



DCUSA Change Report

DCP 201 - Provisions For The Theft Risk
Assessment Service (TRAS)

1 PURPOSE

- 1.1 This document is issued in accordance with Clause 11.20 of the DCUSA and details DCP 201 – Provisions For The Theft Risk Assessment Service (TRAS) (Attachment 3).
- 1.2 The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.
- 1.3 Parties are invited to consider the proposed amendments (Attachment 2) and submit their votes using the form attached as Attachment 1 to dcusa@electralink.co.uk no later than **19 February 2014**.

2 Executive Summary

- 2.1 DCP 201 was raised by E.ON to set up a framework for the governance of a Theft Risk Assessment Service (TRAS) and introduce relevant definitions in to DCUSA. The DCUSA Panel agreed to act as the Working Group for this change. A draft legal text has been proposed which acts as Attachment 2 to this report and sets out the calculation of costs for the Theft Risk Assessment Service Arrangements under the DCUSA.
- 2.2 This CP aims to facilitate through its implementation the development of a joint gas and electricity TRAS by a TRAS Working Group and the procurement of a Dual Fuel TRAS provider under DCUSA and SPAA. The aim of the TRAS is to assist Suppliers' efforts to detect theft by using data to profile the risk of energy theft at premises.

3 BACKGROUND

- 3.1 At its meeting in November 2013, the DCUSA Panel reviewed a letter from Ofgem proposing that a joint electricity and gas TRAS service be established jointly between the DCUSA and the gas Supply Point Administration Agreement (SPAA).
- 3.2 The Panel decided to meet with Ofgem and the SPAA Executive Committee in early January. At that meeting Ofgem and the SPAA EC explained that Standard Licence Condition (SLC) 12A of the Gas Supply Licence was implemented by the Authority on the 07 January 2013 and as a result the Authority issued a Direction, requiring gas Suppliers to implement a gas TRAS.

- 3.3 Ofgem also outlined its expectation that an equivalent direction and licence condition will be issued by Ofgem on electricity Suppliers to implement an electricity TRAS. In practice there are benefits and synergies for Suppliers and other industry parties to utilise one TRAS for both fuels.
- 3.4 This CP has been raised to enable DCUSA to undertake the work required, jointly with SPAA representatives, to establish a joint TRAS service. Without such a change the Panel cannot establish any Working Group (e.g. a joint group with SPAA) to engage in such an activity. It should be noted that the Change Proposal would result in the costs of the establishment of the joint TRAS being borne by Suppliers but the on-going governance arrangements and cost recovery mechanism for the TRAS service, once established, would be determined by this Working Group and will result in a subsequent DCP to bring them into DCUSA (and similarly into SPAA).

4 INTENT OF DCP 201 PROVISIONS FOR THE THEFT RISK ASSESSMENT SERVICE (TRAS)

- 4.1 DCP 201 has been raised by E.ON as a Part 1 Matter and seeks to introduce a duty on the DCUSA Panel to work with the SPAA EC to facilitate:
1. a project to define and procure a joint electricity and gas Theft Risk Assessment Service
 2. the funding mechanism for the project
 3. the on-going governance of the established TRAS insofar as it applies to DCUSA parties, under DCUSA
 4. the inclusion within DCUSA of details of the TRAS service provided, its governance, change control and funding, insofar as it applies to DCUSA parties
 5. the inclusion within DCUSA of reference to the final contractual arrangement with SPAA and the service provider.
- 4.2 The CP has been classified as a Part 1 Matter in accordance with Clause 9.4 as it is to be based on a direction provided from Ofgem. The DCUSA Panel agreed to send this DCP straight to the report phase as it is an enabling change.
- 4.3 The CP has been submitted on the expectation that Ofgem will issue its proposed Supply Licence conditions and direction before this change is implemented.
- 4.4 The purpose of this change is to provide the means by which DCUSA can work with SPAA to develop the TRAS.

5 PROPOSED LEGAL TEXT

5.1 This CP seeks to include provisions for governance of the TRAS in the DCUSA by:

- 1) amending clause 1.1 to include a definition for the Theft Risk Assessment Service Arrangements;
- 2) introducing a new clause 5.3.14 to "*give effect to the Theft Risk Assessment Service Arrangements*";
- 3) amending Clause 8.9 on the cost contributions, Party's cost contributions and recoverable costs to refer to Clause 8.9A; and
- 4) adding a new clause 8.9A to detail the cost calculation of the TRAS.

6 EVALUATION AGAINST THE DCUSA OBJECTIVES

6.1 DCP 201 has been assessed against the DCUSA General Objectives:

- Objective 1¹ – Better Facilitated.
- Objective 2² – Better Facilitated.
- Objective 3³ – No Impact.
- Objective 4⁴ – No Impact.
- Objective 5⁵ – No Impact.

6.2 General Objective 2 is better facilitated as the establishment of a TRAS 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.

6.3 General objective 1 is also better facilitated as reduced theft enables more

¹ The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System

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

³ The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.

⁴ The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.

⁵ Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

accurate data about consumption to be utilised by DNOs. More accurate data gives the DNO more opportunity to manage their network in an efficient and economic manner.

7 IMPACT ON GREENHOUSE GAS OMISSIONS

- 7.1 It is not believed that there is any material impact on greenhouse gas emissions from the implementation of this Change Proposal.

8 IMPLEMENTATION

- 8.1 Subject to Authority approval, DCP 201 will be implemented in the next DCUSA release following Authority Consent.

9 PANEL RECOMMENDATION

- 9.1 The DCUSA Panel approved the DCP 201 Change Report on 04 February 2014. The timetable for the progression of the CP is set out below:

Activity	Target Date
Change Report Agreed	04 February 2014
Party Voting Ends	19 February 2014
Change Declaration Issued	21 February 2014
Indicative Authority Decision	28 March 2014
Implementation	Next DCUSA Release Following Approval

- 9.2 Parties are invited to vote on DCP 201 using the voting form provided as Attachment 1.

10 ATTACHMENTS:

- Attachment 1 – DCP 201 Voting Form
- Attachment 2 – DCP 201 Proposed Legal Text
- Attachment 3 – DCP 201 Change Proposal