



DCUSA CONSULTATION

DCP 264 - Introduction of Energy Theft Tip Off Line Service

Executive Summary

DCP 264 seeks to introduce a new schedule to the DCUSA setting out obligations for Distributors and Suppliers in relation to the Energy Theft Tip Off Service (ETTOS).

This change is introducing the ETTOS provisions and will require Suppliers and Distributors to cooperate with the ETTOS Service Provider. It is not anticipated that Parties will be required to make any changes to their systems.

This consultation is seeking views from Distributors and Suppliers regarding the proposal to include provisions relating to the Energy Theft Tip Off Line Service in the DCUSA. Parties are invited to provide their responses by **Monday, 18 April 2016**.

1 PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors and electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 This document is a consultation issued to DNOs, IDNOs, Suppliers, any other interested Parties and the Authority in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 264 'Introduction of Energy Theft Tip Off Line Service'. Parties are invited to consider the questions set out below and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by **Monday, 18 April 2016**.

2 BACKGROUND OF DCP 264

- 2.1 Standard Licence Condition 12 of the Supply Licence and Standard Licence Condition 49 in the Distribution Licence place obligations on Suppliers and Distributors to detect and investigate theft. These are facilitated within the DCUSA via the Theft Code of Practice (Schedule 23) which sets out specific obligations on Suppliers and Distributors regarding theft.
- 2.2 As part of industry discussions regarding the introduction of a Theft Risk Assessment Service (TRAS), parties identified a requirement for a tip off service to enable members of the public to report suspected theft. Delivery of an Energy Theft Tip Off Line Service (ETTOS) was initially included in the scope of the TRAS and introduced into the DCUSA through DCP 201¹. When the TRAS Service Provider was appointed, SPAA and DCUSA requested that the TRAS Service Provider should work with the preferred ETTOS Service Provider to agree an operating model and sign a contract for services.
- 2.3 However in November 2015, SPAA and DCUSA determined that an acceptable contract could not be implemented between the TRAS Service Provider and the preferred ETTOS Service Provider. Therefore, a project was initiated to facilitate delivery of the ETTOS via a direct tripartite contract between SPAA, DCUSA and the ETTOS Service Provider.

¹ DCP 201 - Provisions for the Theft Risk Assessment Service

- 2.4 This CP has been raised to remove references to the ETTOS from the TRAS Schedule (25), and introduce a new DCUSA Schedule which will include details of the service to be implemented.
- 2.5 DCUSA CP 264 was raised by E.ON UK and seeks to include provisions relating to the Energy Theft Tip Off Line Service in the DCUSA. An equivalent SPAA CP has been raised (draft SPAA CPD 16/325).

3 WORKING GROUP ASSESSMENT

- 3.1 The DCUSA Panel acknowledged that a Tip Off Line Subgroup has already been established to oversee the implementation of the Energy Theft Tip Off Line Service. Therefore, it would be more efficient to use this Tip Off Line Subgroup to assess the DCP 264, rather than creating a new working group. DCUSA Parties were provided with information regarding DCP264 and the relevant Working Group meetings were held in open session so DCUSA Parties not represented on the Tip Off Line Subgroup could attend.
- 3.2 Prior to DCP264 being formally raised, a Request for Information was issued to SPAA and DCUSA Parties in December 2015 seeking views from Gas Transporters, Electricity Distribution Network Operators (DNOs) and Suppliers regarding the proposed process for disseminating tip offs to Network Operators where the relevant Suppliers cannot be identified by the ETTOS Service Provider. Responses to this RFI were considered by the TRAS Tip Off Line Subgroup and have been included as attachment 4.

Access to ECOES and DES

- 3.3 In their review of the RFI, the Working Group noted that the ETTOS Service Provider will use the Electricity Central Online Enquiry Service (ECOES) to identify the relevant Supplier or Distributor for electricity tip offs. The Working Group discussed whether the ETTOS Service Provider could also be given access to the Gas Data Enquiry Service (DES) to identify the relevant Supplier or Gas Transporter. It was noted that DES contains a significant amount of information that is not needed for the ETTOS service. Therefore, an alternative proposal was considered where the required data would be provided by Xoserve to the ETTOS Service Provider without requiring access to DES.

- 3.4 The Service Provider requires access to the relevant data via ECOES in electricity, or Xoserve in gas at least a month before the ETTOS Go Live to allow them to train their team on DES and ECOES processes.

Dissemination of Energy Theft Tip Offs

- 3.5 During its consideration of DCP264, the Working Group agreed that there are three categories for disseminating tip offs as follows:

- The ETTOS Service Provider identifies the relevant Supplier through ECOES in electricity and via Xoserve data in gas and reports a tip off to the Supplier;
- Where the relevant Supplier cannot be identified, the ETTOL Service Provider issues the tip off to the relevant Gas Transporter or Electricity Distributor to help identify the specific address and/or the relevant Supplier; and
- Non specific Tip Offs - where the ETTOL Service Provide is unable to identify the specific address or relevant Supplier. It was noted that although these tip offs may not be relevant at the time of investigation they should be captured so that they are not lost as they may be relevant at a future date.

- 3.6 The group discussed how the tip off information would be reported between the ETTOL Service Provider and the Network Operators:

- 3.7 **Electricity** - It was observed that the ETTOS service provider would issue a tip off to the Distributors to help clarify an address or identify the Supplier. It was initially proposed that where the Distributor is able to identify the Supplier, then they would pass the tip off on to the relevant Supplier. However, Distributors expressed a preference for feeding this information back to the ETTOS Service Provider so that the Tip Off can be re issued to the correct recipient.

- 3.8 **Gas** - The gas process is more complicated due to the involvement of Shippers. However, it was accepted that if a supply point is identified where there is a Shipper but no Supplier then the Gas Transporter can raise the issue on Xoserve's Contact Management Service (CMS) and it will be passed to the Shipper. It was noted that changes being brought in by

Project Nexus will enable the relevant Supplier to be identified for iGT supply points using Xoserve data. Nexus Go Live is currently scheduled for 1 October 2016. It was highlighted that prior to the implementation of Project Nexus, tip offs may be issued to the iGT where the Supplier is not recorded or they would be issued to the Gas Transporter who would feed these back as unmatched.

- 3.9 The Working Group agreed that there should be a feedback loop for Network Operators to provide their findings, or Suppliers to highlight where they have received a tip off in error. This feedback loop has been included in the ETTOS Operating Model.
- 3.10 The group noted that although there are requirements for Network Operators to cooperate and investigate theft within the SPAA and DCUSA codes, updates may be required to the legal text to ensure that Network Operators comply with the ETTOS arrangements. Schedule 23 of the DCUSA and Schedule 33 of the SPAA may need to be updated to include the ETTOS as a source of theft information.
- 3.11 The group agreed that issuing a tip off to the Network Operators should be a last resort as it is expected that the ETTOS Service Provider will be able to match most tip offs to a relevant Supplier.

Contact Method

- 3.12 It is intended that the ETTOS Service Provider will utilise an email portal to disseminate tip offs. The Working Group therefore do not envisage that Parties will be required to make any changes to their systems to receive tip offs.

Consequential Code Changes

- 3.13 **Network Operator Obligations** – The group noted that there is already an obligation for Network Operators to cooperate and investigate energy theft in DCUSA Schedule 23 and the SPAA Schedule 33. Provisions relating to the ETTOS will form a new source of energy theft information that should be considered in accordance with these Schedules.
- 3.14 The Working Group observed that ETTOS should be a defined term in the SPAA and DCUSA codes stating that Parties shall receive tip offs from the ETTOS Service Provider

and help investigate energy theft.

- 3.15 A new SPAA and DCUSA schedule should be introduced to address provisions relating to the ETTOS service. It was agreed that the ETTOS service should be documented separately to the TRAS Schedules to avoid confusion. Suppliers and Network Operators obligations need to be made clear.

4 ASSESSMENT AGAINST THE DCUSA OBJECTIVES

- 4.1 The Working Group considers that the following DCUSA Objectives are better facilitated by DCP264:

General Objective One - The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

- 4.2 General Objective 1 is better facilitated as reduced theft enables more accurate data about consumption to be utilised by Distributors. More accurate data gives Distributors more opportunity to manage their network in an efficient and economic manner.

General Objective Two - 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

- 4.3 General Objective 2 is better facilitated as the establishment of an ETTOS service enables a more efficient and targeted approach to tackling theft of electricity. This more efficient action in tackling theft reduces costs and therefore helps facilitate competition in the supply of electricity.

General Objective Three - The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

- 4.4 General Objective 3 is better facilitated as the provision of information relating to suspected theft to Distributors may assist Distributors in detecting theft in conveyance and meeting their requirements in Standard Licence Condition 49.

5 DCP 264 – LEGAL DRAFTING

- 5.1 The main elements of the legal text are:
- ETTOS Service Provider Responsibilities;

- ETTOS Recipient (Supplier and Network Operator) Responsibilities; and
- Other Provisions e.g. funding, data protection, performance assurance

5.2 The legal text covers provisions to ensure there is a flow down of liabilities and indemnities from the ETTOS Contract into the Codes.

5.3 The legal text was produced by the DCUSA Legal advisors. The DCP 264 legal text is provided as Attachment 2.

6 DCP 264 – IMPLEMENTATION

6.1 The proposed implementation date for DCP 264 is five working days following Authority decision as this change is purely introducing new obligations on Suppliers and Distributors to cooperate with the ETTOS Service Provider. Parties will not be required to make any changes to their systems ahead of the implementation date.

7 DCP 264 – CONSULTATION QUESTIONS

7.1 The Working Group is seeking industry views on the following consultation questions:

Question Number	Question
1	Do you understand the intent of the CP?
2	Are you supportive of the principles of the CP?
3	Do you have any comments on the draft legal text?
4	Do you consider that the proposal better facilitates the DCUSA objectives? Please give supporting reasons.
5	Are you supportive of the proposed implementation date of 5 Working days following Authority decision?
6	Do you have any other comments on the CP264?
7	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

7.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than **Monday, 18 April 2016**.

- 7.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

8 NEXT STEPS

- 8.1 Responses to the consultation will be reviewed by the Working Group. The CP will then be progressed through the change process agreed by the DCUSA Panel as set out below:

No.	Event	Target Date
1	Working Group meeting to review consultation responses, update legal text and agree Change Report	w/c 25 April 2016
2	Issue Change Report to DCUSA Panel.	13 May 2016
3	DCUSA Panel approves Change Report and Change Report issued for voting.	18 May 2016
4	DCUSA Voting Closes.	15 June 2016
5	Change Declaration issued to parties and Ofgem	17 June 2016
6	Implementation Date.	5 Working Days following Authority Consent

- 8.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA helpdesk by email to dcusa@electralink.co.uk or telephone 020 7432 3008.

9 ATTACHMENTS

Attachment 1 – Response Form

Attachment 2 – DCP 264 Legal Text

Attachment 3– DCP 264 Change Proposal

Attachment 4 - Dissemination of Energy Theft Tip Offs