

Minutes

Meeting Name	DCP 054 Working Group	Meeting Number	005
Meeting Date	23 March 2010	Meeting Time	10:00
Venue	ElectraLink, 2-3 Golden Square, London, W1F 9HR		

Attendee

Kevin Woollard (Chair)
Angela Mann
Andrew Wallace
Anne Jackson
Bali Dohel (Part Meeting)
Christopher Harding
Colin McKechnie (Teleconference, Part Meeting)
Derek Beale
Danielle King (Part Meeting)
Helena Runesson
Lorraine McGregor (Teleconference, Part Meeting)
Sasha Pearce
Phil Lucas (Part Meeting)
Tony Savka

Alex Burford (Secretary)

Company

British Gas
E.ON UK
Ofgem
SSE Energy Ltd
Scotia Gas Networks
EDF Energy Customers
Scottish Power Energy Retail
EDF Energy Networks
E.ON UK
SPAA Ltd
Scottish Power Energy Retail
NPower
National Grid
Electricity North West
Limited
ElectraLink Ltd

1. ADMINISTRATION

- 1.1 Apologies were received Glenn Sheern from E.ON UK, Mike Blake from EDF Networks, Paul Coyle from Scottish Power Energy Retail and Jon Spence from ELEXON.
- 1.2 KW was appointed as Chair in the absence of Glenn Sheern.

2. MINUTES OF MEETING 004

- 2.1 The minutes were agreed subject to amendment to sections 4.1 and 4.2, and 5.9 which required further detail.

3. OUTSTANDING ACTIONS

- 3.1 An updated Actions Log is attached as Appendix A.
- 3.2 In relation to Action 004/01, the Working Group discussed the 'NHH Revenue Protection Adjustments – Readings v Advances' document developed by Jon Spence. It was noted that the document explains how stolen units can be placed back into settlement.
- 3.3 The group agreed to review the document further at its next meeting. ElectraLink took an action to add to the next agenda for a further discussion.

Action: ElectraLink

4. MEETING SCOPE AND OBJECTIVES

- 4.1 Members noted that theft of energy and revenue protection issues are being discussed across the gas and electricity codes and that as such it had been agreed at both the last DCP 054 Working Group meeting and the SPAA Expert Group (SEG) that there may be merit in holding a joint meeting to consider common practices in gas and electricity.
- 4.2 The Working Group agreed that the objective of the meeting was to identify key principles which impact both gas and electricity with a view to developing a joint Code of Practice (CoP) document for managing theft in both the Gas and Electricity industries. The group agreed that once the CoP has been developed jointly by DCUSA and SPAA members, DCUSA members will continue to develop incentive schemes in relation to the electricity industry and consult with DCUSA Parties accordingly.

5. DCUSA/SPAA JOINT DISCUSSION ON THE THEFT OF GAS AND ELECTRICITY

- 5.1 The Working Group noted the key principles developed by the UNC Mod 0245 Review Group and agreed that the following matters should be included in the CoP:
 - **Make safe.** Where theft is discovered and the meter or pipework has been interfered with, the supply should be made safe immediately. This may include disconnection of the meter or disablement of the supply. The group noted that safety is paramount.

- **Costs are to be borne by those that steal.** Suppliers should pursue the thief for the assessed value of gas/electricity stolen and the costs of the associated investigation. Parties should use reasonable endeavours where possible to prevent theft and seek to recover costs from the guilty parties.
 - **Ensure no illegal reconnection.** Suppliers should revisit premises where theft has been detected within a reasonable period of time in order to ensure the customer has not committed a subsequent act of theft. Parties should ensure that no illegal reconnections are carried out and ensure that realistic procedures are in place to address theft once detected to prevent further theft occurring
 - **Collect and report data.** When theft is detected, it is important that information relating to that detection is shared throughout the industry (see item 1 on the 'revenue protection – exchanges of information' paper)). Parties agreed that advice should be sought from the Information Commissioner as to what information would be appropriate to share.
 - **Networks collate and issue data.** Once data is collected, it is important that it is then collated in to usable reports and provided back to the industry (see item 45 the 'revenue protection – exchanges of information' paper). Parties agreed that advice should be sought from the Information Commissioner as to what information would be appropriate to share.
 - **Enable theft reporting.** Suppliers should provide and advertise the means for members of the public to report theft. Parties agreed that Suppliers should have mechanisms in place to enable members of the public to report theft.
- 5.2 The Working Group noted that the CoP should be mindful of industry best practice for the management of customer relationships and in particular the needs of vulnerable customers. Parties agreed that the CoP should be specific about the arrangements for ensuring vulnerable customers are protected.
- 5.3 The Working Group resolved to include an agreed set of principles or guidance for the calculation of stolen energy following a detection of theft. Parties agreed that the CoP should contain a standard approach across the whole industry for governance on calculating stolen units following detection of theft.
- 5.4 The Working Group agreed the following additional principles:
- **Investigation by qualified individuals.** Theft of gas/electricity should only be investigated by a qualified and competent individual.
 - **Standardisation.** The group agreed that the CoP should assist in the standardisation of the industry and ensure that it takes into consideration supplier's revenue protection policies. Ofgem noted the importance of allowing the CoP to be a flexible document.

- 5.5 The Working Group agreed to add a specific section in the CoP to address vulnerable customers to promote best practice of customer's relationship. AW noted that the CoP should set out a common standard but contain a degree of flexibility. KW noted that a number of companies have a disconnection policy in place which prevents them from disconnecting vulnerable customers.

- 5.6 The Working Group discussed the option of having flag placed in Data Collector's systems to notify Supplier when theft is detected or suspected. AM took an action to Speak with the Information Commissioner's Office (ICO) on the issue.

Action: AM

- 5.7 The Working Group agreed that a standard approach for governance of calculating stolen units following detection of theft should be applied across the industry. AM took an action to develop a proposal for review by the group.

Action: AM

- 5.8 The Group agreed to review the key principles determined by the UNC Mod 0245 Review Group and the draft electricity CoP developed by the ENA / ERA to determine which aspects can be incorporated in the joint CoP. SP took an action to draw up a skeleton matrix for the joint CoP.

Action: SP

- 5.9 The group agreed that a sub-group consisting of SP, DK, AM and AJ should meet in the first instance to consider the principles within the CoP and develop them further. ElectraLink took an action to document the principles as discussed by the Group for discussion at the subgroup meeting.

Action: ElectraLink

6. CONSULTATION DOCUMENT REVIEW

- 6.1 The Working Group reviewed the DCP 054 and incentive schemes consultation document.
- 6.2 The Working Group discussed the purpose of the consultation document and agreed that it should outline the original intent of Change Proposal 054. It was also agreed that the consultation should be set in context. KW took an action to develop additional drafting for the consultation and pass onto the Working Group for review.

Action: KW

- 6.3 The group discussed the Working Group considerations section in the Consultation document. It was agreed that this section should be developed further to explain the incentive schemes. KW took an action to change the Hybrid Incentive Scheme to align it more closely with the reasonable endeavours scheme.

Action: KW

- 6.4 The Working Group reviewed the consultation questions and agreed that the following questions should be included in the consultation:
- Do you currently provide a connection policy for Revenue Protection and are you prepared to share it?
 - Are Suppliers prepared to show its Revenue Protection policy to market comparisons?
 - What is your disconnection policy, in relation to illegal connections to network??
- 6.5 It was noted that the majority of suppliers should have a disconnection policy in place and that the consultation document should also give more background on the issue.
- 6.6 AM noted that E.ON had taken legal advice on the issue of theft in conveyance and took an action to circulate the advice to the Working Group for consideration.

Action: AM

- 6.7 The Working Group agreed to include a financial model in the consultation and list all the variations based on the assumption that customers commit theft of electricity for three years before being identified.
- 6.8 The Working Group agreed that parties should be asked to specify their reasons why they prefer a scheme and list the order of their preferred schemes.
- 6.9 The Working Group also agreed that the consultation should allow Parties to suggest changes, improvements or suggest any other schemes not already considered.
- 6.10 ElectraLink took an action to update the consultation in accordance with the Working Groups' instructions and to circulate it before the next meeting for review.

Action: ElectraLink

7. WORK PLAN

- 7.1 The Working Group agreed to review the following matters at its next meeting:
- 'NHH Revenue Protection Adjustments' paper
 - CoP

- Incentive schemes
- DCP 054 consultation
- Theft in conveyance

8. ANY OTHER BUSINESS

8.1 There was no other business raised at the meeting.

9. DATE OF NEXT MEETING

- 9.1 It was agreed that a sub-group meeting will take place on the 22 April 2010 at Npower in Solihull.
- 9.2 The next full meeting of DCP 054 Working Group will take place at 10.00am on 28 April 2010 at ElectraLink, London.

APPENDIX A – ACTIONS**OPEN ACTIONS**

No.	Action	On	Due
003/01	Review each of the Schemes and report back to the next meeting: Losses Incentives – TS NRPS – GS	TS and GS	Ongoing
005/01	Add to the NHH Revenue Protection Adjustments Document to the next agenda for a further discussion.	ElectraLink	
005/02	Speak with the Information Commissioner's Office (ICO) to understand the potential for / impact of having flag placed in Data Collector's systems to highlight theft.	AM	
005/03	Develop a proposal for a standard approach for calculating stolen units and circulate to the Working Group.	AM	
005/04	Draw up a skeleton matrix for the joint CoP, to be reviewed at the subgroup meeting on the 22 April 2010	SP	
005/05	Document the principles of the CoP as discussed by the Group for discussion at the subgroup meeting	ElectraLink	
005/06	Develop additional drafting for the consultation and pass onto the Working Group for review.	KW	
005/07	Change the Hybrid Incentive Scheme to align it more closely with the reasonable endeavours scheme.	KW	
005/08	Circulate the advice on theft in conveyance to the Working Group for consideration.	AM	
005/09	Update the consultation in accordance with the Working Groups' instructions and circulate it before the next meeting for review.	ElectraLink	

CLOSED ACTIONS

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