



Chiara Redaelli
Smarter Markets
9 Millbank
London
SW1P 3GE
020 7901 7196
smartermarkets@ofgem.gov.uk

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Telephone: 01738 512385
sam.torrance@sse.com

2 April 2014

Dear Chiara,

Tackling Electricity Theft – The way forward

SSE is pleased to provide comments on the above consultation. We welcome the ongoing engagement with Ofgem regarding its proposals for tackling electricity theft. We have provided answers to the specific questions posed by Ofgem and our comments on the proposed licence drafting and the draft direction in the attached annexes.

As Ofgem noted in its consultation document, there are a number of health and safety risks created by the theft of electricity. The act of electricity theft could have fatal consequences to both individuals involved in the crime and any individuals in close proximity to it. In addition to this, it is important to remember that the theft of electricity is a crime in itself and is often associated with serious organised crime and in particular the cultivation of cannabis. The theft of electricity ultimately adds unnecessary costs to customers' bills.

As we mentioned in our response to the earlier consultation on tackling electricity theft¹, SSE are firmly of the view that any new licence conditions are consistent with SLC 12A in the gas supply licence. We therefore support Ofgem's decision to amend the draft licence conditions to ensure consistency with the existing gas supply licence condition.

¹ SSE's response to Ofgem's 'Tackling Electricity Theft – Consultation', 28 August 2013



SSE supports the Ofgem decision to waive the original deadline date for the Gas TRAS of 31 March 2014 and instead look to establish a dual-fuel TRAS to provide services to both gas and electricity suppliers. We believe that a dual-fuel TRAS will be more efficient and effective service for tackling energy theft, rather than a separate service for each fuel.

We would welcome the opportunity to discuss any of the points raised within this consultation response in further detail with Ofgem.

Yours sincerely,

Sam Torrance
Regulation Analyst

Annex 1 - Consultation Questions

Question 1: Do you agree with the drafting of our licence condition on:

- a) The objective for tackling theft of electricity**
- b) The Theft Arrangement**
- c) Our proposed standards for theft investigation?**

SSE is supportive of Ofgem's proposal to introduce a new electricity supply licence obligation in relation to tackling electricity theft. As mentioned above, we believe it is important to ensure a uniform regime across both electricity and gas in order to ensure a consistent message to customers and suppliers to tackling energy theft.

However, one concern which SSE has with the proposed draft licence conditions is regarding SLC 12.A.1 (b) (ii). SSE strongly recommends that Ofgem should consider amending SLC 12.A.1 (b) (ii) by removing the phrase 'such as', as the use of this phrase adds a high degree of subjectivity to the concept of vulnerability. This amendment would also ensure that the new proposed electricity supply licence condition is consistent with the equivalent existing gas supply licence condition (SLC 12.A.1 (b) (ii)). There should be consistency as to how Ofgem defines customers in vulnerable situations in the proposed licence conditions with those definitions which already exist in SLC 27, SLC 12A for gas. Otherwise there could be unintended consequences of 'vulnerable' customers being treated differently when theft is identified depending on the fuel being supplied. This could mean that staff, such as meter readers, may have to apply different tests in order to determine whether a customer is 'vulnerable' or not. The removal of the phrase 'such as' from this licence condition would therefore ensure that there is a more consistent approach to identifying vulnerable customers.

Question 2: Do you agree with our proposal to direct the implementation of the Electricity TRAS?

Yes, SSE agrees with Ofgem's proposal to direct the implementation of the Electricity TRAS.

Question 3: Do you agree with our proposed requirements for the TRAS and the related drafting of the proposed direction?

Broadly speaking, yes SSE agrees with Ofgem's proposed requirements for the TRAS and the related drafting of the proposed direction. However, SSE does have concerns regarding the proposed implementation date of the TRAS, as outlined in paragraph 22 of the draft direction. Please see our response to Question 4 below.

Question 4: Do you agree that we should require the TRAS to be *implemented* by 31 March 2015?



SSE believes that realistically it will not be possible to meet the proposed implementation deadline, of the 31 March 2015, as proposed by Ofgem within the draft direction. Therefore, we would strongly recommend that Ofgem reconsider the implementation timescale and take into account the detailed project plan which is currently being developed by the joint SPAA and DCUSA dual fuel TRAS working group. The project plan has been carefully developed and designed by Industry and includes a timeline leading up to the appointment and operation of the TRAS. We would recommend that Ofgem should work with this Industry working group to incorporate the timescales, proposed within the project plan, within the draft direction to implement the theft arrangement.