal text will need to be updated.</p> <p>It was suggested that if progressed with I&amp;C Suppliers the threshold should be set at 200 as the non-domestic market is not as dominated by the larger Suppliers.</p> <p>The TIG agreed that further clarification is required on the definitions of the terms domestic, I&amp;C and non- residential.</p> <p><b>The DCP 288A proposer is to further consider whether incorporate I&amp;C Suppliers and provide feedback to TIG.</b></p> |

| Company                  | Confidential/<br>Anonymous | 10. Do you agree with the proposed solution for DCP 288A?   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | No  |
| Supplier 1               | Anonymous                  | Based on our answers to questions 7, 8 and 9 we do not believe the solution for 288A offers a rounded solution which would see a model applied to all parties fairly, it could potentially act as a safe haven because customers could move to those suppliers because the approach taken to find them may not be as aggressive. The theft licence condition sees suppliers having to detect / investigate theft and we are not sure a soft landing promotes striving to achieve this   |
| Utilita Energy Ltd       | Non-confidential           | <p>We do not agree DCP288A is the best solution for a number of reasons. First of all, we are not convinced of the business justification provided for the requirements to have a soft-landing approach introduced for Suppliers of 2 million Metering Points (and below) and why that this is only limited to domestic Suppliers.</p> <p>We are also unclear of how the Scheme would work for any new Suppliers coming into the market after the Scheme is proposed to go live, i.e. would a soft landing be available to new Suppliers other than those in operation at the time of the start of the First Scheme Year? It is only fair that arrangements are mirrored for future Suppliers coming into the market.</p> |
| British Gas              | Non-confidential           | No. DCP 288 & DCP 288A introduces no additional obligations on Suppliers to investigate reports of electricity theft as these already exist within the Supply Licence Conditions and Electricity Theft Codes of practice. DCP 288A differs from DCP 288 in as much as it offers a soft landing for Suppliers with less than 2m supply points. In our opinion, this soft landing is not necessary as those Suppliers should already have, in place, adequate provisions for detecting and investigating theft of electricity.  |
| Electricity North West   | Non-confidential           | For Supplier respondents.   |

|                   |                  |   |
|-------------------|------------------|---|
| Supplier 2        | Anonymous        | Yes.  |
| SmartestEnergy    | Non-confidential | No. The assertion that customers who switch to smaller suppliers are less likely to be involved in theft has not been substantiated with either facts or reason. To us there is a clearer case for I&C suppliers to be given some kind of exemption because I&C customers are less likely to steal electricity than SME because of the higher and more dangerous voltage levels.  |
| Opus Energy Ltd   | Non-confidential | Yes.  |
| npower            | Non-confidential | We don't consider that the case has been made for some suppliers to have lower targets than others – we agree with the TIG that the argument has not been backed by supporting evidence.<br><br>In addition this variation does not form part of the gas scheme and it would be preferable to have an electricity scheme that aligned with the gas scheme.  |
| UK Power Networks | Non-confidential | UK Power Networks understands the concern that theft may not be evenly distributed across all market participants but the arguments made by the proposer are not wholly convincing and cannot be empirically demonstrated. The consultation later describes DCP288A as providing a “soft landing” and that is perhaps a more accurate perspective but all parties holding a Supply Licence should already have appropriate Revenue Protection arrangements established. |
| Total Gas & Power | Non-confidential |   |
| Haven Power Ltd   | Non-confidential | No. If this solution is implemented, for consistency, the phased approach should apply to both domestic and commercial theft targets  |

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| First Utility                          | Non-confidential | Yes   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | <p>We do not agree with the proposed solution for DCP 288A. This alternative does not address the risk of cross-subsidy amongst suppliers as the scheme itself would remain one based on theft detection numbers as opposed to investigative performance.</p> <p>This does not ameliorate the concern that certain suppliers in the market will be benefiting at the detriment of others based on the fact that theft is not proportionate to market share. Introducing a carve-out in the domestic pot for the first two scheme years does not prevent this occurrence from presenting itself.</p> |
| Total Gas & Power                      | Non-confidential | We do not agree with the proposed solution for DCP 288A. This alternative does not address the risk of cross-subsidy amongst suppliers which is created by participants being liable to pay out in the case that theft is not found even where best endeavours are used to detect this. We do not agree with the inference that theft is evenly distributed across suppliers.   |
| ScottishPower                          | Non-confidential | No, we disagree with the proposed solution.   |
| ICoSS                                  | Non-confidential | <p>We do not agree with the proposed solution for DCP 288A. This alternative does not address the risk of cross-subsidy amongst suppliers which is created by participants being liable to pay out in the case that theft is not found even where best endeavours DCUSA Consultation DCP 288, 288A &amp; 288B 23 August 2017 Page 3 of 7 Version 1.0 are used to detect this. We do not agree with the inference that theft is evenly distributed across the market.</p>  |
| <b>TIG Comments</b>                    |                  | The TIG noted that a majority of the respondents disagree with the proposed DCP 288A solution with three respondents in favour of the proposed solution.  |

| Company                  | Confidential/<br>Anonymous | 11. Do you have any comments on the DCP 288A draft legal text?  |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | No  |
| Supplier 1               | Anonymous                  | Please see comments relating to the redlining in 288 however please adjust the reference numbers appropriately and exclude comments relating to section 4.4 through to 4.9. |
| Utilita Energy Ltd       | Non-confidential           | No comment.   |
| British Gas              | Non-confidential           | No. We fundamentally disagree with the need for a soft landing  |
| Electricity North West   | Non-confidential           | For Supplier respondents.   |
| Supplier 2               | Anonymous                  | No.   |
| SmartestEnergy           | Non-confidential           | Comments given under Q22 are also relevant to DCP288A   |
| Opus Energy Ltd          | Non-confidential           | No  |

|  |                  |                                   |
|--|------------------|-----------------------------------|
| npower                                 | Non-confidential | Not applicable – please see Q 10. |
| UK Power Networks                      | Non-confidential | No.                               |
| Haven Power Ltd                        | Non-confidential | No                                |
| First Utility                          | Non-confidential | No                                |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No, addressed above.              |
| Total Gas & Power                      | Non-confidential | No, we do not support DCP288A     |
| ScottishPower                          | Non-confidential | No.                               |
| ICoSS                                  | Non-confidential | None beyond those already made.   |

**TIG Comments**

The TIG advised that the DCP 288A be aligned with DCP 288. Given discussions on DCP 288A the Secretariat is to check for consequential impact on the DCP 288 legal text.

| Company                  | Confidential/<br>Anonymous | 12. Do you have any further comments on DCP 288A?   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | This is not consistent with the GTDIS approach. It is based on an assumption that customers who transfer to a smaller supplier are less likely to steal, but there is no data that establishes this as a fact. In practice, customers may switch to smaller suppliers when they feel at risk of detection on the basis they believe they are less likely to be caught. DCP288A could further establish this pattern. Smaller suppliers already have an exemption from the scheme if their market share leads to a target less than 1. |
| Supplier 1               | Anonymous                  | N/A   |
| Utilita Energy Ltd       | Non-confidential           | Without clear evidence being provided to support the rationale for DCP 288A we are unable to support the proposal.  |
| British Gas              | Non-confidential           | No.   |
| Electricity North West   | Non-confidential           | For Supplier respondents.   |
| Supplier 2               | Anonymous                  | No.   |
| SmartestEnergy           | Non-confidential           | No  |

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| Opus Energy Ltd                        | Non-confidential | No  |
| npower                                 | Non-confidential | No. |
| UK Power Networks                      | Non-confidential | No. |
| Haven Power Ltd                        | Non-confidential | No  |
| First Utility                          | Non-confidential | No  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No. |
| Total Gas & Power                      | Non-confidential | No  |
| ScottishPower                          | Non-confidential | No  |

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|---------------------|------------------|----------------------|
| ICoSS               | Non-confidential | No                   |
| <b>TIG Comments</b> |                  | TIG noted responses. |

| Company                     | Confidential/<br>Anonymous | <b>13. What type of theft lead sources should form part of the DCP 288B scheme?<br/>Please provide your rationale</b>  |
|-----------------------------|----------------------------|--|
| EDF Energy<br>Customers Plc | Non-confidential           | Any scheme should allow for the inclusion of all theft lead sources not just TRAS and DNO leads, otherwise Suppliers could be incentivised to ignore high value leads with a high detection potential to focus on low level leads just because they are included in the Scheme. As such, this could actually reduce the amount of theft detected, although the number of investigations may increase.  |
| Supplier 1                  | Anonymous                  | <p>From the programming manual we believe the following should be included as they determine the conclusion of a review by the Supplier because there is either a Confirmed theft, something which indicates theft at the property or no theft at all.</p> <p>C - Confirmed theft</p> <p>U - Unproven suspicion of theft</p> <p>N - No theft</p> <p>We do not believe the following should be included because either the review has not begun, it is still being looked at or it is no longer supplied so the supplier has no interest anymore</p> <p>A - Not started</p> <p>B - Under investigation</p> <p>L - No longer supplied</p> <p>We believe that confirming you have investigated should be done at the conclusion rather than the initiation of the investigation to avoid suppliers putting everything into under investigation when there is no intention to work things.</p> <p>If under investigation is to be included in the criteria then reporting on how long things have been under investigation needs to be created and if it is seen to be always under investigation and never concluding then sanctions with that supplier is required e.g. they are automatically audited and have to repay any credits received if found not to be investigating things.</p> |

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| Utilita Energy Ltd     | Non-confidential | Although DCP 288B is not our preferred solution, we believe as part of this Change Proposal any source of theft lead should be taken into consideration as these are all valid sources of theft information (such as via metering agents). All sources of theft leads currently reported to the TRAS Service Provider should be within scope of this Scheme otherwise the Scheme may hinder Suppliers response to investigating such leads.   |
| British Gas            | Non-confidential | An incentive scheme should not exclude any types of theft lead source. Excluding any leads may result in Suppliers focussing their resources away from potentially successful sources, resulting in a reduction in the overall number of cases of theft being investigated and remedied.<br><br>The legal drafting only includes theft lead sources for the TRAS Service provider or Distribution Network Operators. Many successful sources of confirmed theft come from Suppliers, meter operators, tip-offs and the police all of which appear to be excluded. |
| Electricity North West | Non-confidential | For the detection of theft advantage should be taken of all lead sources to form part of the scheme eg: <ul style="list-style-type: none"> <li>• DNOs</li> <li>• TRAS Service Provider</li> <li>• Energy Theft Tip Off Service</li> <li>• Field staff</li> </ul> Third parties.   |
| Supplier 2             | Anonymous        | TRAS, ETOS, NHHDC agent, NHHMOP agent, DNOs.  |
| SmartestEnergy         | Non-confidential | We believe that leads from Suppliers' agents could be included.   |
| Opus Energy Ltd        | Non-confidential | Suppliers should use all available legitimate resources as potential lead sources including all Theft Lead Source codes held within the TRAS Programming Manual (TRAS, ETOS, Supplier Generated, Third Party Meter reader/Agent, Field Agent, Police and Other) however, there would need to be an  |

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|  |                  | additional level of auditing on suppliers to confirm they are not raising investigations just to benefit from the Scheme.  |
| npower                                 | Non-confidential | All confirmed instances of theft issued to TRAS by a supplier on monthly basis should be applicable, regardless of source. Please see Q 18.  |
| UK Power Networks                      | Non-confidential | The theft lead sources envisioned by the Proposer would likely need to be extended. ETTOS leads would surely need to be added alongside TRAS outliers. DNO referrals are valid but it is unclear how these could be counted. Whilst less easily audited leads are generated by the supplier's field staff or subcontracted agents; it would be unfortunate if these received a lower prioritisation for formal investigation due to exclusion from the Scheme. |
| Haven Power Ltd                        | Non-confidential | Leads from TRAS and ETTOS. We would also be happy to see the inclusion of DNO leads, however a more formal process of logging these would be required to ensure the leads are captured consistently.   |
| First Utility                          | Non-confidential | The incentive scheme proposed under DCP 288B should include all sources including TRAS Qualified Outliers; tip offs from ETTOS and also notices from DNO's.<br><br>Information from the DNO is passed to each supplier directly so it will be difficult to monitor the total numbers and resulting performance.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Any relevant source of lead / qualified outlier can form part of the DCP 288B scheme and this can be captured more concisely in an agreed definition. This includes qualified outliers provided by TRAS and leads from DNOs. Theft leads supplied by ETTOS and supplier own field agents can also be included as they provided a good source of investigative leads.   |
| Total Gas & Power                      | Non-confidential | Any relevant source of lead / qualified outlier can form part of the DCP 288B scheme. This includes leads from TRAS, DNOs, ETTOS and supplier's own systems.   |

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| ScottishPower       | Non-confidential | We believe all theft lead sources should form part of the scheme, this includes the following – TRAS; ETOS; UKRPA; DNO; Data Retriever; Meter Operator; Emergency Services; Housing Associations; Supplier self-generated e.g. PPNP. This allows completeness and does not restrict investigations to TRAS and DNO.  |
| ICoSS               | Non-confidential | Any relevant source of lead / qualified outlier can form part of the DCP 288B scheme and this can be captured more concisely in an agreed definition. This includes qualified outliers provided by TRAS and leads received from DNOs. Theft leads supplied by ETOS and supplier's own staff should also potentially be included to provide as wide a source of information as possible from within the industry. |
| <b>TIG Comments</b> |                  | <p>The majority of respondents agree that all theft lead sources should be used to identify theft.</p> <p>Based on responses the proposer would be happy to include other theft lead sources to form part of the scheme.</p> <p>It was noted that using all theft lead sources makes it difficult to police or audit the scheme.</p>   |

| Company                  | Confidential/<br>Anonymous | 14. What constitutes a definition of investigation? Please provide your rationale   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | <p>An investigation will include some or all of the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the received lead against account data to establish if a full field investigation is required (desktop review).</li> <li>• Site visit/s (including as necessary a warrant) in line with Schedule 23 7.2 of DCUSA</li> <li>• An investigation into the occupancy and use of the property (before or after the site visit).</li> <li>• Appropriate action taken to remedy any theft or suspicion of theft and assessment of unrecorded kWh.</li> <li>• Lost units must be billed, recovered and entered into settlements</li> </ul> <p>It is important to note that what is required for an investigation may vary depending on the outcome, so for example a 'No Theft' from a TRAS Qualified Outlier may only require a desktop review whereas a 'Confirmed Theft' will have to meet the DCUSA definitions as well as meeting all the follow up actions obligated in the Code of Practice</p> |
| Supplier 1               | Anonymous                  | <p>There needs to be at least the following:</p> <p>A desktop review to demonstrate it has been looked at</p> <p>A consumption count as part of the desktop review to demonstrate either there is a theft occurring or not</p> <p>Where there is suspicion via the desktop review and consumption check that there has been a theft a site visit is required and if the outcome is a Confirmed Theft then the information needs to be in line with the Confirmed Theft definition.</p>  |

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| Utilita Energy Ltd     | Non-confidential | <p>We believe what constitutes as an investigation was developed as part of the development of the GTDIS, therefore the work previously conducted in this area should inform what would be acceptable as a minimum to be classed as an investigation having being conducted.</p> <p>As a minimum, we would expect a Supplier to have conducted a desk top review to determine whether there has been theft of energy, evidence for this exercise should also be available. Where there is thought to be a theft of energy as part of the investigation, Suppliers should have sufficient evidence of the steps they have taken to reach this consensus in accordance to the definition of Confirmed Theft under DCUSA.</p> |
| British Gas            | Non-confidential | <p>As a minimum, an investigation should include a site visit by an appropriately trained and qualified person as per the codes of practice which states:</p> <p>Each Party shall ensure that its Revenue Protection Agents employ individuals possessing skill, experience, qualification and authorisation appropriate to the task they are undertaking.</p> <p>(Condition 13 of the Supply Licence sets out the requirements for a Supplier’s representative to possess the skills necessary to perform the required function).</p>   |
| Electricity North West | Non-confidential | For Supplier respondents   |
| Supplier 2             | Anonymous        | As per the DCUSA schedules it should include a desktop investigation or a site visit investigation   |
| SmartestEnergy         | Non-confidential | Onsite investigation by a Revenue Protection Agent and internal analysis of leads from TRAS.   |
| Opus Energy Ltd        | Non-confidential | <p>Where an investigation is closed following a desktop review, there should be an indication of the desktop review (i.e. consumption levels) and supporting evidence.</p> <p>If a Desktop review then graduates into a site visit, there should be an indication of the desktop review (i.e. consumption levels) and supporting evidence as well as a report of a site visit (where access was successful) should constitute an investigation.</p>  |
| npower                 | Non-confidential | Not applicable. Please see Q 18.   |
| UK Power Networks      | Non-confidential | Noting that this Scheme variant is based around investigations rather than discovered instances of confirmed theft this is an exceptionally important consideration. Arguably this means a proper on-site field investigation by trained and experienced Revenue Protection personnel; however a proportion of   |

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|  |                  | leads will be of poor quality and may be dismissable via desktop activities and thus the design of the Scheme may risk encouraging inefficient behaviour.   |
| Haven Power Ltd                        | Non-confidential | We would suggest a site visit or clear evidence of a significant desktop investigation.   |
| First Utility                          | Non-confidential | Each tip off and resulting investigation is unique and may not require a visit to the premises by qualified Revenue Protection personnel. It would be a costly exercise to enforce a site visit to quantify a suitable investigation. The majority of suppliers do not have the throwaway resources to make site visits with no guaranteed results of finding Confirmed Theft.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | The definition of an investigation would include all physical investigative process suppliers undertake on the back of positive outliers and theft lead sources from ETTOS.   |
| Total Gas & Power                      | Non-confidential | The definition of an investigation would include all evidenced investigations made by suppliers   |
| ScottishPower                          | Non-confidential | There are 2 types of investigations in our opinion. Firstly there will be a desk-top analysis where on investigation of all detail a decision will be taken whether or not to conduct a field visit. The second one is the actual field visit undertaken by the suppliers appointed Revenue Protection Service provider.  |
| ICoSS                                  | Non-confidential | The definition of an investigation would include all physical investigative processes made by suppliers are a result of the provision of positive outliers from TRAS, leads from DNOs and theft lead sources from ETTOS.  |
| <b>TIG Comments</b>                    |                  | On the definition of investigation, the TIG noted that operational desktop analysis should be included as part of investigation. Excluding it causes unnecessary field investigations. It was highlighted that Theft will not be identified by carrying out a desktop exercise however, desktop exercises are carried out to determine if a site visit is required. Removing desktop exercise from the investigation process creates a problem for the larger |

Suppliers as they have more customers to investigate. It was noted that desktop exercise will encourage lower costs visits to take place.

The TIG also considered:

- what constitutes a desktop review as desktop investigation had initially been removed from the DCP 288B to ensure rigorous investigations, and
- whether outliers should be treated differently to all other theft lead sources.
- On site visits - Who is carrying out the site visit – A qualified revenue protection officer or a meter reader.

The TIG discussed whether there is evidence that customers stealing energy are more likely to switch Suppliers. TIG noted examples from domestic and residential customers in different geographic locations. It was highlighted that there are trends where customers under investigation tend to switch Suppliers. It is noted that this is a small number of customer and does not represent the rest of the energy industry. It is difficult for Suppliers to compare figures.

The DCP 288A proposer agreed to further consider and provide feedback on what constitutes a definition of investigation.

| Company                  | Confidential/<br>Anonymous | 15. What cost should each investigation be awarded? Please provide your rationale   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | <p>If a flat £400 per investigation was awarded it would need to be agreed as part of the CP whether this could include just a desktop review if it was decided it should not progress for a field investigation. There is a cost associated with a desktop review but not as considerable as a field investigation. As investigations may have different costs, consideration also needs to be given as to whether there should be different value awards for different levels of investigation.</p> <p>If payment is made just for the field investigations, there is a risk this could incentivise passing out low quality leads for low quality investigation to tick a box to claim the investigation award, rather than to actually detect theft.</p> |
| Supplier 1               | Anonymous                  | n/a   |
| Utilita Energy Ltd       | Non-confidential           | We do not agree with the principle that each investigation should be awarded so we have reserved comment on what the cost should be due to the varying level of work each investigation may take.   |
| British Gas              | Non-confidential           | See our response to question 20.  |
| Electricity North West   | Non-confidential           | For Supplier respondents  |
| Supplier 2               | Anonymous                  | The cost proposed in the DCP.   |

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| SmartestEnergy                         | Non-confidential | £400   |
| Opus Energy Ltd                        | Non-confidential | The TIG should determine this cost (which could potentially be lower for a desktop investigation than for a site visit).   |
| npower                                 | Non-confidential | Not applicable. Please see Q 18.   |
| UK Power Networks                      | Non-confidential | Suppliers are best-placed to analyse their typical Revenue Protection costs which are understood to drive the setting of this figure. £400 as currently drafted would seem to be in the right 'ballpark'.                              |
| Haven Power Ltd                        | Non-confidential | No comment   |
| First Utility                          | Non-confidential | The cost of each investigation should reflect the cost of a full end to end investigation including site visit to premises whilst also ensuring the incentive is there to ensure suppliers have duty to investigate theft allegations. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | The £400 proposed in the original proposal has been retained as the cost associated with a thorough investigation into Theft would still occur with or without the presence of theft once it has been concluded.                       |
| Total Gas & Power                      | Non-confidential | The £400 proposed in the original proposal has been retained as the cost associated with a thorough investigation into Theft would still occur with or without the presence of theft once it has been concluded.                       |

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| ScottishPower       | Non-confidential | The cost of an investigation will vary considerably dependant on action taken. If this is a desk top analysis, the cost will be small and solely based on the cost of the agent undertaking the activity. Where a field visit is required this can be costly, but can be variable dependent on who undertakes the visit. If a supplier has their own in-house RPS provider, then the cost can be anywhere between £100 to £400 depending on what is required. Where a supplier has to engage with an external RPS provider then the cost can be anywhere between £300 and £1,500 depending on volume of visits to resolve including warrant and action taken to remedy. |
| ICoSS               | Non-confidential | The £400 proposed in the original proposal has been retained as the cost associated with a thorough investigation into Theft would still occur with or without the presence of theft once it has been concluded.  |
| <b>TIG Comments</b> |                  | <p>The TIG advised that the desktop exercise cost less than a site visit however, DCP 288B proposer initially wanted to exclude desktop exercise. It was highlighted that including all site visits regardless of the outcome £400 might be excessive but the scheme should not have different payment levels.</p> <p>The DCP 288B proposer agreed to further consider the cost of an investigation and provide feedback to the TIG</p>   |

| Company                  | Confidential/<br>Anonymous | <b>16. How many days after an investigation should a Confirmed Theft be reported? Please provide your rationale</b>  |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | <p>DCP 288 and 288A would allow for the reporting of Confirmed Thefts to mirror GTDIS which would be preferable as a Supplier of both fuels.</p> <p>288B places a timescale to complete an investigation in 3 months. However these timescales do not match the response timescales as detailed in DCUSA Schedule 23 section 7.2. Category A and Category B investigations must be resolved within 20 and 40 working days respectively which do not match the single 3 month timeframe suggested, and site visits are required at an earlier stage where there is a significant safety risk (8 hours). This could mean theoretically a supplier could get an incentive payment for completing an investigation, but not have complied with the code of practice.</p> |
| Supplier 1               | Anonymous                  | We support mirroring the gas model and submitting a confirmed theft within 2 TRAS submission cycles – we would however suggest that the electricity model is reported by submission cycle rather than calendar month which the gas is based on.  |
| Utilita Energy Ltd       | Non-confidential           | We support the TIG view that a Confirmed Theft should be reported within two TRAS submission windows, which are on the 5 <sup>th</sup> of every month.   |
| British Gas              | Non-confidential           | For the purpose of continuity, all confirmed thefts within a calendar month should be reported to the TRAS Service Provider by the 5 <sup>th</sup> working day after the 5 <sup>th</sup> calendar day of the second month after the date when the theft was confirmed.   |
| Electricity North West   | Non-confidential           | For Supplier respondents   |
| Supplier 2               | Anonymous                  | This should be in line with the Gas Theft Detection Incentive Scheme.  |

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| SmartestEnergy                         | Non-confidential | We think two months would be reasonable  |
| Opus Energy Ltd                        | Non-confidential | Within up to 90 working days, consistent with DCUSA Schedule 23, for which 90 working days is the maximum time permitted for Category C investigations   |
| npower                                 | Non-confidential | The period would need to allow time for suppliers to receive details such as assessment of stolen units and whether security devices have been successfully fitted. Three months would be sufficient to allow this to happen and upload to TRAS as part of the monthly submission. |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.   |
| Haven Power Ltd                        | Non-confidential | In order to be consistent with the Gas Theft Detection Incentive Scheme, Confirmed Theft should be reported within two TRAS submission windows.  |
| First Utility                          | Non-confidential | We believe the investigation timeframes should reflect the same as the Gas Theft Detection Incentive Scheme to offer consistency.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | A three-month timeframe would give sufficient time for suppliers to review all investigations carried out on the back of theft leads and qualified outliers and take the appropriate action.   |
| Total Gas & Power                      | Non-confidential | Three months   |

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| ScottishPower       | Non-confidential | If the question refers to the number of days after an investigation is completed then this should be in the next TRAS submission following completion of the investigation. If it refers to the time taken to actually complete the investigation then this should be as per the Code of Practice obligation dependant on the categorisation of the job (A, B or C). |
| ICoSS               | Non-confidential | A three-month timeframe should be suitable for suppliers to take the appropriate steps in relation to all investigations resulting from leads and qualified outliers received.   |
| <b>TIG Comments</b> |                  | The TIG agreed that investigation should be carried as per theft code of practice guidelines (within 90 working days).   |

| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>17. Do you think a Self -Certification process should be implemented as part of DCP 288B? Please provide your rationale</b>   |
|--------------------------|------------------------------------|--|
| EDF Energy Customers Plc | Non-confidential                   | Yes – but subject to audit as otherwise the Scheme could promote unintended behaviour from Suppliers. .  |
| Supplier 1               | Anonymous                          | Yes – although some of the principles of this scheme are different there is still some reliance on confirmed thefts within the investigations; so, where there are confirmed thefts suppliers should self-certify to say they are confirming them as part of the confirmed theft criteria. |
| Utilita Energy Ltd       | Non-confidential                   | We do not agree DCP288B is the best solution generally however it would make sense for a self-certification process to be proposed within each of the alternative solutions to help ensure parties fully understand the requirements of each scheme.                                       |
| British Gas              | Non-confidential                   | Yes. For the purpose of continuity, a Self-Certification process should be implemented in the same way as for the GTDIS.   |
| Electricity North West   | Non-confidential                   | For Supplier respondents   |
| Supplier 2               | Anonymous                          | No response.   |
| SmartestEnergy           | Non-confidential                   | Yes, but we believe that an audit should be a requirement not just a reserved right for the Panel. Further detail needs to be given to explain the process should a Supplier be found to be operating outside of expectations.   |

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| Opus Energy Ltd                        | Non-confidential | Yes. A Self-Certification process was used for gas. This would align electricity and gas.  |
| npower                                 | Non-confidential | Not applicable. Please see Q 18.   |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.   |
| Haven Power Ltd                        | Non-confidential | Yes. There is a clear definition of "Confirmed Theft" in DCUSA, which should eliminate any confusion.  |
| First Utility                          | Non-confidential | An audit process of the entire supplier community would prove costly each year so we believe a self-certification process should be used for DCP 288B. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes  |
| Total Gas & Power                      | Non-confidential | Yes  |
| ScottishPower                          | Non-confidential | We would have no issue with a self-certification process being implemented as long as there was a sufficient auditing process in place                 |

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| ICoSS               | Non-confidential | Yes   |
| <b>TIG Comments</b> |                  | The majority of respondents agreed that self-certification should be included as part of the scheme proposed by DCP 288B. The audit process similar to the Gas Incentive Scheme. The TIG advised for the DCP 288B legal text to be updated. |

| Company                  | Confidential/<br>Anonymous | 18. Do you agree with the proposed solution for DCP 288B?   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | No  |
| Supplier 1               | Anonymous                  | Although this approach would see the TRAS being utilised as the foundation of the incentive scheme the same approach was already rejected for gas by the authority, we cannot see that any substantial changes have been suggested within the electricity version so we do not believe this solution is most suitable – we’d prefer to see a similar model to the gas introduced for at least 1 year and a joint WG convened prior to the TRAS Theft Target being introduced to revamp the two together.  |
| Utilita Energy Ltd       | Non-confidential           | We do not agree DCP288B is the best solution our main concern is due to the fact it restricts the number of valid sources of theft leads which Suppliers may find much more cost effective to investigate than TRAS generated leads. We also have concerns how the Scheme will work in practice. This could unfairly penalise domestic suppliers as they will have more TRAS generated leads to investigate than what you would expect for commercial sites.  |
| British Gas              | Non-confidential           | No. When introducing the GTDIS (CP16/327), a similar alternative (CP16/337: Movement to a leads-based theft incentive scheme) was proposed. This was rejected by the authority as it was felt that CP16/327 better facilitated objective (b) and was more aligned with Ofgem’s principles set out in their 2012 theft document. The proposer has not provided any further evidence to support the implementation of DCP 288B over and above what was provided for CP 16/337 and we therefore see no reason why the Authority would approve this alternative to DCP 288. |
| Electricity North West   | Non-confidential           | For Supplier respondents  |
| Supplier 2               | Anonymous                  | No response.  |

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| SmartestEnergy                         | Non-confidential | DCP288B has more merit than DCP288 and much more merit than DCP288A. It is a genuine concern of ours that small I&C suppliers could end up paying into the scheme when there is no theft to be detected in their portfolio. As the document says: “under the current proposed arrangements, .... a Supplier may follow up all leads given to it by the TRAS Service Provider or an electricity Distribution Network Operator but still incur debits under the scheme due to no actual theft being found.” |
| Opus Energy Ltd                        | Non-confidential | No.   |
| npower                                 | Non-confidential | We do not agree with the proposed alternative. We consider that we should be seeking to replicate the gas incentive scheme rather than to introduce an entirely different approach.   |
| UK Power Networks                      | Non-confidential | Any Scheme based on the carrying out of investigations rather than the discovery of confirmed instances of electricity theft risks less benefit being delivered to the bill-paying general public. Additionally, if this Scheme variant were to progress the definitions and legal text would require further refinement. In particular it is unclear how TRAS could monitor completed (unsuccessful) investigations for anything that didn't originate as a TRAS outlier.                                |
| Haven Power Ltd                        | Non-confidential | In principle, yes. However, we feel there is further thought required to define what constitutes an awardable investigation.  |
| First Utility                          | Non-confidential | We agree that DCP 288B provides an alternative solution to ensure suppliers fulfil their licence conditions on investigating theft of electricity.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We agree with this proposed solution. Evidence suggests that theft is not equally distributed across the electricity supply market and therefore giving each Supplier a theft target based on an overall target number based on their individual market share risks a cross-subsidy between suppliers with a lower level of theft than their market share would suggest to those with a higher level of theft than their market share would suggest.  |

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|                   |                  | <p>By utilising an investigation lead approach the scheme would move to one based on supplier performance in relation to investigation of leads and qualifying outliers. This is a more equitable solution as it negates the cross-subsidy risk and moves away from an assumption-based reward scheme. If a supplier concludes all investigations in relation to all leads and qualifying outliers provided to it then this will remove the undue detriment that supplier could receive if no theft was found.</p> <p>The data accrued from the investigation analysis will provide crucial insight into where theft lies and be able to identify where theft lies and further evidence that it is not equally distributed across the supply market. The detection of theft could therefore be more fairly and equitably realised.</p>  |
| Total Gas & Power | Non-confidential | <p>We agree with this proposed solution. Evidence suggests that theft is not equally distributed across the electricity supply market and therefore giving each supplier a theft target based on an overall target number based on their individual market share risks a cross-subsidy between suppliers with a lower level of theft than their market share would suggest to those with a higher level of theft than their market share would suggest.</p> <p>By making use of an investigation-led approach the scheme would move to one based on supplier performance in relation to investigation of leads and qualifying outliers. This is a more equitable solution as it negates the cross-subsidy risk and moves away from an assumption-based reward scheme. If a supplier concludes all investigations in relation to all leads and qualifying outliers provided to it then this will remove the undue detriment that supplier could receive if no theft was found despite its best efforts to detect this.</p> <p>Further some suppliers operate stringent credit vetting and pre- supply processes to prevent theft from occurring on its portfolio. Some suppliers are ex- monopolies and therefore will have a higher level of historic theft (customers stealing energy are unlikely to ever switch supply.)</p> <p>The data gathered as a result of supplier investigations will provide crucial insight into the degree to which theft is distributed across the market.</p> |
| ScottishPower     | Non-confidential | <p>No. We feel that it is restrictive in only including TRAS and DNO leads sources. We also feel that there has been no consideration given to the actual cost of conducting a full site investigation for every lead received from TRAS, which is currently providing limited success in identifying confirmed interference.</p>   |

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| ICoSS               | Non-confidential | <p>We agree with this proposed solution. Evidence suggests that theft is not equally distributed across the electricity supply market and therefore giving each supplier a theft target based on an overall target number based on their individual market share risks a cross-subsidy between suppliers with a lower level of theft than their market share would suggest to those with a higher level of theft than their market share would suggest.</p> <p>By making use of an investigation-led approach the scheme would move to one based on supplier performance in relation to investigation of leads and qualifying outliers. This is a more equitable solution as it negates the cross-subsidy risk and moves away from an assumption-based reward scheme. If a supplier concludes all investigations in relation to all leads and qualifying outliers provided to it then this will remove the undue detriment that supplier could receive if no theft was found despite its best efforts to detect this.</p> <p>The data gathered as a result of supplier investigations will provide crucial insight into the degree to which theft is distributed across the market.</p> |
| <b>TIG Comments</b> |                  | The TIG noted the respondents mixed views.  |

| Company                  | Confidential/<br>Anonymous | 19. Do you have any comments on the DCP 288B draft legal text?   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No   |
| Supplier 1               | Anonymous                  | <p>Name of the schedule needs to be considered because what does equitable theft detection incentive scheme actually mean?</p> <p>Definitions:<br/> Secretariat should be Scheme Administrator<br/> Domestic / non-domestic is used and also market sector – needs to be consistent<br/> Lead – there is no definition, the defined term for TRAS output is a Qualified Outlier yet it is not used in this draft also there is no link to the TRAS Schedule or the TRAS Contract.</p> <p>Other feedback:</p> <p>1.3 we want it from the 1<sup>st</sup> June refreshed annually</p> <p>1.4 the TRAS doesn't produce theft leads it produces Qualified Outliers which is a defined in the DCUSA TRAS Schedule and also the TRAS Contract – the drafting is incorrect throughout with its defining.</p> <p>1.4 a Qualified Outlier can be created in consecutive months – how would The Scheme work for multiple QOs being produced. What is meant by 'investigate'? What about the ETTOS? They are also part of the Theft Arrangements in the SLC but excluded from the scheme in the drafting yet Suppliers get some Confirmed Thefts from that avenue as well.</p> <p>1.4 what about Suppliers with derogation or who are not submitting TRAS Consumption Files so do not get any Qualified Outliers? What default value / target will they be given as they should not be precluded from the scheme as this promotes safe havens.</p> |

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|  |  | <p>2.1 the DCUSA TCoP allows for 90WD to conclude an investigation which is a longer time span and this is normally based on something which is more than analytical which the QOs are. The 3 months begins at what point? The point the QO is issued from the TRAS Service Provider, the time the Supplier opens it to investigate or another point? There is also no obligation to work ALL TRAS QOs so would Suppliers be expected to investigate everything? If this is the case then the Scheme is rife with over spend because only risk scores 8, 9 and 10 have a higher conversion rate, only a limited number of these QOs are created so Suppliers will be burning through recourse to investigate everything.</p> <p>2.1 there cannot be a payment for every investigation completed which is how the final sentence reads; The Scheme uses a value of £400 per investigation to give a value to create the penalty pot but unless worded correctly Suppliers could interpret this as they get £400 for everything they do which is not correct or how we envisaged the scheme to work.</p> <p>2.3 Supplier Parties has been capitalised everywhere else but not here – needs checking throughout. Monies cannot be rolled over, as DCUSA is not for profit the financial reconciliation has to be completed at the end of The Scheme year and ensure that it is left in a neutral position with debits in and credits out being processed ASAP. This is why the gas scheme has the annual reconciliation set up.</p> <p>2.3 how will the DCUSA Panel determine the value?</p> <p>2.3 publishing the value within 28 days, is that prior or post as that is a 56 day window unless it is clarified. It should be before commencement not within.</p> <p>3.1 what is meant by domestic and non-domestic? These are not defined in the draft schedule? For Suppliers with single or mixed portfolios this needs to be clear so we know which investigations go towards which target.</p> <p>3.1 what is meant by individual scheme pots? Unsure what the drafting is trying to achieve here</p> <p>3.2 why would the Secretariat amend anything prior to SY1 commencing – is this even required in the text? Also needs clarity that it is 28 days prior not within as it could be interpreted as a window either side the commencement date.</p> |
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|  |  | <p>3.2 the calculation is based on Confirmed Thefts for X when the scheme is based on investigations – what is the correct calculation? Y is clearly the £ but Z cannot be applied because no monies can be rolled over – the scheme has to be at a zero reconciliation position within a reasonable timeframe at the end of each scheme year to avoid financial issues.</p> <p>4.1 what is the definition of a completed investigation? We have provided an answer on what we deem separately. As per 2.1 the expectation is the completion will be within 3 months of provision but 4.1 states ‘may’ report; also it refers to lead which is not a defined term, as previously mentioned DCUSA TCoP allows 90WD to conclude an investigation so 3 months doesn’t work in all cases. What if the investigation concludes there isn’t a theft? It only refers to Confirmed Theft but there will not be a confirmed theft in all cases. Finally ‘how’ does it report it to the TRAS Service Provider – there is no link to the TRAS Schedule or the Outcome File so new Suppliers wouldn’t know how this links together.</p> <p>4.2 what is meant by numbers of both investigations? There is more than one investigation code in the TRAS Programming Manual, is it referring to sector e.g. residential and commercial or does it mean no theft, confirmed theft or no longer supplied? The TRAS Service Provider will need a CCN developed at TEG to deliver this and the requirements are not clear in this legal text to obtain a report. It only refers to Confirmed Theft when the scheme is supposedly based on investigations.</p> <p>4.2 it is preferred the period is the submission period (5<sup>th</sup>-4<sup>th</sup>) to match the TRAS file submissions rather than calendar month</p> <p>4.3 there is no challenge period in this to allow Suppliers to dispute the numbers on a monthly basis. Also how quickly will a revised report be issued? Will it be that month or will previous figures be revised in the following months report? In 4.1 we can subsequently withdraw investigations – how will this be presented in the numbers?</p> <p>4.4 refers to completed investigations but earlier clauses refer to Confirmed Theft – it is confusing what the scheme is looking to achieve. It also refers to market sector yet in 3.1 it refers to domestic and non-domestic, drafting needs to be consistent.</p> <p>4.6 as per 2.1 what starts the clock on the 3 months to allow Suppliers to ensure it is concluded in time and also the TRAS Service Provider / DCUSA Panel need this clarity to produce accurate reporting.</p> |
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|                    |                  | <p>4.6 Provided how to the TRAS Provider?</p> <p>4.7 how will reporting demonstrate what has / hasn't been eligible?</p> <p>4.8 onwards – electricity DNO used here but full words of District Network Operator used in all other clauses prior to it – needs to be consistent in the drafting.</p> <p>4.9 refers to market sector rather than domestic and non-domestic.</p> <p>5.3 The scheme doesn't have unlimited funds it needs to be a cap on the pot e.g. 288 has 14m (domestic/commercial). This is then a financial model which the Scheme Administrator can invoice against. What happens if everyone works everything or no one manages to work everything, how will things be calculated then? The gas scheme (which was rejected by the Authority) allowed non-TRAS and ETTOS work to be also included as long as it was included in the Outcome file e.g. Supplier generated by its own means, this scheme does not. It assumes the TRAS is a good prediction of theft which so far it has not been so the calculation needs to include everything Suppliers have worked and not just TRAS.</p> <p>5.5 Qualifying Supplier Party needs to be moved earlier in the document so it is clear who is in the scheme – links with the question we asked about derogation and those not submitting to TRAS how are they included in this scheme.</p> <p>6 the clause relating to self-certs has been removed yet the scheme focusses on Confirmed Thefts in many places – how if Suppliers are confirming thefts incorrectly going to be managed?<br/>In conclusion – we do not believe this CP has been fully developed and currently do not believe it is fit for purpose as it leaves too many gaps and with such financial implications there needs to be a fully developed robust Schedule implemented into DCUSA.</p> |
| Utilita Energy Ltd | Non-confidential | No comment.   |
| British Gas        | Non-confidential | No. We fundamentally disagree with this proposal.   |

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| Electricity North West                 | Non-confidential | For Supplier respondents                              |
| Supplier 2                             | Anonymous        | No response.  |
| SmartestEnergy                         | Non-confidential | Comments given under Q22 are also relevant to DCP288B |
| Opus Energy Ltd                        | Non-confidential | No.   |
| npower                                 | Non-confidential | Not applicable – please see Q 18.                     |
| UK Power Networks                      | Non-confidential | No.   |
| Haven Power Ltd                        | Non-confidential | No.   |
| First Utility                          | Non-confidential | No  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No, addressed above.                                  |
| Total Gas & Power                      | Non-confidential | No  |
| ScottishPower                          | Non-confidential | No  |
| ICoSS                                  | Non-confidential | None beyond the comments already made.                |

**TIG comments**

The TIG noted the Supplier 1 legal text comments and agreed with most of the proposed amendments. The following items are also to be updated on the legal text:

- Use of terminology- 288B should refer to investigations outcomes not confirmed theft.
- Consider annual reconciliation to align with GTDIS and 288.
- Clarify what is meant by investigation completed and confirmed theft.

The DCP 288B proposer took an action to update the legal text.

| Company                  | Confidential/<br>Anonymous | <b>20. Do you have any further comments on DCP 288B?</b>  |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | Although it may be the case that levels of electricity theft are not equally distributed across the portfolios of all Suppliers the same can be said for gas but this approach has not been taken for GTDIS. This issue should be addressed by future target methodology from TRAS data taking into consideration the “theft propensity” of a Suppliers portfolio using the TRAM to apply a correction factor to targets so not just based on market share. This could be developed in future Scheme year targets within DCP 288 and still remain an incentive scheme based on Confirmed Thefts.  |
| Supplier 1               | Anonymous                  | n/a   |
| Utilita Energy Ltd       | Non-confidential           | No comment.   |
| British Gas              | Non-confidential           | <p>DCP 288B proposes to only allow investigation leads provided by the TRAS or the Distribution Business to qualify for a payment. However the conversation rates currently being achieved by TRAS only investigations are very low and investigations based purely on TRAS outliers are unlikely to detect the number of thefts set out in the Ofgem Final Impact assessment. Suppliers should be incentivised to detect actual theft cases in order for the scheme to provide value to consumers. As set out in Ofgem’s CP14/268 approval letter “we also consider that one of the factors which may influence an individual’s propensity for theft is the risk of being caught. Enhanced investigation and detection , combined with increased public awareness of these measures, should therefore act as a powerful deterrent and compliment other preventative measures”</p> <p>The DCP 288B Change proposal also states:</p> <p>“The proposer is of the view that electricity theft is not equally distributed across each Supplier’s customer portfolio in accordance with its market share. There is therefore a danger that the Theft Detection Incentive Scheme, as currently structured, creates a cross-subsidy from Suppliers who may have a lesser proportion of theft within their portfolio than their market share might suggest to those Suppliers where the reverse is true.”</p> |

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|  |                  | In our view the proposed theft target being proposed is only a small proportion of the actual theft taking place in the market. We have evidence of theft taking place on a range of Suppliers' portfolios be them new entrants, medium sized or more established Suppliers. (We would be happy to provide this to the Authority on a confidential basis). We also know that customers change supplier to avoid detection and changes have been made to the TRAS to track these and provide information to the new supplier in these instances. |
| Electricity North West                 | Non-confidential | For Supplier respondents  |
| Supplier 2                             | Anonymous        | No response.  |
| SmartestEnergy                         | Non-confidential | No  |
| Opus Energy Ltd                        | Non-confidential | Only with a theft target (as applied for DCP 288) can detection of theft be guaranteed (and align with the gas methodology).  |
| npower                                 | Non-confidential | No.   |
| UK Power Networks                      | Non-confidential | No.   |
| Haven Power Ltd                        | Non-confidential | In our view, DCP 288B is the probably the simplest approach to adopt, although it would come with some administration burden to evidence the investigations conducted. It would also incentivise suppliers to detect theft without running the risk of cross subsidising other suppliers' activities and distorting competition.  |
| First Utility                          | Non-confidential | We believe further clarification is required on how TRAS will be able to collate the number of leads that DNO's provide directly to suppliers.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No.   |
| Total Gas & Power                      | Non-confidential | No  |

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| ScottishPower       | Non-confidential | No                           |
| ICoSS               | Non-confidential | No.                          |
| <b>TIG Comments</b> |                  | The TIG noted the responses. |

| Company                  | Confidential/<br>Anonymous | 21. Do you agree with the proposed solution for DCP 288?  |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | Yes – on balance this is the fairest incentive scheme and is in-line with GTDIS. It focuses the incentive to detect Confirmed Theft.  |
| Supplier 1               | Anonymous                  | We do not support any incentive scheme for electricity and we did not support the scheme for gas, we believe that the TRAS should be utilised to deliver the licence obligations. However, the solution with 288 has the greatest synergies with the gas solution and with the TRAS Theft Target being introduced it would make sense to have a similar model for each initially but if thefts are not reducing then further work will be required.   |
| Utilita Energy Ltd       | Non-confidential           | Yes. We agree with the proposed solution over and beyond either alternatives for a number of reasons. Firstly, the Scheme enables Suppliers to continue to investigate theft leads across all sources rather than mandating investigation of specific types of thefts such as received by the TRAS. We also believe the Scheme takes into consideration Suppliers presence in the market as credits/debits take into consideration a Suppliers market share alongside a Supplier’s performance. We also welcome the fact it is based on the Ofgem approved GTDIS which will be easier for Supplier to operational manage than two separate schemes for gas and electricity. |
| British Gas              | Non-confidential           | Yes – This CP mirrors the principles in SPAA change CP 16/327 “Introduction of The Gas Theft Incentive Scheme”. SPAA CP 16/327 was raised as a result of amendments to SPAA CP14/268 and is in line with the principles set out by Ofgem within their decision document entitled “ <i>Tackling gas theft: the way forward</i> ” published on 26 <sup>th</sup> March 2012 and was approved by Ofgem on 7 <sup>th</sup> March 2017.   |
| Electricity North West   | Non-confidential           | For Supplier respondents  |

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| Supplier 2             | Anonymous        | Yes, but with the exception that no allowance is taken for Suppliers with less than 2 million metering points (which DCP288A rectifies).  |
| SmartestEnergy         | Non-confidential | Yes.  |
| Opus Energy Ltd        | Non-confidential | Yes.  |
| npower                 | Non-confidential | Yes.  |
| UK Power Networks      | Non-confidential | As a distributor we will not be directly impacted by the Scheme. Nevertheless we would be minded to view the original DCP288 as the best solution on offer.   |
| <b>Haven Power Ltd</b> | Non-confidential | No – we feel it incorrectly assumes that all non-domestic consumers are equally likely to commit theft and as such unfairly discriminates against suppliers with a different non-domestic consumer mix in their portfolio. For non-domestic suppliers who choose to contract with particular business types – i.e. typically larger consumers and those which pass robust ex-ante credit checking processes - even the baseline targets are likely to be unattainable.                        |
| First Utility          | Non-confidential | DCP 288 assumes that levels of theft of energy are uniform across the electricity industry irrespective of the size of a supplier and how long a supplier has been operating in the market.<br><br>DCP 288 also creates perverse incentives by charging suppliers for not identifying theft of electricity despite employing qualified Revenue Protection staff to conduct site visits and not identifying Confirmed Theft.<br><br>We do not agree that DCP 288 provides a suitable solution. |

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| Gazprom Marketing & Trading Retail Ltd | Non-confidential | <p>No, we do not agree with the proposals of DCP 288. The proposal is built around the assumption that theft is a proportional to a supplier's market share, something that anecdotal evidence suggests is an incorrect assumption.</p> <p>The fundamental result of this is that suppliers who have a disproportionately higher amount of theft cases than will be subsidised by those where the opposite is true and vice-versa [is this worded correctly?]. The market share methodology does not reflect customer behavioural patterns.</p> <p>We support the implementation of an incentive scheme, but one that does not penalise unduly for missing targets that are unattainable before investigation has even been commenced.</p>                              |
| Total Gas & Power                      | Non-confidential | <p>No, we do not agree with the proposals of DCP 288. As previously stated we do not believe that theft is evenly distributed across the market and feel that this approach will create a cross-subsidy whereby suppliers with higher levels of theft in their portfolios receive payment from suppliers with lower levels, despite this second group of suppliers' best efforts to detect such theft and incurring the cost of doing so.</p> <p>While we agree that the detection of theft is an important issue for the market as a whole, the necessary incentive regime should be structured in a manner which does not create a financial penalty for participants resulting from matters which are beyond their control. This would also distort competition.</p> |
| ScottishPower                          | Non-confidential | Yes   |
| ICoSS                                  | Non-confidential | <p>No, we do not agree with the proposals of DCP 288. As previously stated we do not believe that theft is evenly distributed across the market and feel that this approach will create a cross-subsidy whereby suppliers with higher levels of theft in their portfolios receive payment from suppliers with lower levels, despite this second group of suppliers' best efforts to detect such theft and incurring the cost of doing so.</p> <p>While we agree that the detection of theft is an important issue for the market as a whole, the necessary incentive regime should be structured in a manner which does not create a financial dis-benefit for participants resulting from matters which are beyond their control.</p>                                  |

**TIG Comments**

Most respondents support DCP 288(9 in favour and 6 against). A number of those who disagree believe that theft is not evenly distributed across the market.

| Company                  | Confidential/<br>Anonymous | 22. Do you have any comments on the DCP 288 draft legal text?  |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No   |
| Supplier 1               | Anonymous                  | <p>The defined terms are not consistent throughout:</p> <p>Scheme Administrator or Secretariat</p> <p>2.2 uses Domestic / Commercial Metering Points but 2.7 uses Domestic / Commercial sector Scheme 2.8 just refers to sector, 3.2 uses Domestic / Commercial Theft 4.1 uses Domestic and Commercial sections, 5.6 each market sector – there is no consistency which is really confusing and hard to link it all together</p> <p>5.9 and 5.10 uses theft offence when it should be Confirmed Theft throughout.</p> <p>5.11 uses participating supplier but 6.4 uses Qualifying Supplier Party</p> <p>Other feedback</p> <p>2.7 has footnote 1 but also includes the final sentence which replicates what is in the footnote, prefer to delete the final clause sentence and keep it as a footnote.</p> <p>Example clauses 2.10 and 2.11 have actions required but do not give a deadline of when, to ensure things are delivered in time a deadline data e.g. 8 weeks before Scheme Year commencement would be preferable.</p> <p>4.4 We believed the market share numbers were to be obtained from the TRAS Service Provider based on the Consumption Files submitted – if this is the approach then this paragraph is incorrectly drafted and requires rewording.</p> <p>4.5 needs to have a deadline e.g. 5WD before Scheme Year commencement adding in and also confirmation as to whom it will be provided to e.g. SPOC or Contract Manager.</p> |

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|                    |                  | <p>5.1 could be drafted in a simpler manner – e.g. only submissions which meet the Confirmed Theft definition will be in scope for The Scheme.</p> <p>5.2 the reporting of Confirmed Thefts is via the Outcome File, this is not referenced only the TRAS arrangements is, it would be better to make this explicit. Also when it comes to withdrawing anything sent incorrectly how is this counted, tracked and Suppliers numbers amended to show the amendment?</p> <p>5.4 The numbers presented in a monthly format from the TRAS Service Provider to the Scheme Administrator but the TRAS data submissions do not run by calendar month they are between the 5<sup>th</sup> and the 4<sup>th</sup> of each month.</p> <p>5.5 if amendments are made as per 5.4 then 5.5 requires redrafting to align. Also within the equivalent gas clause there is a 20WD window for Suppliers to challenge the numbers if they are incorrect – this appear to have been omitted for electricity. We believe this needs to be incorporated for fairness in case anything is incorrectly calculated by the TRAS Service Provider or the Scheme Administrator.</p> <p>5.6 how are the monthly numbers amended in accordance to the feedback we have given on 5.2?</p> <p>5.8 We’d prefer this not to be calendar month but to instead be linked to the TRAS submission cycles which are defined within the programming manual and what we have linked to in our feedback for 5.4. We support the maximum of two submissions still.</p> <p>5.10 will the annual report show how many Confirmed Thefts were submitted in the Outcome File then broken down into those which were/weren’t eligible? The monthly reporting doesn’t appear to have this demonstrated so we’d prefer to see it in both if possible?</p> <p>5.10 it is not clear that between 5.10 and 5.11 there is the period to challenge the 12 month data – can this be made clearer?</p> <p>6.4 also includes any suppliers who have chosen to opt in as per 4.5 – needs to be explicit.</p> <p>7.1 it would be preferred the format of the self-cert is included as part of the CP process and it is clear it relates to adherence to the Confirmed Theft definition not positive confirmation a Supplier will meet/exceed their target. Is it also expected the self-cert will go to the SPOC/Contract Manager annually or once signed is in place?</p> |
| Utilita Energy Ltd | Non-confidential | No comment.  |

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|------------------------|------------------|--|
| British Gas            | Non-confidential | No   |
| Electricity North West | Non-confidential | For Supplier respondents   |
| Supplier 2             | Anonymous        | No response.   |
| SmartestEnergy         | Non-confidential | <p>Clause 4.4 states: "The Supplier's individual Theft Target will be based on its market share figures for each Scheme Year, using the latest Metering Point portfolio data information held by the Secretariat under the most recent report received under Clause 12.12.1 of the main body of this Agreement, at the time of the calculation under paragraph 4.5."</p> <p>However, we believe that this information does not distinguish between domestic and non-domestic MPANs. It will therefore not be possible to calculate the market shares for these two segments using this information alone.</p> <p>The legal text states that those with a Theft target of less than 1 will be exempted from the scheme. We agree with this. However, it is likely that there will be several suppliers in this situation and whose Theft Target in aggregate could be greater than 1. It is not clear to us from the legal text whether this exempt section of Theft Targets is simply ignored in the calculations or distributed amongst the non-exempt participants. On the face of it, the maths in Clause 6.2 does not work. Let us suppose there is one I&amp;C supplier with a market share of 98% and all remaining suppliers are under 1% but in aggregate make up 2%. The one big supplier would have a Theft Target of 3920 (98% of 4000). However, if that supplier actually detects 4000 there would be no money in the pot to recognise his over-achievement because of the non-contribution of the exempted smaller suppliers. This may be dealt with by Clause 6.8 which states:</p> <p>"The issuing of credits from The Scheme should be done in such a way as to not discriminate between Supplier Parties. This should be achieved by paying out the proportion of The Scheme credits to all eligible Supplier Parties commensurate to the proportion of Scheme debits received at that time." But what would happen if the situation</p> |

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|  |                  | were reversed and the one big supplier in our example under-achieved. Where would the surplus go? |
| Opus Energy Ltd                        | Non-confidential | No  |
| npower                                 | Non-confidential | No, but see Q 24.   |
| UK Power Networks                      | Non-confidential | No  |
| Haven Power Ltd                        | Non-confidential | No  |
| First Utility                          | Non-confidential | No  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No, addressed above.  |
| Total Gas & Power                      | Non-confidential | No  |

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| ScottishPower       | Non-confidential | No  |
| ICoSS               | Non-confidential | None beyond those already made  |
| <b>TIG Comments</b> |                  | <p>TIG agreed with the proposed legal text changes. Some of the changes to be made are:</p> <ul style="list-style-type: none"> <li>• Updating terminology</li> <li>• Replacing participating Supplier with Qualifying Supplier</li> <li>• Update paragraph references</li> <li>• Align the Self- Certification process with the SPAA</li> </ul> |

| Company                  | Confidential/<br>Anonymous | 23. Do you have any further comments on DCP 288?   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | DCP 288 matches GTDIS in application – the only variation is the theft target volumes and values. This give consistency across the fuels as a similar approach for both should be taken by the industry so is fairer to the Customer and facilitates implementation for Suppliers. |
| Supplier 1               | Anonymous                  | No   |
| Utilita Energy Ltd       | Non-confidential           | We believe DCP 288 is the fairest and most robust solution. It also mostly reflects the current arrangements of the GTDIS and will be most easily adopted by Suppliers who are already participating in the Scheme.  |
| British Gas              | Non-confidential           | No   |
| Electricity North West   | Non-confidential           | For Supplier respondents   |
| Supplier 2               | Anonymous                  | No response.   |
| SmartestEnergy           | Non-confidential           | No   |

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| Opus Energy Ltd                        | Non-confidential | We support DCP 288. Only with a theft target can detection of theft be guaranteed. This methodology is also consistent with that used for gas. |
| npower                                 | Non-confidential | No, but see Q 24.  |
| UK Power Networks                      | Non-confidential | No.  |
| Haven Power Ltd                        | Non-confidential | No   |
| First Utility                          | Non-confidential | No   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No.  |
| Total Gas & Power                      | Non-confidential | No   |
| ScottishPower                          | Non-confidential | No   |

|                     |                  |                          |
|---------------------|------------------|--------------------------|
| ICoSS               | Non-confidential | No.                      |
| <b>TIG comments</b> |                  | The TIG noted responses. |

| Company                  | Confidential/<br>Anonymous | <b>24. Do you agree with the TIG's view to increase the residential theft target value as a consequence of the increase in volumes? If not, please provide your rationale</b>  |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No – 28,000 was based on a cap on the “incentive pot” not as a target based on historical data of confirmed thefts. An automatic increase based on an increase in supply points should not be assumed. Any amendment to the proposed target should be based on the TRAS Theft target methodology or stay “as is” until the TRAS theft target is in place to ensure there is sufficient empirical volumetric analysis to support an increase (or decrease). |
| Supplier 1               | Anonymous                  | No – the increase was based on TRAS numbers and some forecasting, it was not a true number. We would recommend that a request is given to the TRAS Service Provider for the June 2016-2017 confirmed theft numbers to see how many there were and to produce a target from that. It is accurate information and although the Ofgem guidance does state similar projections it was not based on current information   |
| Utilita Energy Ltd       | Non-confidential           | Yes, we are supportive that the theft targets should be in line with data provided by TRAS.  |
| British Gas              | Non-confidential           | Yes. The initial theft target value was based on an expectation to deliver 32,000 confirmed thefts. As it is proposed to increase the total number of expected confirmed thefts to 35,000, it makes sense to increase the overall size of the incentive pot.   |
| Electricity North West   | Non-confidential           | For Supplier respondents   |
| Supplier 2               | Anonymous                  | No response.   |

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| SmartestEnergy                         | Non-confidential | Yes   |
| Opus Energy Ltd                        | Non-confidential | No comment.   |
| npower                                 | Non-confidential | No. We think it would be preferable for the first year at least to leave targets as they are and then review at the end of year one to allow the scheme to bed in and address any issues.   |
| UK Power Networks                      | Non-confidential | Yes, this reflects the latest available data evidencing discovered instances of theft.  |
| Haven Power Ltd                        | Non-confidential | No comment.   |
| First Utility                          | Non-confidential | We would urge caution in increasing the volumes for the domestic theft target. We have reviewed the performance of the Gas Theft Detection Incentive Scheme for June 2017 and if those domestic numbers persist, the industry will not achieve that target. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes, we agree with the TIG's view   |
| Total Gas & Power                      | Non-confidential | Yes   |

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| ScottishPower       | Non-confidential | We do not agree with the rise in theft target based on current industry performance as reported from TRAS. We understand that the theft target is still under discussion within the TRAS Expert Group and would expect to await feedback from the TEG fully explaining rationale prior to agreeing the theft target.  |
| ICoSS               | Non-confidential | Yes.  |
| <b>TIG Comments</b> |                  | <p>There were mixed responses on whether to increase the residential theft target value. The TIG noted that for DCP 288 and 288A it does not matter what the theft target value is. If the target is not met this does not mean Suppliers lose out. Payment is based on percentage of annual detection. The target will determine the incentive pot.</p> <p>It was highlighted that Ofgem directed that the theft target is set at 28k plus an increment of 2%.</p> <p>TIG considered whether the target should stay at 28,000 (residential) and 4,000 (commercial) as set by Ofgem. The TIG noted that at the time of the Ofgem direction 4k was set to include cannabis farms however cannabis farms had been removed from commercial as they are most likely to be found in residential premises.</p> <p>The TIG agreed to set the theft target at:</p> <ul style="list-style-type: none"> <li>• 30,000 for residential</li> <li>• 4,000 for commercial</li> </ul> |

| Company                  | Confidential/<br>Anonymous | <b>25. Do you agree with the TIG's view that the cost of commercial theft target should be £400 as proposed under residential theft target? If not, what should the value be set at?</b>   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | Yes – Do not see a requirement to have a different value for commercial theft  |
| Supplier 1               | Anonymous                  | We believe the theft values for Business should be reflective of the potential volume that could have been stolen from the market. Domestic theft is more likely to be detected and more easily identified. The additional investigation required to identify Business theft and the associated volumes should generate additional funding. We feel the value could be derived based on the Profile class of the site, thus using industry data. |
| Utilita Energy Ltd       | Non-confidential           | Yes, we agree unless there is clear rationale provided why this would be different to residential.   |
| British Gas              | Non-confidential           | Yes. The cost associated with investigating commercial theft and residential theft is very similar and we agree that it should be the same for both.   |
| Electricity North West   | Non-confidential           | For Supplier respondents   |
| Supplier 2               | Anonymous                  | Agree  |
| SmartestEnergy           | Non-confidential           | Yes  |

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| Opus Energy Ltd                        | Non-confidential | Yes. Based upon our internal analysis, this appears reasonable.   |
| npower                                 | Non-confidential | We agree with the view of the TIG.  |
| UK Power Networks                      | Non-confidential | In UK Power Networks' experience a Revenue Protection visit to a commercial site experiences similar costs to that of a residential site. |
| Haven Power Ltd                        | Non-confidential | We would like to understand the justification behind it.  |
| First Utility                          | Non-confidential | There is no qualitative information to support a different cost of identifying commercial theft.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes, we agree with the TIG's view.  |
| Total Gas & Power                      | Non-confidential | Yes   |
| ScottishPower                          | Non-confidential | We agree with this target.  |

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| ICoSS               | Non-confidential | Yes.   |
| <b>TIG Comments</b> |                  | A majority agreed with a theft target value of £400. |

| Company                  | Confidential/<br>Anonymous | <b>26. Do you agree that the electricity incentive scheme costs should be aligned to the gas incentive scheme or increased to align with the increased theft target value? If not, please provide your rationale.</b>   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | No – The original Theft Target and theft detection value is sufficient based on current available data. Future increases, if required, should be based on TRAS data, as this gives a more robust and complete picture of theft detection within the industry going forward. |
| Supplier 1               | Anonymous                  | The values for the incentive should be in proportion to the theft within this specific market sector (Electricity). Although a similar methodology could be used the values should be separately derived to reflect each markets theft volumes.                             |
| Utilita Energy Ltd       | Non-confidential           | We are unclear of the question, by costs do you mean the size of the incentive pots?  |
| British Gas              | Non-confidential           | See our response to question 24.  |
| Electricity North West   | Non-confidential           | For Supplier respondents  |
| Supplier 2               | Anonymous                  | Agree that the ETDIS scheme costs should be aligned to the GTDIS  |
| SmartestEnergy           | Non-confidential           | Yes   |

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| Opus Energy Ltd                        | Non-confidential | No. The costings for electricity and gas are too different.   |
| npower                                 | Non-confidential | This question is not clear.   |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.  |
| Haven Power Ltd                        | Non-confidential | No comment.   |
| First Utility                          | Non-confidential | The costs of the electricity incentive scheme should be based on the electricity industry. We are unsure how the gas incentive scheme provides any insight of how much the electricity incentive scheme would cost. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes we agree.   |
| Total Gas & Power                      | Non-confidential | n/a   |
| ScottishPower                          | Non-confidential | The scheme costs should be aligned to the target and increased accordingly if the target increases.   |

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| ICoSS               | Non-confidential | Yes.  |
| <b>TIG comments</b> |                  | Most agreed with TIG's view for the electricity incentive scheme value to be aligned to the gas incentive scheme. |

| Company                  | Confidential/<br>Anonymous | <b>27. Are you supportive of the proposed reporting process for the electricity incentive scheme? Please provide your rationale</b>   |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | Yes – agree with reporting via TRAS submission. Reporting timescales in the legal text may need to be amended in-line with the identified changes that are required for GTDIS to allow adequate time for Suppliers to review and challenge the final two monthly reports at the end of the scheme year. |
| Supplier 1               | Anonymous                  | All the schemes appear to be based on the gas reporting model which has been reviewed recently because it was not fully defined correctly; we would therefore recommend that the reporting is not split by calendar month but as it is driven by TRAS submissions rather than monthly.                  |
| Utilita Energy Ltd       | Non-confidential           | We are supportive. This is a similar procedure to that of the GTDIS and should therefore be somewhat proven and familiar to industry.   |
| British Gas              | Non-confidential           | Yes. We agree as long as this allows sufficient time, at the end of each scheme year, for suppliers to challenge the final months’ confirmed thefts before the final calculation is made.   |
| Electricity North West   | Non-confidential           | For Supplier respondents  |
| Supplier 2               | Anonymous                  | Yes.  |
| SmartestEnergy           | Non-confidential           | Not whilst it refers to the reporting of confirmed theft and there is a danger that small I&C suppliers could be unfairly and adversely affected.   |

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| Opus Energy Ltd                        | Non-confidential | Yes. It is logical for the reporting process to align with that used for the gas scheme.    |
| npower                                 | Non-confidential | Yes, as it is consistent with gas reporting and providing option 4 is selected (Q1).        |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.                                      |
| Haven Power Ltd                        | Non-confidential | Yes. It makes sense for the reporting process to align with the gas scheme.                 |
| First Utility                          | Non-confidential | We support the use of consistent reporting for gas and electricity theft detection schemes. |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | This seems reasonable.  |
| Total Gas & Power                      | Non-confidential | Yes   |
| ScottishPower                          | Non-confidential | Yes. We support this with the benefit of it being fully aligned to the GTDIS.               |

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| ICoSS               | Non-confidential | This seems suitable.   |
| <b>TIG Comments</b> |                  | Most of the respondents agreed with the proposed reporting process for the electricity incentive scheme. |

| Company                  | Confidential/<br>Anonymous | <b>28. Do you consider that each of the CPs (DCP 288, DCP 288A and DCP 288B) better facilitate the DCUSA objectives? Please give supporting reasons against each</b>  |
|--------------------------|----------------------------|---|
| EDF Energy Customers Plc | Non-confidential           | <p>DCP 288 best facilitates DCUSA General Objective 2 as it promotes effective competition in the supply of electricity, as there is an equal target and incentive for all Suppliers to detect theft based on their market share. DCP 288A on the other hand, does not facilitate competition for smaller suppliers as it creates an imbalanced target disproportionate to suppliers market share.</p> <p>We do not agree that the objective of DCP 288B helps ensure suppliers to compete and detect more theft, as the financial incentive is purely to investigate more leads, irrespective of the potential for a lead to identify cases of theft. This may not lead to an increase of Confirmed Thefts, but just an increase in the number of investigations carried out regardless of result.</p> |
| Supplier 1               | Anonymous                  | <p>Each of these proposals support DCUSA general objective 1</p> <p>“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>Specifically this supports the element of an economical Distribution System.</p>   |
| Utilita Energy Ltd       | Non-confidential           | <p>We believe that DCP288 offers the most effective and robust scheme and therefore better facilitates the DCUSA objectives. We have a number of issues with both DCP 288A and DCP 288B therefore question whether they better facilitate the DCUSA Objectives in balance.</p>  |
| British Gas              | Non-confidential           | <p>We believe that DCP 288 better facilitate DCUSA Objective 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 “</p> <p>We believe that this proposal will provide suppliers with a commercial incentive to identify theft on their portfolio by providing financial consequences to those suppliers who do and do not detect theft.</p> <p>The consequence of this proposal therefore will be an increase in the amount of theft detected by Suppliers over and above the volume that would have been detected without the existence of such a</p>  |

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|  |  | <p>scheme. Reducing theft and correcting apportionment of costs to those who drive such costs into the market, therefore improving competition between Suppliers.</p> <p>The scheme will also encourage the follow up of theft leads provided by the Theft Risk Assessment Service given that they will need to demonstrate actual thefts detected rather than demonstrate investigative effort in terms of total visits made.</p> <p>This proposal, along with other measures including Licence conditions and TRAS, will encourage Suppliers to have a robust process in place for dealing with reports of Theft and/or tampering.</p> <p>We do not believe DCP 288A better facilitates DCUSA objective 2 to the same extent as DCP 288 because it distorts the market share figures in favour of Suppliers with less than 2 million customers for years 1 and 2 of the scheme years. We do not believe that this distortion is necessary. The proposer explained that the reason for the proposed approach outlined in DCP 288A is that in its view consumers who switch from large to small Suppliers are less likely to engage in energy theft; therefore larger Suppliers should be responsible for investigating a larger proportion of energy theft. By moving to a smaller Supplier on a fixed tariff, the proposer considered that consumers are reducing their energy bill so would not steal energy. We agree with members of the TIG who argued that this is not the case; consumers switch from large to small suppliers to avoid detection. The TRAS has shown that consumers engaging in energy theft are likely to switch to a smaller Supplier once they find out they are under investigation.</p> <p>We do not believe DCP 288B better facilitates DCUSA objective 2 at all. The proposer of DCP 288B believes that DCP 288B should have the effect of ameliorating the potential scenario under the current proposed arrangements, whereby a Supplier may follow up all leads given to it by the TRAS Service Provider or an electricity Distribution Network Operator but still incur debits under the scheme due to no actual theft being found, and create the necessary incentive to detect theft and avoid cross-subsidy.</p> <p>The original DCP 288 provides an incentive scheme target of 32,000 confirmed thefts split 28,000 domestic and 4,000 commercial in line based on the Ofgem “Tackling Electricity Theft – The way forward Final Impact Assessment” document dated 4th March 2014. We believe the overall target of 32,000 confirmed thefts based on an approximate electricity customer base of 29 million is relatively modest especially when you consider that electricity theft is considered to be at least £250 million per annum.</p> |
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| Electricity North West | Non-confidential | The intent of all the CPs is to improve theft detection and consequently we do consider they better facilitate DCUSA General Objective Two.   |
| Supplier 2             | Anonymous        | Yes, for DCP288A. It is in line with DCUSA objective 2 in regards to competition in the generation and supply of electricity  |
| SmartestEnergy         | Non-confidential | DCP 288 and DCP288A are detrimental to competition  |
| Opus Energy Ltd        | Non-confidential | No comment.   |
| npower                 | Non-confidential | Yes. Increased theft detections will decrease the number of thefts, which will reduce cost impact to suppliers. Theft costs to suppliers are not likely to be proportional and therefore reducing them will benefit competition between suppliers.  |
| UK Power Networks      | Non-confidential | Both DCP288 and DCP288A better facilitate the DCUSA objectives in driving efficiency through reducing theft losses; the relative merits between these two solutions (which are the same from Year 3) are a matter for supplier parties to conclude. Whilst DCP288B also has the potential to reduce theft losses it is at the moment a less fully developed solution and the allocation of Scheme monies on the basis of completed investigations, whether successful or not, risks the 'mechanism' not being totally aligned to the 'objective'. |
| Haven Power Ltd        | Non-confidential | We consider that DCUSA Objective 2 is better facilitated by DCP 288B and DCP 288A, as these proposals provide suppliers with an appropriate incentive to detect theft within their customer portfolio through an equitably incentivised scheme.<br><br>We do not agree that Objective 2 is better facilitated by DCP 288. This proposal appears to favour suppliers with larger non-domestic portfolios (measured by number of meter points) and those without a preponderance of I&C customers, which could impact effective competition.        |

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| First Utility                          | Non-confidential | <p>DCP 288 – We believe this has a negative impact on DCUSA Objective 2 due to the restrictive nature of charging suppliers for not identifying theft of energy despite conducting thorough investigations which include site visits not identifying Confirmed Theft.</p> <p>DCP 288A – This has a positive impact on DCUSA Objective 2 as it provides a more fair approach to smaller suppliers for whom consumers have engaged in switching activity and do not need to engage in theft of energy.</p> <p>DCP 288B - This has a positive impact on DCUSA Objective 2 as it applies a target based on the number of leads provided to each supplier.</p>  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | <p><b>DCP 288B</b> – We believe that this will better facilitate DCUSA Objective 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”. This proposal provides an appropriate financial incentive to investigate and detect theft whilst avoiding the potential cross subsidy that might be created where payment was linked only to discovery of theft rather than completion of investigation of leads and qualifying outliers.</p> <p><b>DCP 288/288A</b> – We believe that these proposals do not facilitate DCUSA Objective 2 to a greater extent than 288B. Measuring supplier performance solely on detection of theft does relies on the belief that theft is evenly distributed across the retail market which anecdotal evidence suggests is not valid. Setting the measurement at the number of thefts rather than the performance of the investigation process means parties could be unduly penalised for finding no theft, despite initiating extensive investigations following the lead / qualified outlier.</p> |
| Total Gas & Power                      | Non-confidential | <p><b>DCP 288B</b> – We believe that this will better facilitate DCUSA Objective 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”. This proposal provides an appropriate financial incentive to investigate and detect theft whilst avoiding the potential cross subsidy that might be created where payment was linked only to discovery of theft which suppliers might not detect despite their best efforts to do so as well incurring costs related to this.</p> <p><b>DCP 288/288A</b> – We believe that these proposals do not facilitate DCUSA Objective 2 to a greater extent than 288B. Measuring supplier performance solely on detection of theft relies on the belief that theft is evenly distributed across the retail market we believe is not the case. Setting the measurement at the number of thefts rather than the performance of the investigation process means parties could</p>  |

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|                     |                  | be unduly penalised for finding no theft, despite initiating extensive investigations following the lead / qualified outlier.  |
| ScottishPower       | Non-confidential | Yes. These provide suppliers with a financial incentive to investigate reported cases of energy theft.   |
| ICoSS               | Non-confidential | <p><b>DCP 288B</b> – We believe that this will better facilitate DCUSA Objective 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”. This proposal provides an appropriate financial incentive to investigate and detect theft whilst avoiding the potential cross subsidy that might be created where payment was linked only to discovery of theft which suppliers might not detect despite their best efforts to do so as well incurring costs related to this.</p> <p><b>DCP 288/288A</b> – We believe that these proposals do not facilitate DCUSA Objective 2 to a greater extent than 288B. Measuring supplier performance solely on detection of theft does relies on the belief that theft is evenly distributed across the retail market which anecdotal evidence suggests is not valid. Setting the measurement at the number of thefts rather than the performance of the investigation process means parties could be unduly penalised for finding no theft, despite initiating extensive investigations following the lead / qualified outlier.</p> |
| <b>TIG comments</b> |                  | TIG to agree on which DCUSA Objectives are better facilitated by each CP. Change Report to further explain TIG views.  |

| Company                  | Confidential/<br>Anonymous | <b>29. Are you supportive of the proposed implementation date of 1 February 2018, two months following authority decision?</b>   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | Yes – if Scheme Year 1 is extended to allow Scheme Year 2 to coincide with GTDIS Scheme Year 2.  |
| Supplier 1               | Anonymous                  | No – we would prefer any solution to be implemented with the same delivery date as the gas scheme rather than running them for different periods especially when the delivery would only be a couple of months different. As some Suppliers maybe electricity only they will be unlikely to have already implemented a solution so could require system changes so would prefer to have a longer period of implementation. |
| Utilita Energy Ltd       | Non-confidential           | Yes, two months following authority decision should provide Suppliers and the Code Administrator sufficient time to ensure arrangements are in place.  |
| British Gas              | Non-confidential           | We are supportive of an implementation date of 1 <sup>st</sup> February 2018 to align with the scheduled DCUSA release date.   |
| Electricity North West   | Non-confidential           | For Supplier respondents.  |
| Supplier 2               | Anonymous                  | Yes.   |
| SmartestEnergy           | Non-confidential           | No.  |

|  |                  |   |
|--|------------------|---|
| Opus Energy Ltd                        | Non-confidential | No. For consistency, this should align with the June 2018 GTDIS Scheme Year 2.  |
| npower                                 | Non-confidential | Yes, providing approval is given before the 1 <sup>st</sup> December, but should be implemented no earlier than 1 <sup>st</sup> February 2018.        |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents but it concerns existing, mandatory Revenue Protection activity so two months seems reasonable. |
| Haven Power Ltd                        | Non-confidential | No. To align with the gas scheme, the implementation date should be June 2018.  |
| First Utility                          | Non-confidential | Yes   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | Yes.  |
| Total Gas & Power                      | Non-confidential | Yes   |
| ScottishPower                          | Non-confidential | Yes.  |

|                     |                  |   |
|---------------------|------------------|---|
| ICoSS               | Non-confidential | Yes.  |
| <b>TIG Comments</b> |                  | The TIG considered the proposed implementation date and noted the arguments for aligning the gas and electricity schemes.<br>The group agreed to align the schemes and implement the electricity Incentive scheme on 1 June 2018. |

| Company                  | Confidential/<br>Anonymous | <b>30. How long after the authority approval should the scheme be implemented?<br/>Please provide your rationale</b>   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | 2 month minimum to allow sufficient time for implementation.   |
| Supplier 1               | Anonymous                  | As covered in question 29 if system changes are required then adequate development time is required and also required but our preference remains the gas and electricity schemes to be running on the same annual sequencing.  |
| Utilita Energy Ltd       | Non-confidential           | This question seems to repeat question 29. We confirm we believe 2 months is sufficient and this was the approach followed for implementing the GTDIS.   |
| British Gas              | Non-confidential           | We believe the scheme should be implemented as soon as possible after authority approval. However we recognise that the current timetable for industry voting and authority approval may make it difficult to achieve a scheme start date on 1 <sup>st</sup> March 2018. We would therefore propose that the electricity theft detection incentive scheme year is aligned with the gas theft incentive scheme and starts on 1 <sup>st</sup> June 2018. |
| Electricity North West   | Non-confidential           | For Supplier respondents.  |
|                          | Anonymous                  | 2 months as per the proposal.  |
| SmartestEnergy           | Non-confidential           | We believe that suppliers will need six months to implement processes and allocate resource to such an activity.   |

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| Opus Energy Ltd                        | Non-confidential | A minimum of 2 months but with implementation no earlier than the June 2018 GTDIS Scheme Year 2.   |
| npower                                 | Non-confidential | At least two months – this will give time for final planning, which cannot take place until all details are confirmed.   |
| UK Power Networks                      | Non-confidential | (See Q29).   |
| Haven Power Ltd                        | Non-confidential | We would not be supportive of an implementation date <6 months following authority approval, as we do not believe a short time frame allows for robust system and process changes.                 |
| First Utility                          | Non-confidential | We have no strong opinions on the implementation of the scheme.  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | We believe that a period of at least 6 months from authority approval should be provided for implementation in order to allow suppliers to make the necessary internal system and process changes. |
| Total Gas & Power                      | Non-confidential | 6 months would provide sufficient time for suppliers   |
| ScottishPower                          | Non-confidential | At least 2 months after approval.  |

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| ICoSS               | Non-confidential | We believe that a period of at least 6 months from authority approval should be provided for implementation in order to allow suppliers to make the necessary internal system and process changes. |
| <b>TIG Comments</b> |                  | Based on the decision to move the implementation date to 1 June 2018, the lead time for implementing the scheme is likely to be at least three months.   |

| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>31. Do you think the electricity Scheme Year should coincide with Gas Incentive Scheme? Please provide your rationale</b>  |
|--------------------------|------------------------------------|---|
| EDF Energy Customers Plc | Non-confidential                   | Yes – More efficient for a dual fuel Supplier to performance manage aligned Schemes.  |
| Supplier 1               | Anonymous                          | Yes – the TRAS Theft Target will be created for both fuels and reviewed annually so it would be sensible to therefore have the two schemes running together and reviewed at the same points or there will be crossover which could cause confusion. |
| Utilita Energy Ltd       | Non-confidential                   | Yes. This will provide simplicity and increased efficiency across supplier operations.  |
| British Gas              | Non-confidential                   | Yes – please see response to question 30  |
| Electricity North West   | Non-confidential                   | For Supplier respondents.   |
| Supplier 2               | Anonymous                          | Yes. It will be more efficient to action.   |
| SmartestEnergy           | Non-confidential                   | We see no reason why this should be necessary.  |
| Opus Energy Ltd          | Non-confidential                   | Yes, for consistency.   |

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| npower                                 | Non-confidential | Yes, where possible it will be helpful to have both fuels aligned for purposes of comparison and administrative ease. We would agree to a delayed implementation or longer / shorter first year (depending on implementation date) to accommodate this. The metrics behind the scheme would need to be adapted to accommodate any change in the time period. |
| UK Power Networks                      | Non-confidential | This matter is best addressed by supplier respondents.   |
| Haven Power Ltd                        | Non-confidential | Yes, providing this allows for sufficient notice of implementation.  |
| First Utility                          | Non-confidential | Again we have no strong feelings on whether the gas and electricity schemes should be aligned.   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | This seems reasonable.   |
| Total Gas & Power                      | Non-confidential | Yes  |
| ScottishPower                          | Non-confidential | Yes. We believe this provides a consistent approach with both the GTDIS and the ETDIS.   |
| ICoSS                                  | Non-confidential | This seems suitable.   |

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| <b>TIG Comments</b> | The TIG agreed to implement the electricity incentive scheme on 1 June 2018 therefore, aligning with the gas scheme. |
|---------------------|--|

| Company                  | Confidential/<br>Anonymous | <b>32. Are there any additional changes you would like to suggest to ensure the effective implementation of the Electricity Theft Detection Incentive Scheme? If yes, please provide your rationale.</b> |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No   |
| Supplier 2               | Supplier 1                 | n/a  |
| Utilita Energy Ltd       | Non-confidential           | No.  |
| British Gas              | Non-confidential           | No.  |
| Electricity North West   | Non-confidential           | For Supplier respondents.  |
| Anonymous                | Supplier 2                 | No.  |
| SmartestEnergy           | Non-confidential           | Please see answers to other questions in this response.  |
| Opus Energy Ltd          | Non-confidential           | No.  |

|  |                  |       |
|--|------------------|-------|
| npower                                 | Non-confidential | None. |
| UK Power Networks                      | Non-confidential | No.   |
| Haven Power Ltd                        | Non-confidential | No    |
| First Utility                          | Non-confidential | No    |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No.   |
| Total Gas & Power                      | Non-confidential | No    |
| ScottishPower                          | Non-confidential | No.   |
| ICoSS                                  | Non-confidential | No.   |

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|---------------------|----------------------|
| <b>TIG Comments</b> | TIG noted responses. |
|---------------------|----------------------|

| Company                  | Confidential/<br>Anonymous | <b>33. Are there any alternative solutions or unintended consequences that should be considered by the Theft Issues Group?</b>   |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No   |
| Supplier 1               | Anonymous                  | n/a  |
| Utilita Energy Ltd       | Non-confidential           | No.  |
| British Gas              | Non-confidential           | No.  |
| Electricity North West   | Non-confidential           | For Supplier respondents.  |
| Supplier 2               | Anonymous                  | No.  |
| SmartestEnergy           | Non-confidential           | <p>Yes – we believe that the legal text for DCP288 should explicitly exempt suppliers with less than 1% market share (on an MPAN basis) from participating in the scheme. This will mean that smaller I&amp;C suppliers do not end up paying into the scheme with no hope of detecting any theft. In essence, we agree with the Proposer of DCP288B that both DCP288 and DCP288A create a cross-subsidy from Suppliers who may have a lesser proportion of theft within their portfolio than their market share might suggest to those Suppliers where the reverse is true.</p> <p>The DCUSA currently does not define Theft Target accurately. It is used in the sense of an overall Theft Target (as in Schedule 25) and it is used in the sense of a Supplier’s individual target (in the proposed legal drafting.) There is reference to a “Theft Target of less than 1” but the scale is not defined in the</p> |

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|  |                  | DCUSA or the proposed legal drafting. It is inappropriate to refer to a Theft Target of less than 1 within the DCUSA where the methodology is outside of the DCUSA and subject to change or misinterpretation outside of the remit of the DCUSA. |
| Opus Energy Ltd                        | Non-confidential | No.  |
| npower                                 | Non-confidential | No.  |
| UK Power Networks                      | Non-confidential | No.  |
| Haven Power Ltd                        | Non-confidential | No   |
| First Utility                          | Non-confidential | No   |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No.  |
| Total Gas & Power                      | Non-confidential | No   |

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|---------------------|------------------|---------------------|
| ScottishPower       | Non-confidential | No.                 |
| ICoSS               | Non-confidential | No.                 |
| <b>TIG Comments</b> |                  | TIG noted responses |

| <b>Company</b>           | <b>Confidential/<br/>Anonymous</b> | <b>34. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?</b>                      |
|--------------------------|------------------------------------|--|
| EDF Energy Customers Plc | Non-confidential                   | TRAS target methodology review – preferable to use this for ETDIS scheme year 2 target to be in line with Scheme year 3 for gas. |
| Supplier 1               | Anonymous                          | No   |
| Utilita Energy Ltd       | Non-confidential                   | No.  |
| British Gas              | Non-confidential                   | No.  |
| Electricity North West   | Non-confidential                   | For Supplier respondents.  |
| Supplier 2               | Anonymous                          | No.  |
| SmartestEnergy           | Non-confidential                   | No   |
| Opus Energy Ltd          | Non-confidential                   | No.  |

|  |                  |     |
|--|------------------|-----|
| npower                                 | Non-confidential | No. |
| UK Power Networks                      | Non-confidential | No. |
| Haven Power Ltd                        | Non-confidential | No  |
| First Utility                          | Non-confidential | No  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No. |
| Total Gas & Power                      | Non-confidential | No  |
| ScottishPower                          | Non-confidential | No. |
| ICoSS                                  | Non-confidential |     |

**TIG Comments**

The TIG noted the following industry development likely to impact or be impacted by the implementation of the electricity incentive scheme:

- The introduction of mandatory Half-Hourly settlement
- smart meter installations might impact theft overall not just the incentive scheme.
- Terms of Use tariffs could have an impact on the scheme
- Supplier investigation processes might be impacted

| Company                  | Confidential/<br>Anonymous | 35. Do you have any further comments?  |
|--------------------------|----------------------------|--|
| EDF Energy Customers Plc | Non-confidential           | No   |
| Supplier 1               | Anonymous                  | No   |
| Utilita Energy Ltd       | Non-confidential           | No.  |
| British Gas              | Non-confidential           | No.  |
| Electricity North West   | Non-confidential           | We have noted earlier the need to all Suppliers to be obliged to submit monthly data to TRAS for option 4 to be effective. In addition we would like to query whether it would be appropriate to introduce restrictions/blocks on customers changing supplier while an investigation is ongoing. We have experienced a COS happening many times during the course of an investigation, even right up to the day of a warrant execution, and when we have been advised there has been a COS by the old supplier we have had to stop the investigation. This creates unnecessary disruption and costs. |
| Supplier 2               | Anonymous                  | None   |
| SmartestEnergy           | Non-confidential           | Of the options presented our preference is for DCP288B. However, this needs further work. It is important that the final solution does not penalise smaller I&C suppliers who have a lower proportion of theft in their portfolio compared with non-domestic suppliers who have more SME.  |
| SmartestEnergy           | Non-confidential           | No   |

|  |                  |     |
|--|------------------|-----|
| Opus Energy Ltd                        | Non-confidential | No. |
| npower                                 | Non-confidential | No. |
| UK Power Networks                      | Non-confidential | No. |
| Haven Power Ltd                        | Non-confidential | No  |
| First Utility                          | Non-confidential | No  |
| Gazprom Marketing & Trading Retail Ltd | Non-confidential | No. |
| Total Gas & Power                      | Non-confidential | No  |
| ScottishPower                          | Non-confidential | No. |

|                     |                  |  |
|---------------------|------------------|--|
| ICoSS               | Non-confidential | No.  |
| <b>TIG Comments</b> |                  | The TIG noted the Electricity North West response on whether it would be appropriate to introduce restrictions/blocks on customers changing supplier while an investigation is ongoing. The group supported that view but highlighted that this change could be made under the MRA or retail code. It was noted that with faster switching customers can quickly change Supplier while they are being investigated, this has an impact on existing the Supplier's ability to complete an investigation or confirm theft. |

