

Minutes

Meeting Name	DCP 054 Working Group	Meeting Number	018
Meeting Date	11 February 2011	Meeting Time	10:00
Venue	ElectraLink, 2-3 Golden Square, London, W1F 9HR		

Attendee

Glenn Sheern (Chair)
Andrew Wallace
Angela Mann
Ian Main
Kevin Woollard
Mike Blake
Sasha Pearce
Tony Savka
Alex Burford (Secretary)

Company

E.ON UK
Ofgem
E.ON UK
Scottish Power
British Gas
UK Power Networks
NPower
Electricity North West
ElectraLink Limited

1. ADMINISTRATION

- 1.1 Apologies were received from and Donna Townsend (ESP Electricity) and Heath Watts – Robinson (Central Networks).

2. MINUTES MEETING 017

- 2.1 The minutes of the previous meeting were agreed subject to a typographical amendment to 6.1 and a change to 7.3 to add clarity that British Gas will raise an alternative to the gas National Revenue Protection Service (NRPS) modification.

3. OUTSTANDING ACTIONS

- 3.1 An updated action log is attached as Appendix A.

4. DCP 080 - THEFT IN CONVEYANCE UPDATE

- 4.1 KW noted that he took an action at the last DCP 054 meeting to raise a CP that seeks to define theft in conveyance as the abstraction of electricity while passing through lines and plant owned / provided by DNO (i.e. up to outgoing cut-out terminals). He noted that the CP has been raised as DCP 080 and also seeks to define the roles and responsibilities of parties when dealing with theft. KW informed the group that the DCP 080 Working Group was established by the Panel to assess the CP and at the first meeting an alternative CP has been raised by UKPN which defines theft in conveyance as the abstraction of electricity for use at premises where supplier is registered "for use at a Premises where there is no registered supplier.
- 4.2 The group noted that a DCP 080 consultation is being drafted which will ask the industry to consider the impact of both interpretations and to highlight their preference.
- 4.3 KW also noted that there was a consensus from the DCP 080 Working Group that if theft can be attributed to a site where there is no registered supplier and no contract or deemed contract it would be considered the responsibility of the Distributor.

5. DCP 054 SUBGROUP UPDATE

- 5.1 SP provided an update on the work done by the DCP 054 Subgroup and members noted the Theft of Electricity and Gas Code of Practice (CoP) document circulated for information prior to the meeting.
- 5.2 It was noted that progression of electricity elements of the CoP is dependent on a decision to the legal questions around the roles and responsibilities in theft in conveyance under DCP 080. It was agreed that the gas elements of the CoP can continue to be developed.
- 5.3 The Working Group noted the Code of Practice consultation which was produced by ElectraLink but agreed to delaying its issue pending the outcome of DCP 080.
- 5.4 The Working Group agreed that the subgroup will progress as a joint venture with representatives from the gas industry and continue to develop the gas elements of the CoP.

6. ISSUE 039 UPDATE

- 7.1 The group noted that the ELEXON working group developing BSC Standing Issue 039 - Processing Unrecorded Units identified by Revenue Protection Services, had now completed its work and a paper had been issued to the BSC Panel highlighting its findings and proposing a number of options that could be progressed. It was noted that it is now up to a BSC party to raise any of the options as a formal modification.
- 7.2 The group noted that it is expected option 3, Settlement Cost Smearing, will be progressed which also addresses theft in conveyance. It was noted that options 1 and 2 do not cover volumes associated with theft in conveyance.

7. INCENTIVE SCHEMES UPDATE

- 7.3 KW noted that British Gas is in the process of raising an alternative to the Gas National Revenue Protection Service (NRPS) and he will update the DCP 054 Working Group as appropriate.
- 7.4 The group noted a draft DCUSA Change Proposal form for a Supplier Energy Theft Scheme (SETS) incentive scheme. KW noted that the scheme could also sit under the UNC to cover gas processes and therefore a second modification may be raised under the UNC.
- 7.5 KW clarified that the proposal will introduce a scheme that will provide Suppliers with an incentive to detect theft. The scheme will also provide transparency, which will ensure that those Suppliers who are inactive in detecting theft are made visible to the industry. This will address the current perverse incentive whereby Suppliers are financially penalised for detecting and reporting theft and introduce the concept of competition in the Revenue Protection Market; rewarding those who find theft with financial benefits linked to the volume of theft they have detected. KW proposed that only those Suppliers who have acceded to the relevant industry code for the full "Scheme Year" will be deemed to be part of the SETS and eligible for payment. The full detail of the proposal is document in 'DCP 054 018 SETS Mod', which can be located in the DCP 054 Working Group 018 meeting papers on the DCUSA website.
- 7.6 The Working Group noted the scope of the CP which includes both HH and NHH metering points.
- 7.7 It was considered that the electricity SETS scheme could sit under the governance of either the DCUSA or the BSC. Under the proposal Suppliers would submit reports of theft detected to the secretariat who would collate the reports and administer the scheme. In order to validate theft detections, and to prevent gaming, Suppliers would be required to collect and retain an agreed minimum level of sufficient evidence to demonstrate on the balance of probabilities that an offence under the Electricity Act has occurred.
- 7.8 It is proposed that the costs of administering the scheme would be borne by both Distributors and Suppliers. KW noted that British Gas is mindful of the discussions currently underway in the Gas Forum on the potential creation of a NRPS and note that this scheme SETS is capable of being modified in future to take account of future NRPS.
- 7.9 KW also noted that a Reasonable Endeavours Incentive scheme is also still being considered by British Gas and it is minded to submit a change to the DCUSA.

8. NEXT STEPS

- 8.1 The progress of the electricity aspects of the theft CoP and the development of Issue 039 (or resultant modification) is dependent on the developments under the DCP 080 Working Group but that the DCP 054 subgroup progress with its work on gas elements of the CoP in the meantime.
- 8.2 A request will be made to the Gas Forum to ask it to take account of electricity when developing the NRPS requirements.
- 8.3 AW noted that Ofgem would need to understand the scope of the electricity NRPS and associated costs before its inclusion in the Ofgem impact assessment on the NRPS.
- 8.4 The Working Group will meet again to consider the scope, funding and impact of an electricity NPRS following the output from the Gas Forum on its gas NRPS ITT. ElectraLink took an action to contact the Gas forum to request a copy of the NRPS proposal for Working Group review.

Action: ElectraLink

9. ANY OTHER BUSINESS

- 9.1 There were no other items of business.

10. DATE OF NEXT MEETING

- 10.1 The date of the next DCP 054 Working Group is to be confirmed.

APPENDIX A – ACTIONS**OPEN ACTIONS**

No.	Action / Update	On	Due
005/02	Speak with the Information Commissioner's Office (ICO) to understand the potential for / impact of having a flag placed in Data Collector's systems to highlight theft. Ongoing AM is awaiting response from ICO.	AM	18/02/11
014/02	Raise a Reasonable Endeavours Change Proposal under the DCUSA so that it is available for inclusion in the Ofgem Impact Assessment. Ongoing, see minutes incentive scheme update.	KW	18/02/11
017/01	Contact the Gas forum, asking them to issue the NRPS proposal to the Working Group for their review.	ElectraLink	18/02/11

CLOSED ACTIONS – at this meeting

No.	Action / Update	On	Due
014/03	Discuss the issue of Gas Forum funding for NRPS discussions at the next Panel meeting. Complete Minute Item 7.4.	GS	04/02/11
017/01	AW took an action to relay comments back initially at Ofgem for comment. Complete. AW noted that Ofgem view has note changed.	AW	04/02/11
017/02	Draft a scheme similar to the Gas Sets Incentive Scheme, for a discussion at the next meeting. Complete Minute Item 7.4	KW	04/02/11
017/03	Raise a CP give a definition of theft in conveyance.	KW	04/02/11

	Complete DCP 080 has been raised.		
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