

All Electricity and gas supply licensees

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Date: 10 July 2014

Dear colleague,

Direction under paragraph 7 of condition 12A of the Standard Conditions of the Electricity Supply Licence to introduce the Theft Risk Assessment Service

And

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 Electricity Supply Licence has been implemented on 3 July 2014. In line with our proposals, published in March 2014, please find attached a Direction under paragraph 7 of new SLC 12A. This direction will have effect from 10 July 2014.

The effect of the Direction is to require electricity suppliers to implement the Theft Risk Assessment Service (TRAS) by 29 February 2016. The aim of the TRAS is to assist suppliers' efforts to detect theft by using data to profile the risk of electricity theft at premises.

Further to consultation on our electricity theft proposals and taking into account industry work to establish a dual-fuel TRAS, we also amend the Gas TRAS Direction published in January 2013 to reflect the new implementation date of the dual-fuel TRAS. Please find attached the amended Gas TRAS Direction.

The effect of this change is to direct both electricity and gas suppliers to implement a dual-fuel TRAS by 29 February 2016. This date reflects the workplan the dual-fuel TRAS Workgroup shared with Ofgem in early 2014 and that we set out in our letter accompanying the Notice of changes to the Electricity Supply Licence¹ published in May 2014.

If you have any questions regarding the Electricity TRAS Direction and the Gas TRAS Direction please contact me or Jon Dixon (email: jonathan.dixon@ofgem.gov.uk, tel 020 7901 7354).

Yours sincerely,

Chiara Redaelli

Senior Economist, Smarter Markets

¹ See covering letter on Ofgem's website at the following link: https://www.ofgem.gov.uk/ofgem-publications/87632/tacklingelectricitytheft-newrequirementsforelectricitysuppliers.pdf