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*Promoting choice and value for  
all gas and electricity customers*

Direct Dial: 020 7901 7067  
Email: [andrew.wallace@ofgem.gov.uk](mailto:andrew.wallace@ofgem.gov.uk)

Date: 26 April 2012

Dear Colleague

### **Tackling gas theft: the way forward – consultation extension on draft Direction**

On 26 March we published a document setting out our final proposals on new arrangements to improve the arrangements for tackling gas theft.<sup>1</sup>

These proposals included a statutory consultation on changes to the standard conditions of the Gas Supply Licence<sup>2</sup> and a consultation on a draft Direction to give effect to a Theft Risk Assessment Service.<sup>3</sup>

The changes to the Gas Supply Licence were consulted upon in August 2011. These were subject to a two month consultation. However, the detail of the draft Direction had not been previously shared with parties.

In that context, and in response to feedback, we are extending the time period for parties to provide comments on the draft Direction in order to enable them to give greater consideration to the issues and help provide us with valuable input on the proposed legal text. This letter, therefore, constitutes a formal extension of the consultation period for responses on the draft Direction **until 31 May 2012**.

We are not extending the date for parties to respond to the statutory consultation on the proposed changes to the standard conditions of the Gas Supply Licence beyond 30 April 2012. However, we intend to wait until after the revised response date of 31 May 2012 for comments on the draft Direction before making our decision on whether to proceed with our proposed amendments to the standard conditions of the Gas Supply Licence.

As stated in our March way forward document<sup>4</sup>, we would welcome suppliers taking steps now to help ensure that the TRAS can be implemented by the end of 2013. We do not consider that it is necessary to wait until Ofgem has made any formal Direction pursuant to the licence before taking this work forward.

Yours faithfully

Andrew Wallace  
**Smarter Markets**

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<sup>1</sup> Tackling gas theft: the way forward, published 26 March 2012. Document reference 35/12.  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=100&refer=Markets/RetMkts/Compl/Theft>

<sup>2</sup> See Appendix 3 of the March 2012 way forward document.

<sup>3</sup> See Appendix 4 of the March 2012 way forward document.

<sup>4</sup> See paragraph 5.6.