

Minutes

Meeting Name	DCP 054 Working Group	Meeting Number	037
Meeting Date	09 May 2013	Meeting Time	10:00am
Venue	ElectraLink, 2-3 Golden Square, London, W1F 9HR		

Attendee	Company
Glenn Sheern [GS] (Chair)	E.ON UK
Anne Jackson [AJ]	SSE Energy Supply
Chiara Redaelli [CR]	Ofgem
Christopher Harding [CH]	EDF Energy
Gus Wood [GW]	Wragge & Co. (teleconference)
Ian Main [IM]	Scottish Power
Janet Trellis [JT]	(teleconference)
Jonathan Purdy [JP]	UK Power Networks
Lynne Fallon [LF]	British Gas
Richard Vernon [RV]	Npower
Roger Parnell [RP]	EDF Energy
Tony Savka [TS]	Electricity North West
Claire Hynes [CLH] (Secretary)	ElectraLink Limited

1. ADMINISTRATION

- 1.1 Apologies were received from Angela Mann (E.ON), Lynne Hargrave (Northern Powergrid) and Jon Spence (Elexon).

2. 035 and 036 MEETING MINUTES

- 2.1 The minutes of the previous 035 and 036 were agreed without amendment.

3. OUTSTANDING ACTIONS

- 3.1 The Working Group reviewed the actions from the previous 035 and 036 meetings.
- 3.2 AJ discussed draft wording with the Working Group from the 032/02 action to draft a Best Practice section on the retention of a physical meter for evidence purposes. AJ agreed to provide the draft wording to the secretariat to incorporate in to the CoP.

Action: AJ & ElectraLink

3.3 A summary of new and outstanding actions is attached as Appendix A.

4. OFGEM update on Licence Obligation

4.1 Chiara Redaelli (CR) advised that Ofgem is looking to publish the Electricity Theft Consultation by the end of May 2013. It was noted that there was a delay in the issuing of the consultation as there was a change in senior management and Ofgem wanted to make sure that they were fully on board before issuing the consultation.

4.2 The assessment will be similar to the gas consultation with some exceptions. Ofgem will consult on:

- New licence conditions for suppliers to investigate, detect and prevent theft.
- Principles for new licence obligations for DNOs to investigate electricity suspected to be taken in the course of conveyance; take the necessary actions resulting from such investigations; and to report on their performance to increase accuracy of industry data on theft detection activities.
- Incentive measures. The aim of the incentive measures is to encourage suppliers to increase their level of theft investigation, detection and prevention activities.
- Theft Risk Assessment Service (TRAS). The main functions of the TRAS are to generate the leads for suppliers to investigate and to gather information on their performance in tackling theft.

4.3 The main difference between the gas consultation and electricity consultation is that Ofgem will not consult on one specific incentive scheme. Instead, the consultation will contain a set of policy measures that, if carefully calibrated, have the potential to improve industry performance in tackling theft. There are four main policy measures and the final three are incentives based, as follows:

- 1 *Enhanced Audit and performance assurance of settlement arrangements.*
- 2 *Detection based incentive* (an incentive mechanism that would offer suppliers an incentive payment for each confirmed case of theft detected).
- 3 *Cost Sharing Mechanism* (Settlement arrangements based incentive).

This would allow suppliers to share, with all suppliers, part of the charges a single supplier will incur when entering "theft units" into settlement.

- 4 *Volume based incentive mechanism* (an incentive based on the volume of the units placed in to settlement following a confirmed case of theft).
- 4.4 It was highlighted that Ofgem would welcome views on the best combination of such policy proposals, to be further developed and implemented through industry modification process.
- 4.5 A Working Group member queried *how long Ofgem will be consulting on Electricity theft?* CR advised that the consultation was expected to go out for a couple of months and this consultation will only look at electricity.
- 4.6 Ofgem are looking at clarifying theft-related arrangements for DNOs under RII0-ED1, which is still open. The electricity consultation will be on the high level principles and the detail will be consulted on under RII0-ED1 drafting.

5. Questions on the Code of Practice from the DCUSA Legal advisor

- 5.1 GW reviewed DCUSA clause 32¹ on revenue protection for the reasons when the code of practice applies. The Chair noted that that where a CoP is offered then it should be ensured that the CoP is adhered to. GW noted that the DCUSA currently states *"Where the Company provides a revenue protection service under this Agreement, it shall do so in accordance with the provisions of the Revenue Protection Code of Practice"*. However, the new Revenue Protection Code Of Practice needs to apply to other parties and not just the Company as defined under the DCUSA. The Working Group suggested the wording *"Wherever the Revenue Protection Service is provided under this Agreement, it shall do so in accordance with the provisions of the Revenue*

¹ **32.1** *"Where the Company provides a revenue protection service under this Agreement, it shall do so in accordance with the provisions of the Revenue Protection Code of Practice. Charges for the services so provided shall be calculated in accordance with those specified as applicable to such services in the Relevant Charging Statement and shall be paid in accordance with the provisions of this Section 2A.* **32.2** *The User shall comply with its obligations under the Revenue Protection Code of Practice.* **32.3** *The Company and the User (where it is a Supplier Party) agree that, in enforcing their respective rights in relation to the unlawful abstraction of electricity, there shall be a rebuttable presumption that Theft In Conveyance is the responsibility of the Company and that all other unlawful abstraction is the responsibility of the User"*.

Protection Code of Practice". This will obligate Suppliers to adhere to the Revenue Protection CoP where they are taking their Revenue Protection Service (RPS) from a provider.

- 5.2 AJ raised a concern in regards to the competition elements as historically DCUSA gave a preference to the Distributors RPS and a level playing field will need to be ensured as part of the legal drafting in the DCUSA. If the RPS is from a provider operating on the behalf of a Supplier then the DCUSA will need to clearly state the role of the Supplier where the service is not being taken from the Distributor. This will ensure that there will be no complaints on the provisions within the DCUSA.
- 5.3 One member noted that some Distributors take their RPS from other Distributor's RPS and so the Cop of practice should be applicable to all parties and any inhouse services.
- 5.4 GW agreed to add some legal text that would state that where the Distributors supplies a RPS , it will do so in accordance with the Revenue Protection CoP and where the Supplier is receiving a third party service they will do so in compliance with the Revenue Protection CoP.
- 5.5 The Working Group agreed to the request from GW to remove clause 32.3 as it is already in the Code Of Practice that the Working Group have drafted for inclusion in to the DCUSA.
- 5.6 GW requested for clarity in regards to who is approved to work on the meter. The Working Group noted that there were varying degrees of experts but those working on the meters would need to be approved. GW agreed to add some draft wording such as appropriately skilled for working on the equipment.
- 5.7 GW pointed out in the draft Code of Practice there is a section which places an obligation on parties in getting the assessment of unrecorded units in to settlements and there is currently no robust and auditable process under the BSC to allow unrecorded units to be placed in to settlement. The Working Group agreed to remove the obligation and add a best practice section for parties to make reasonable endeavours to place unrecorded units in to settlement as they are currently not facilitated by the BSC.

- 5.8 GW queried the CoP Appendices, specifically the section on Disconnection and De-energisation, data protection and the evidence collection for which he may need to seek further expertise for the drafting.
- 5.9 The Working Group agreed to review the appendices and provide an updated version of the DCP 054 appendices.

6. Working Group review of the Code of Practice and its Appendices

- 6.1 The Working Group agreed to align the Code of Practice with the gas definition on Vulnerable Customers. One member voiced a concern that the Vulnerable Customers definition could lead to potential discrimination charges as it makes reference to pensionable age as opposed to physical demeanour.
- 6.2 CR noted that the Ofgem consultation on electricity theft will also consult on the definition of Vulnerable Customers.
- 6.3 The Working Group decided to request for the DCUSA Panel to accept the Vulnerable Customers Definition on to the Housekeeping log as it may need to be changed at a future date.

Action: ElectraLink

- 6.4 The Working Group discussed one of the actions outstanding in regards to both SPAA and DCUSA in collating energy ratings for electricity appliances from an independent body. These energy ratings will help Parties to justify in court the amount of the electricity bill charged to the consumer by basing the bill on an average number of units used by appliances at the premises where theft of electricity has been established. The secretariat noted that funding could not be sought for approval from the DCUSA Panel without a figure of the cost for the work involved.
- 6.5 The Chair noted that there was a recommendation from the DCUSA legal advisor for this section to be issued as a separate project. The Working Group agreed that a DCUSA, SPAA and Ofgem Working Group would need to be set up to progress the project.
- 6.6 The Working Group were concerned that this may initially leave Parties exposed as the energy ratings and process have dropped significantly since the last review of energy ratings for appliances and it would not currently

hold up in court. The Working Group agreed to take the reference to the CoP calculator out of the CoP Appendices.

Action: ElectraLink

- 6.7 The DCUSA Panel discussed action 035/04 which RV had taken over from GS. RV noted that he had re-drafted the letter to the Health and Safety Executive (HSE) based on comments received from the Working Group. The Working Group requested for the secretariat to provide RV with a contact within the HSE that the question could be raised through.

Action: ElectraLink

- 6.8 CR noted that Ofgem had issued a letter to DECC asking similar questions to those in the HSE letter. Once the response has been received from DECC, CR has agreed to provide an update to the Working Group.

- 6.9 The Working Group agreed that it was DCP 080 A that defined theft in conveyance and requested for the DCP title to be reflected in the Change Report.

Action: ElectraLink

- 6.10 The Working Group agreed to add the wording "bring the CoP under formal governance" to Section 12 DCP 054 Working Group Conclusions in the DCP 054 Change Report. This wording was inserted to reflect that the Working Group believed that one of the main objectives of the Working Group was to ensure the CoP fell under formal governance and that the Working Group believed that the CoP was best placed under the DCUSA.

- 6.11 The Working Group agreed that the change introduced by DCP 054 did not have a material affect on greenhouse gases. It was noted that the DCUSA looked at the material impact across Great Britain and the introduction of the Code Of Practice was the introduction of a purely paper based administrative document which would not provide a material impact across Great Britain.

- 6.12 The Working Group agreed to add the disclaimer section to the start of the appendices thus referring to all the appendices contained therein. Any disclaimers placed at the front of other paragraphs are to be removed.

Action: ElectraLink

- 6.13 The Working Group considered the de-energisation and disconnection section in the CoP appendices, noting that in the Electricity act discontinued is used to refer to both de-energisation and disconnection. The Working Group noted that the difference between disconnection and de-energisation is the intent on whether you are looking to restore the connection. If a meter is cut off and the MPAN is removed then it is considered to be disconnected. If the Supplier is still registered to the MPAN of the cut off meter then the Supplier is still responsible for that supply. Therefore, if the Supplier wishes to remove their liability for that supply they need to remove the MPAN.
- 6.14 One Distributor party noted that the Distributor has the right to deny the Supplier the right to remove the MPAN based on a use for site factor. The Working Group discussed that the fuse has been removed from the meter, why would the Supplier be responsible for the MPAN. Social housing was raised as an example.
- 6.15 The Working Group agreed that they would make a recommendation to the DCUSA Panel that a further look at the definition of de-energisation and disconnection may be required.
- 6.16 The Working Group noted that when smart metering was introduced there may be a third term called meter isolation introduced in to the CoP.
- 6.17 The Chair agreed to change those stating disconnection or de-energisation to discontinued in every instance in the appendices.
- Action: GS**
- 6.18 RV agreed to seek out the definition under the BSC of an 'Approved Meter Operator'.
- Action: RV**
- 6.19 The Working Group reviewed appendix three and discussed why there was a section that made an attempt to interpret the Data Protection Act (DPA) as companies have their own departments that deal with the DPA. The Working Group agreed that it was not the responsibility of the DCUSA to interpret the DPA and the section was removed.
- 6.20 The Working Group discussed the Privacy Impact Assessment (PIA) which was used as a tool to help develop the Code of Practice and whether it is needed to be included with the documents in the Change report. The

Working Group noted that the PIA required further work and considered whether the information being provided between Supplier and Supplier had been adequately covered.

- 6.21 The Chair noted that there should be an obligation between Suppliers to share information on theft of electricity. The Working Group agreed that it should be visible in the CoP appendices how the information could be requested and shared in advance of an electricity TRAS being introduced. The Working Group agreed to insert wording such as an obligation on a Supplier to send the information that they believe is appropriate to notify the new Supplier when a consumer has changed Suppliers during an on-going investigation in to theft of electricity. The new Supplier can then choose to contact the old Supplier for further relevant information and the old Supplier will supply this information as appropriate. It was agreed that this section could be inserted in to either section four on the responsibilities of the Parties or section six on information exchange.
- 6.22 The Working Group noted that the Supplier would want to receive factually correct information on the following:
- There is a completed investigation of electricity theft in the last 12 months
 - Proof of a repeat offender
 - Customer changes supplier during an investigation on theft to a new Supplier
- 6.23 A privacy statement would need to be placed in the customer's contract and where a theft of electricity investigation is occurring; the consumer will be expressly reminded of the privacy impact statement.
- 6.24 A member noted that the statistics in the industry reporting section for gas go to Ofgem quarterly and there is currently no industry reporting mechanism for electricity.
- 6.25 The Working Group discussed introducing a separate section under appendix eight for theft in conveyance.
- 6.26 Under section eight Assessment of Unrecorded units of the CoP appendices the Working Group agreed to convey the circumstances under which the

distributor is responsible for the final assessments of unrecorded units to match with those set out for the Supplier in 2.1 and 2.3 of the appendices.

Action: JP

- 6.27 The Working Group discussed the fact that the new Supplier becomes responsible for all the theft and conveyance units but only places in to settlement the units of electricity used from the date that it took over as the Supplier. The rest of the theft and conveyance units which fall under the time period of the previous Supplier who has no mechanism² for placing those units in to settlement are lost. The Working Group agreed that the Suppliers should report on the date of theft, the number of units assessed and the number of units for which the Supplier is responsible and this should be placed in the appendices to the CoP. The last reporting item would provide for any changes Ofgem may choose to make at a later date to put all units in to settlement.

Action: JP

- 6.28 The Working Group agreed to add a non legally reviewed PIA to the Change Report as it acted as a tool by the Working Group to create the CoP. LF agreed to update the PIA to be submitted with the DCP 054 Change Report.

Action: LF

- 6.29 The Working Group agreed to submit the final version of the appendices to the DCUSA legal advisor for legal review.

Action: ElectraLink

- 6.30 The Working Group requested for the timetable dates on the Change Report to be amended for submission to the June DCUSA Panel with an implementation date of the 07 November DCUSA release.

- 6.31 The Working Group agreed to complete the actions agreed at this meeting by the 17 May 2013 and to discuss the outcome of the legal review by e-mail.

- 6.32 The Working Group noted that when smart metering was introduced there may be a third term called meter insolation introduced in to the CoP.

² Following the meeting, Jon Spence stated that Elexon would try to correct data back to 14 months in Settlement.

7 WORK PLAN AND NEXT STEPS

- 7.1 The Working Group agreed that the DCP 054 Change Report would be issued to the June DCUSA Panel meeting.

Action: ElectraLink TS & GS

8. ANY OTHER BUSINESS

- 8.1 There were no other items of business raised at the meeting.

9. DATE OF NEXT MEETING

- 9.1 The Working Group agreed to discuss the outcome of the legal review by email.

APPENDIX A – ACTIONS

OPEN ACTIONS

No.	Action / Update	On	Due
035/04	GS to draft a letter to the HSE raising questions on delegating a disconnection of premises on grounds of safety when a qualified technician is on site. On-going.	GS	
037/01	The Working Group decided to request for the DCUSA Panel to accept the Vulnerable Customers Definition on to the Housekeeping log as it may need to be changed at a future date.	ElectraLink	
037/02	The Working Group agreed to take the reference to the CoP calculator out of the CoP Appendices.	ElectraLink	
037/03	The Working Group requested for the secretariat to provide RV with a contact within the HS for the completion of action 035/04 could be answered.	ElectraLink	
037/04	The Working Group agreed to add the disclaimer section to the start of the appendices thus referring to all the appendices contained therein. Any disclaimers placed at the front of other paragraphs are to be removed.	ElectraLink	
037/05	The Working Group agreed to change those parts of the appendices stating disconnection or de-energisation to discontinued in every instance.	GS	
037/06	RV agreed to seek out the definition under the BSC of an 'Approved Meter Operator'.	RV	
037/07	Under section eight Assessment of Unrecorded units of the CoP appendices the Working Group agreed to convey the circumstances under which the distributor is responsible for the final assessments of unrecorded units to match with those set out for the Supplier in 2.1 and 2.3 of the appendices.	JP	
037/08	The Working Group agreed that the Suppliers should report on the date of theft, the number of units assessed and the number of units for which the Supplier is responsible and this should be placed in the appendices to the CoP. The last reporting item would provide for any changes Ofgem may choose to make at a later date to put all units in to settlement.	JP	
037/09	LF agreed to update the PIA to be submitted with the DCP 054 Change Report.	LF	
037/10	The Working Group agreed to submit the final version of the appendices to the DCUSA legal advisor for legal review.	ElectraLink	

037/11	The Working Group agreed that the DCP 054 Change Report would be issued to the June DCUSA Panel meeting.	ElectraLink	
037/12	The Working Group agreed that it was DCP 080 A that defined theft in conveyance and requested for the DCP title to be reflected in the Change Report.	ElectraLink	

CLOSED ACTIONS – at this meeting

No.	Action / Update	On	Due
031/05	Refine the 6.1 Provision of Information from DNOs to Suppliers reference box in the CoP. Ongoing, LF agreed to produce a refined 6.1 Provision of Information by the 28 February 2013.	LF	28/02/13
031/09	Check whether the reference to Consumer or Customer was appropriate in each instance in the CoP. Ongoing.	JP	09/04/13
031/10	Review the reference and obligations of no. 11 and use information straight from the licence. GS and AM will reviewed the reference and obligations of no. 11.	GS & AM	09/04/13
032/02	Draft a Best Practice section on the retention of a physical meter for evidence purposes. AJ discussed the draft wording in the meeting and agreed to provide the wording to the Secretariat.	AJ	09/04/13
035/01	The Working Group agreed to insert a best practice section for vulnerable customers who are disconnected in to the CoP under paragraph 6. Agreed to remove	ElectraLink	09/04/13
035/02	The Working Group reviewed the appendices and requested the removal of the acronym E + W + S to be replaced with England, Scotland and Wales and the removal of the brackets at the end of the affected paragraphs.	ElectraLink	09/04/13
035/03	The Working Group agreed to raise the request to commission an independent energy body to provide up to date energy ratings for average appliances in households and commercial properties to the DCUSA Panel. The Working Group agreed that this would be best raised as a separate change to the DCUSA involving a SPAA Working Group and Ofgem.	ElectraLink	20/03/13

035/04	GS to draft a letter to the HSE raising questions on delegating a disconnection of premises on grounds of safety when a qualified technician is on site.	GS	
035/05	The Working Group agreed to send the CoP and its appendices for legal review.	ElectraLink	
035/06	The Working Group agreed that a first draft DCP 054 Change Report would be issued in March 2013. The Proposer and the Chair agreed to attend a meeting in person at ElectraLink to review and finalise the Change Report and its subsidiary documents.	ElectraLink	