



By email only

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4 November 2011

Dear Andrew,

Tackling gas theft consultation

I am writing with our response to the questions posed in the theft consultation published 31 August 2011. These are set out in the attached Appendix.

It is clearly self evident that the actual or attempted theft of gas is illegal and extremely dangerous. This is regardless of a customer's circumstances. It affects their safety and adds to all customers' bills. We therefore welcome any initiative by Ofgem that introduces a framework to increase the overall theft detection and prevention performance in the industry. We are committed to working with Ofgem both now and in the future to achieve this aim.

As to the purport of the proposed licence obligations, we have some concerns about acquiring obligations to continue to offer to those who steal, what amounts to a continued credit relationship, for example by allowing them to repay any debt with a week/fortnightly payment card.

The value of theft detection is particularly called into question unless we as suppliers are able to disconnect customers where there are significant safety concerns in our own right. Section 48(1A) of the Gas Act 1986 requires suppliers to obtain the necessary authorisation to act as agent for or on behalf of the relevant gas transporter in order to discharge the power to disconnect on safety grounds. We believe suppliers ought to have this power directly for both electricity and gas.

In addition, as the Ofgem open letter and guidance of October 2010¹ recognises, there is an overlap between theft-related matters dealt with under the Gas Act (and Electricity Act) and the general criminal law, for example, in offences under the Theft Act 1968 (and possibly the Fraud Act 2006). However, in practice, they are dealt with

¹Metering tampering – Guidance on best practice with disconnection powers' Ofgem letter and paper 20 October 2010

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completely separately. In the case of the recent electricity prepayment meter fraud , it proved difficult to engage with the police (which are the prosecuting authority under the Theft Act) even though the fraud being perpetrated was nationwide and systematic. Given this lack of engagement for larger-scale criminal activity, it is difficult to see police interest in individual, unrelated, cases involving energy theft remaining anything other than superficial (in any event, what involvement there is tends to be ancillary to the investigation of other crimes, for example the illegal production of cannabis). How and whether it is feasible to get greater police involvement in energy theft investigations ought perhaps to be considered further.

With regard to the proposed introduction of schemes to encourage suppliers to do more to prevent and detect theft, in addition to our response to the questions we wish to draw attention to the following key points:

- The costs of the new scheme must be proportionate to the benefits that will be delivered. It will clearly not be possible in all cases to ensure that those who commit an offence pay for the costs of the gas used and the subsequent investigation and corrective action. Consequently, any remaining costs from an industry scheme will ultimately be borne by honest consumers.
- Proving gas theft is very difficult. Unless steps can be taken to improve this, then increasing the number of cases to be investigated may be fruitless. The success of any scheme may be reliant on the ability of field forces to identify and prove theft has occurred. It is our view that either scheme may enable more theft to be detected but neither is likely to enable more theft cases to be satisfactorily resolved.

Note that the word 'theft' is used generically throughout this response and in the context of the consultation's ambit. It is not restricted to the specific offence of theft under the Theft Acts and associated legislation.

If you have questions about our response then please do contact me.

Yours sincerely,

Gerald Jago

Appendix

npower response to Consultation and Impact Assessment Questions

Question 1: Do you agree with our proposals to introduce new gas supply licence obligations in relation to theft?

Yes. As is stated in the consultation document, there is currently an asymmetric approach to theft between gas and electricity contained in the respective supply licences. It seems sensible to align, where possible, suppliers' obligations in this area, which in any case reflects the practical measures that suppliers already take. Also, as gas is the more volatile of the two fuels, it is right that the ability to detect and deal with instances of theft is more clearly codified than is the case at present. However, the safety aspect of preventing theft of gas does have to allow suppliers the ability to disconnect in circumstances where there is a continued and persistent danger of theft.

In addition, it has to be recognised and taken into account that where suppliers discharge any obligations to detect, investigate and, where possible, prevent theft to any agent or representative that is separately licensed (a gas transporter for example) the latter should have duties in its licence complementary to those placed on the former.

Question 2: Do you agree that our drafting proposals set out in Appendix 3 meet the policy intent described in this chapter?

In general, yes, although we do have some comments on the wording in the licence. These are contained in the attached Annex.

Question 3: Do you consider that our proposal for gas suppliers to make reasonable efforts not to disconnect vulnerable customers should apply throughout the year or be restricted to the winter months?

We believe it should be restricted to the winter months only, consistent with the existing licence conditions pertaining in cases of debt. While the fitting of a prepayment meter is preferable to disconnection in situations where theft is detected, in order to keep the customer on supply, the power to disconnect must not be, de facto, proscribed or unduly circumscribed by the proposed licence condition. In certain circumstances, it cannot be right that a supplier is unable to disconnect for theft during the winter months simply because of vulnerability. There will be instances involving theft where disconnection is the only option available. For example, where, for a vulnerable customer, a prepayment meter has been fitted as an alternative to disconnection, which is then subsequently tampered with several times. There will also be cases where customers who are vulnerable refuse, for whatever reason, to engage with a supplier despite its best endeavours. As a result, the customer's circumstances and status remain unknown to the supplier. However, as a result of theft, disconnection may be the only sensible option available because it is not safe and reasonably practicable to install a prepayment meter.

The Gas Act recognises the right for suppliers to disconnect where a relevant offence has been committed. As stated above, safety has to be paramount when dealing with such matters. Notwithstanding, we agree that the power to disconnect should be used

sparingly and where there is no alternative, for example in circumstances where there is a danger to the customer and/or a third party. Suppliers must have the right to disconnect in appropriate circumstances regardless of vulnerability.

We do have concerns then that there appears to be no recognition in the winter moratorium provision for those - admittedly - few customers who repeatedly steal gas. By preventing a supplier from taking action (assuming that the evidence demonstrates that an offence has been committed and that a prepayment meter is neither reasonably safe nor practicable to install or there is a prepayment meter already in situ), this may have the unintended consequence of posing a greater safety risk to both the customer and those around them (particularly in blocks of flats, for example) than would a disconnection. Whilst single cases of theft can pose significant safety issues, repeated cases of theft have the potential to increase risks and must be dealt with accordingly.

Additionally, when evidence of theft or damage is detected, this may be in situations where the customer's circumstances are not known at the time of the visit during which disconnection could take place. This is because there has been no contact with the customer (for example, as a result of a tip-off, or where the property is unoccupied (but not vacant))

In paragraphs 2.33 and 2.34 of the consultation document, it is difficult to reconcile what appear to be contradictory policy approaches. In the former, this restricts the ability of suppliers to disconnect consumers for theft etc because of the moratorium, while in the latter this appears to allow suppliers to disconnect, regardless of a consumer's status if theft etc has occurred.

Question 4: Do you consider that gas suppliers should be required to offer vulnerable customers and customers that would have genuine difficulty paying, a wide range of methods for the repayment of charges associated with gas theft as an alternative to disconnection?

In practice, yes. However, while legislation (including, in this instance the supply licence) is, rightly, not meant to pass moral judgement or to draw such a distinction, to reinforce what we say in our covering letter, dealing with gains by theft in the same way as dealing with debt seeks to treat the thief (who ignores the shared obligations and responsibilities we have towards one another) in the same way as the honest debtor.

Question 5: Do you consider that Ofgem should include a licence requirement on all suppliers to establish a code of practice on, among other things, theft investigations?

Yes, but this has to apply to all parties which can investigate and take action for theft etc under the Gas Act; and should include a requirement (for all parties) to adhere to the code. This must include gas transporters (GTs). We consider that there are additional activities and responsibilities that are required of GTs; for example, when a GT attends a site where immediate safety concerns have been raised, it should be required to collect evidence at the time in order to help suppliers prove theft at a later date. This should include photographs, statements, details of whoever was present at the premises and what they said. In cases where no immediate safety issue has been identified and the supplier investigates, then the supplier may need the support of the

GT on any further follow-up visits. Finally, we consider that widespread use of collars should be introduced to help prevent the recurrence of theft.

Question 6: Do you agree that our proposed new gas supply licence should be introduced as soon as reasonably practical?

No. If the proposed changes to the gas supply licence are accepted, particularly in relation to vulnerable customers, there will need to be equivalent and other amendments to the electricity supply licence. It seems sensible to present both sets of changes at the same time.

Question 7: Have we correctly assessed the main impacts in the accompanying IA? Are there additional, material impacts that we should consider?

On the whole, we believe that the main impacts have been correctly assessed. However, we think that the following aspects have not been considered fully:

- In our view, prevention of theft in the first place should be the aim, and we suggest that each of the schemes should be assessed for their ability to improve the position on prevention.
- The rollout of Smart meters for gas with tamper alerts should mean that it is easier to detect attempted theft when it occurs. However, we recognise that it may be difficult to get access to properties where theft is occurring and customers may not allow the fitting of smart meters during rollout. We believe that an assessment should be made as to which scheme is able to better respond and adapt to a reducing pot of sites at which theft is occurring.

We have calculated that the costs associated with each lead generated by the NRPS will amount to approximately £750 (based on the estimated 17,000 leads in your Impact Assessment). This is a considerable sum, which will need to be charged to those customers who commit an offence. We think that most of the costs will not be recovered, and will therefore ultimately be borne by honest consumers.

Question 8: Do you agree with the assumptions that we have made and the outcome of our analysis in the accompanying IA?

Yes. In general the assumptions made seem reasonable, but it is difficult to make a robust assessment of the options given the lack of information available in the industry about the prevalence of theft of gas. Also, we would question the assumption that increased activity in detecting theft will lead to any great increase in the number of successful investigations. Gas theft is very difficult to prove, unless the perpetrator can be caught in the act, and whilst it may be possible to increase the number of leads/suspected cases detected, no one will be any better off if theft cannot be proven.

Furthermore, we consider that the assumptions made about the future rate of theft detection are flawed, because the level of success is likely to be higher under the NRPS than under SETS or Enhanced SETS. This should result from investigations being prioritised based on the strength of the evidence arising from a bigger pool of data.

SETS and Enhanced SETS both encourage suppliers to “prove” as many cases of theft as possible in order to maximise returns under the Schemes. This is because a case of theft under SETS will only be treated as valid if it meets the definition of theft under the Gas Act 1986. Under the Act, theft of Gas applies to the taking of gas illegally through meter tampering, damage to any gas fitting or service pipe, in the course of being conveyed; or by restoration of supply without the relevant consent.

Within the industry, there are different interpretations as to what constitutes a valid case of theft under the Gas Act, and who action can be taken against. As a consequence, there is doubt about what evidence would need to be provided in order for a discovery of theft to count under the Scheme. At present, suppliers do not treat all cases of missing units as theft for various reasons, including difficulty in obtaining proof, as mentioned above. It is recognised that tampering with a gas meter is relatively easy (substitute and reverse meters) as is reversing the tampering without positive evidence of such an event being left behind. For this reason, suppliers currently often give customers the benefit of the doubt; however this will be less likely should either SETS or Enhanced SETS be put in place. This in turn will lead to an increased number of customer complaints, which clearly is undesirable, and may also conflict with suppliers’ efforts to reduce the number of disconnections.

Question 9: Which, if any, of the three proposals to increase theft detection should be implemented and why?

npower does not consider there to be a great deal of difference between the three proposals from a financial perspective. Whichever solution were to be introduced, suppliers would need to ensure that sufficient operational resources were available to carry out the back office and field investigation work. However npower recognises that the NRPS has the following benefits:

- It will provide a level playing field for all suppliers, embracing all areas of the market and does not assume that theft occurs evenly across all shipper portfolios as do SETS and Enhanced SETS.
- It will require suppliers to adopt a consistent approach to customers.
- It provides a mechanism for collective centralised data analysis, regardless of change of supplier, and will enable the industry to draw on a greater pool of data in order to identify theft and prioritise investigations.
- It could be expected that investigations initiated as a result of NRPS instruction should have a greater chance of success, given that they will be based on evidence drawn from a wider pool of data than currently available or possible under SETS or Enhanced SETS. However detection is one thing, but actually proving the fraud is difficult under either scheme.
- It will enable participation by small suppliers and I&C suppliers, and will provide a field service to those who opt to use this.
- Having a central provider of key services will help develop a centre of expertise.
- It will give greater publicity to theft detection and raise public awareness that the industry is tackling gas theft, thereby creating a deterrent effect. We would like to see the NRPS publicising its work on TV and in the media, to act as a deterrent to those who may be tempted to commit an offence.

- It provides the opportunity for future development and improvement, including the ability to be extended to include gas transporters and upstream theft. It could also easily be extended to electricity, if that were considered desirable.
- It is anticipated that the NRPS can operate in accordance with provisions under the Data Protection Act.
- The NRPS could enable suppliers to prioritise Smart meter installations at properties where theft may be occurring.
- It presents less risk for suppliers. The exclusion of some suppliers from participation in SETS/Enhanced SETS, or identification of poor performers under those Schemes, could lead to an increased likelihood that offenders would switch to those suppliers in order to minimise the chances of detection.

Question 10: Do you consider that there are any alternative proposals, or variations on existing proposals to improve theft detection that should be considered?

Yes, as mentioned previously, we consider that gas transporters (GTs) should be required to take action to assist and prevent cases of theft. When GTs attend sites where a gas safety issue has been raised, we need them to collect relevant evidence to support any action subsequently taken by suppliers in investigating and seeking to prove that theft has occurred. Also, we think that if more use were made of collars when dealing with cases of suspected theft, this could lead to a reduction in the scale of theft overall. Collars could be fitted during the initial gas safety visit carried out by the GT. However, the availability and use of collars is at present limited.

We suggest that should the NRPS be implemented, then there should be the opportunity for suppliers to claim money back in the event that the leads generated amount to nothing when investigated.

Impact Assessment (IA)

IA Question 1: What do you consider to be the scale of theft in the GB gas market? Do you consider that there is a material difference in the prevalence of gas theft between suppliers' customer portfolios? What factors drive any considered difference in theft distribution?

It is difficult to give a view on the scale of theft, particularly in the gas market, where it is hard to detect or prove that theft has occurred. Clearly, there is more theft of electricity than gas, because fewer premises have a gas supply and electricity is often stolen for high-use criminal activities such as cannabis farms. Where premises have both a gas and electricity supply, our opinion is that gas theft is more likely to occur than electricity theft because: (a) it is easier to tamper with a gas meter (tilted, reverse and substitute meters, for example); (b) it is perceived (wrongly) as being less dangerous, and; (c) it is harder to detect. Also we believe that theft varies on a geographic basis, with theft being more prevalent in the inner city than in rural areas.

IA Question 2: Where theft has been detected, how long on average would you expect future revenues from a customer to fully reflect their consumption, i.e. what is the expected re-offending rate over time. Do you expect there to be a material difference under each of the three proposals?

The motivation for the theft has to be taken into consideration here. In instances where criminal intent is involved, npower would not expect to recover the cost of gas that has been stolen. The current market structure and processes allow a consumer to change supplier, claim that a change of tenancy has occurred, and start stealing gas again.

Where social issues or vulnerability are said to be associated with theft, npower considers that intervention from and engagement with housing support officers/social services can be effective in addressing the root cause, as well as assisting with education and prevention. It is fair to say, however, that social services are not always able to be very helpful. The success of such intervention also relies on co-operation from the customer to alter their behaviour.

It will only be possible to take a firm view on this question once the detail of any chosen solution is known and the obligations of other parties are clarified.

IA Question 3: For each industry proposal, are the proposed compliance measures sufficient to ensure suppliers conduct investigations to satisfactory standards and thereby protect customer interests? Are there any further measures that should be introduced to help address any perceived weakness?

For all schemes, the full compliance package needs to be worked on further. The key areas of concern for npower are as follows:

- Data protection must be a priority. We believe that the NRPS could potentially ensure DPA compliance while still enabling the sharing of data. However, data sharing would be difficult under the SETS and Enhanced SETS proposals.
- There needs to be clarity as to the criteria to be used under SETS in order for a case of theft to be treated as valid. This could and should be documented in the proposed Theft Code of Practice.
- There also needs to be clarity on what constitutes theft for the NRPS. What proof/evidence is required to determine success?

IA Question 4: Are there any material differences between suppliers' ability to compete for incentive payments between UNC277 and UNC346? Would Enhanced SETS address any potential concerns raised about suppliers' ability to compete?

Enhanced SETS would enable smaller suppliers to procure revenue protection services and could enable them to benefit from some data provision. However it would not remove all concerns.

IA Question 5: Do you consider that the current NRPS proposal is likely to establish and realise targets for theft detection that are proportionate to the potential customer benefits? If not, what additional measures do you think are needed to meet this aim?

npower believes that NRPS has the potential to establish and realise theft detections that could result in customer benefits; however for this to be achieved, there would have to be additional measures:

- Industry agreed Key Performance Indicators (KPIs) would need to be in place to make sure the NRPS was working within agreed targets.
- The cost of running the NRPS should be less than the cost saved by industry in the detection of theft.
- Should the first and second of these points not be met, there needs to be a means for the industry to address the issues, and either correct, or wind down, the scheme.
- There should be in place a target date at which NRPS performance is reviewed, in order to enable changes to be made to its approach, if necessary. For example, it may be appropriate to either:
 - a. amalgamate the NRPS with another industry body (for example the DCC); or
 - b. wind down the NRPS following the mass rollout of Smart meters; or
 - c. Update the NRPS to run more cost effectively following mass roll out of Smart.

It is imperative that this body does not become a large financial burden on the gas industry and ultimately the end customer.

IA Question 6: Would the NRPS prevent some suppliers from realising additional commercial benefits from theft detection that may be available to them, e.g. by going further than the NRPS mandated investigation requirements? Would the focus of the NRPS proposals on data analysis reduce the overall efficiency of the market in theft detection by excluding investment in other sources of detection?

No. Industry participants will still have the opportunity to go further with theft detection and prevention measures than those laid down under the NRPS and any industry theft code of practice.

Also, it is important that continuous improvement should be sought from the NRPS. We think that this will be driven commercially, as suppliers will not be willing to continue paying for a service that does not deliver improvements in the position. Having a centre of expertise in the form of the NRPS could help with the identification of ways of reducing the incidence of theft further and in improving detection and successful investigation rates.

In addition, as previously mentioned, our view is that the NRPS could assist with Smart rollout. In turn, Smart rollout will help identify gas theft, as follows:

- Smart could highlight at installation where gas theft has previously been occurring, but has not previously been picked up. This can then be addressed.
- As Smart meters will have tamper alerts, and if improved methods are used across the industry in dealing with theft when it is discovered (for example, the use of collars), then we consider that there should be a reduction in the incidence of theft.

For this reason, if implemented correctly, NRPS could complement other means of theft detection and prevention, such as through industry flows, and longer term Smart Metering and theft prevention.

IA Question 7: For each of the three industry proposals, is a scheme necessary to compensate a supplier when it is not able to recover its costs from theft?

The Reasonable Endeavours Scheme, or something similar, would still be a useful addition to the industry arrangements. There will always be cases where recovery cannot be made whatever efforts are put into pursuing this, and any provision that ensures some cost recovery will encourage suppliers to tackle investigations, however problematic. We support the retention of this scheme whatever solution is chosen. However we consider that it does require change to enable claims to be made more easily. The administrative hurdle is currently too high. As we said in our response to the Ofgem consultation on UNC Mod 231V earlier this year, the main factor that has led to the limited number of suppliers using the current arrangements is that the costs of administration outweigh the potential benefits under the scheme.

IA Question 8: Do you consider that cost and availability of services to support theft detection and investigation is a material issue for small suppliers?

Yes, we understand that small suppliers find it much more difficult and costly to detect and investigate theft, because they do not have the ability to secure reduced service costs on the basis of economies of scale, and may not have the ability to procure a cost-effective field force. However, small suppliers are clearly best placed to comment on this point.

IA Question 9: What percentage reduction in consumption would you expect customers to make when an illegal gas supply is detected? To what extent do you consider that this would result from a response to increased costs and/or an increased propensity to invest in energy efficiency measures?

Consumers who take an illegal gas supply are not usually cautious in their usage. Whilst there would very likely be a drop in usage following discovery, we cannot say the extent to which this would fall.

Where theft is detected, there are measures that can be taken to prevent recurrence, or to make it much more difficult. However, it is not possible to say whether this will actually result in a reduction in usage. We consider it unlikely that someone who has been detected stealing gas will have the ability to invest in energy efficiency measures. Once loft insulation and lighting is addressed, then most energy efficiency measures come at greater initial cost and it is not likely that those who steal will have the funds available to undertake cavity/solid wall/double glazing etc options. Also, tenants will be less able to make use of the Green Deal option.

IA Question 10: Do you have any further information on safety incidents where harm has directly resulted from theft of gas.

No.

IA Question 11: Do you consider that any of the proposals are likely to reduce the health and safety of any particular individuals?

There is too little detail on the schemes and in the proposed obligations on parties to comment, in particular the absence of clarification of the transporters' role.

IA Question 12: Which proposal do you consider will have the greatest overall benefit on health and safety?

The role of the GT needs to be better understood. In particular, the view taken of safety is often focused on the physical installation at the premises, rather than the circumstances, for example flats and repeat offences etc. We consider that prevention could be managed better by the fitting of collars through liaison between suppliers and GTs etc.

All of the proposals should lead to improvements in health and safety, although we consider that the NRPS will bring the greatest improvement because of the opportunity to publicise activity and create a deterrent effect.

IA Question 13: Do you consider that the proposed implementation timescales for each proposal are realistic and achievable. If not, what do you consider to be a realistic timeframe? What additional measures, if any, do you consider should be undertaken to secure implementation within a reasonable timeframe?

We think that a period of at least 6 to 12 months and potentially longer will be needed before SETS or Enhanced SETS can be implemented, to allow suppliers to put in place any additional service provision or to make internal changes to allow theft to be managed in such a way that it can be efficiently reported/captured within the scheme.

For the NRPS, the one-year implementation timescale is in our view ambitious. Given that the industry is already heavily involved in a large-scale change programme for Smart rollout, it will undoubtedly be difficult for suppliers to deploy sufficient resources to enable development and procurement of the NRPS service and to put in place the required governance and contractual arrangements. However, we think that this could be completed within an 18-month timescale.

IA Question 14: Do you consider that gas transporters should be required to adhere to a code of practice on the conduct of theft investigations?

Yes. All parties should adhere to it as it is in everyone's interests to detect and further prevent gas theft, and GTs will benefit from better interaction with other industry parties. It is desirable to ensure that the arrangements for dealing with theft by different industry parties dovetail as much as possible, and this could be achieved via the proposed code of practice.

IA Question 15: What impact will either of the three industry proposals have on the annual number of investigations of theft in conveyance that gas transporters undertake and the total cost of undertaking these?

All schemes are likely to lead to discovery of more cases of theft in conveyance, although we think that the NRPS will provide more leads than the other schemes by virtue of the breadth of information it will hold and analyse.

IA Question 16: What, if any, changes to the regulatory arrangements need to be made to enable gas transporters to adhere fully to their requirements to conduct theft investigations?

Gas transportation licences should mirror supply licence conditions where relevant so that all participants have appropriate obligations and to ensure a level playing field.

npower has identified a number of elements that need addressing to make sure all adhere to the requirements:

- Rights of entry legislation should be reviewed to ensure that it works with the chosen solution. It is important to ensure that those who need access to premises to deal with a suspected case of gas theft have the right to obtain entry.
- Where there are vulnerable customers who are repeat offenders of gas theft, there needs to be a system in place from social and legislative angles that is able to manage this at no detriment to their neighbours or any aspect of the gas supply chain.
- All involved in gas supply must be required to comply with the regulatory arrangements, whether domestic or I&C supplier, transporter or IGT.

Annex

Comments on draft SLC

1.1 (a) the licensee or any Representative takes all reasonable steps, individually and/or in cooperation with other licence holders where necessary...

The requirement to take 'all reasonable steps...in cooperation with other licence holders' places a possibly unachievable burden on individual licensees, who will not be able to ensure that other licence holders they are working with take steps as strenuous as their own.

1.1

(a)

(iii) prevent Theft of Gas once detected;

(iv) prevent Theft of Gas by any other means such as deterrence and the physical security of the supply in respect of any premises to which the licensee is registered for the purposes of the Network Code; and

The second requirement above is clear, provided such measures are available. The first requirement is more problematic: what additional steps could the licensee take over and above the physical measures?

1.1 (b) the licensee's or any Representative's behaviour and actions towards its Customers when taking the steps mentioned.....are conducted in a manner which is fair, transparent, not misleading, appropriate and professional.

Whilst the terms 'fair, transparent, not misleading, and appropriate' are easily understood, the word 'professional' is more fluid and subjective. It does not add to the meaning of the paragraph and we suggest therefore it should be omitted.

1.2 The licensee must take all reasonable steps:

(a) to secure the achievement of the Objective; and

(b) to avoid doing anything which jeopardises its ability to achieve the Objective

We would suggest that taking 'all reasonable steps to secure the achievement of the objective' is sufficient. 1.2(b) does not add to the requirement.

1.2 The steps which the licensee must take to secure the achievement of the Objective include, without limitation, the steps which are detailed at paragraphs 1.5 to 1.14 of this condition.....

We assume this means that the steps are not limited to the requirements set out in 1.5 to 1.14. Given that one of those paragraphs (1.5) requires licensees to take all reasonable steps to detect and prevent Theft of Gas and that there are a number of other 'reasonable steps' requirements in the other paragraphs, then paragraph 1.3 seems to be placing an additional and undefined burden on licensees.

1.6 ...the licenseemust take all reasonable steps to fully investigate that suspected Theft of Gas.

The word 'fully' needs to be defined in some way; as written it could be interpreted differently. We suggest tying the requirement into the detail to be set out in the code of practice.

1.9 The licensee must take such steps as are necessary and within its reasonable control, and not take any unreasonable steps to prevent or delay, to ensure that the Theft Arrangement is implemented by no later than [xx] months after this condition takes effect (or such later date as the Authority may direct).

We would suggest that the second clause of the first sentence is superfluous ('not take unreasonable steps', etc...). Further, given that the time to develop the schemes is at present unknown, the implementation timescale should be limited to the time at which the Authority may direct.

1.13 The licensee and/or any Representative must keep a record of its compliance with its obligation under this licence condition.

If this requirement is meant to incorporate a statistical element it would be helpful if its form were to be known in advance. This would help overcome the difficulty we have previously encountered in providing statistics to Ofgem in response to informal information requests.