



Gas supply licence holder and Interested Parties

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

Direct Dial: 020 7901 7067
Email: andrew.wallace@ofgem.gov.uk

Date: 7 January 2013

Dear Colleague,

Direction under paragraph 8 of condition 12A of the Standard Conditions of the Gas Supply Licence to introduce the Theft Risk Assessment Service

Standard Licence Condition (SLC) 12A of the Gas Supply Licence has been implemented today, 7 January 2013. In line with our proposals, published in October 2012¹, please find attached a Direction under paragraph 8 of new SLC 12A. This Direction will have effect from 8 January 2013.

The effect of the Direction is to require gas suppliers to implement the Theft Risk Assessment Service (TRAS) by 31 March 2014. The aim of the TRAS is to assist suppliers' efforts to detect theft by using data to profile the risk of gas theft at premises.

Further to the draft published in our October document, we have made an amendment to paragraph 35 of the Direction. The effect is that the TRAS will not be required to ensure that management information (such as theft trend, level and causes) is prepared by a person independent from the TRAS. Having reviewed this point with the TRAS workgroup², we agree that this is likely to lead to additional cost with limited benefits and that the TRAS should be able to provide this data directly to relevant parties.

If you have any questions regarding this Direction please contact me or Jon Dixon (email: jonathan.dixon@ofgem.gov.uk, Tel: 020 7901 7354).

Yours sincerely,

Andrew Wallace
Senior Manager, Smarter Markets

¹ Tackling Gas Theft: New requirements for gas suppliers. Ofgem, published 31 Oct 2012 (Ref: 137/12).

² A workgroup, established by the SPAA Exec, to develop the TRAS <http://www.spaa.co.uk/committees-groups/detail?committeeid=198858>