



# UNITED KINGDOM REVENUE PROTECTION ASSOCIATION

UKRPA Newsletter #11

January 2016

## Quick Issues:

Storm Desmond  
Clean Up Operation

UKRPA National  
Conference Dates  
for the Diary!

Prosecution  
Workshop  
Outcomes

Cybersecurity Threat  
in USA

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[UKRPA.co.uk](http://UKRPA.co.uk)

## Happy New Year from the UKRPA!

2015 was a significant year for the Association and its members. Not only did we welcome new members swelling our ranks to 17 organisations, but some of our members had to wrestle with significant infrastructure and logistical challenges associated with inclement weather in Cumbria.

We are stronger when we share a collective voice, this is why the UKRPA is important. The power of coming together was epitomised by the heart-warming stories during the Great Flood of 2015. It demonstrates how individuals and organisations can rise to greater heights and achieve great things, despite being confronted with seemingly horrendous circumstances.

What struck me most about Karen Ainsworth's story in this newsletter was the significant infrastructure challenges. Indeed, I reflected upon the need to shift large numbers of contaminated metering stock to central sites - worrying about which company owns what became of little consequence when trumped by the customer's needs. At one point, ENW made an urgent request for help to the UKRPA membership to seek out more locksmiths. The Association membership was able to source excellent contacts that helped saved the day. So, whilst I was tucked up enjoying my Christmas lunch, there was an army of people working on under the most trying of circumstances.

As an Association, the challenges above can pale somewhat when compared with the other notable achievements. Nonetheless, it proves that we can achieve more coming together

than we can as individuals.

During 2015:

We published and validated the level of energy theft (up to £400m per annum), corroborating Ofgem's own assessment. We have already been asked by the BBC for further details.

We convened our first ever UKRPA workshop to find ways to improve the level of successful prosecutions.

We fed into DECC's risk management work on smart metering and are engaging with Ofgem to ensure the market remains joined up on theft—we will be pursuing formal arrangements in the coming months .

We actively engaged with the Sentencing Council, responding to their consultation and meeting with them to help strengthen the sentencing guidelines.

On top of that, we hosted a Seminar on how to deliver against theft obligations and presented our market experiences to nine water companies as they move towards competition in water.

2016 is shaping up to be another demanding year . I wish you all a

Happy New Year and every success – join us and make this a year to remember.



Tony Thornton  
UKRPA Chairman

## UKRPA National Conference 2016—Save the Date!

The UKRPA's popular National Conference will be returning in 2016.

The biannual event was last held in 2014, and attracted a sell-out crowd, including guests from Suppliers, Networks, Ofgem, Police, Fire, Home Office and many more.

This year, the two day event will be held at Woodside Conference Centre, Kenilworth, between 29th—30th June 2016.

Details of the event and agenda are still being finalised, but attendees can expect unique insight on the theft considerations associated with the roll out of smart meters, the progress being made by the Theft Risk Assessment Service, and lessons learned from across the globe.

Further details will be circulated to all newsletter subscribers very soon, but for now, don't forget to hold that date in your diary!

# The Prosecution Challenge

"The number of offenders sentenced for [the illegal abstraction of electricity] is relatively low". That's the story according to the Sentencing Council which, for the first time, includes a guideline for the sentencing of electricity theft offences in the recently published Definitive Guideline for Theft Offences.

But the industry, including the UKRPA and our members, recognise a somewhat different picture.

In Issue 9 of the newsletter, we publicised our findings that the value of known energy theft was between £200m and £440m every year. Suppliers and network operators follow up and estimated 150,000 leads per annum.

So why is it that, according to information gathered by the UKRPA via a freedom of information request, were there just 1,500 cases that reached a first hearing at magistrates' courts in 2013—just 1% of leads?

Prosecutions are powerful deterrents. A strong sentence can spread a message that the crime will be punished, which will theoretically lead to a reduction in offending. Contrastingly, a lack of consequence could give the message that stealing electricity is deemed acceptable.

In November 2015, the UKRPA established a workshop to evaluate the prosecution chain, and identify those issues that were preventing the industry from securing successful prosecutions against criminals on a consistent basis.

The typical prosecution chain is long, incorporating many stakeholders. Prosecutions have the potential to fail at each identified hurdle:

- Energy company behaviour
- Energy industry standards
- Policing
- Crown Prosecution Service
- Sentencing Council
- Magistrates

Once prosecutions reach the point of consideration by a magistrate, there is a good level of understanding and engagement which allows the case to proceed effectively. The challenges encountered by most of our members precede this stage, and relate to consistent engagement with the police, and standards within the industry—particularly for more complex cases. These areas are where the workshop concentrated its attention.

The case studies we considered explored challenges where organised criminal activity transcended a single supplier, therefore affecting a number of organisations, often across the length and breadth of the country. In these instances, ensuring a consistent approach within the industry is just as key as ensuring consistency from the police. To that end, the workshop considered the potential value of establishing a central industry body to orchestrate such investigations. We intend to explore this at the UKRPA National Conference in June 2016.

We also heard from a law firm specialising in private prosecutions. In many instances, the Crown Prosecution Service (or the Procurator Fiscal in Scotland) opt not to progress with an investigation, for instance if the cost of the prosecution was not deemed to be in the public interest. Our members will be considering the cost-benefit case of engaging private prosecutors to take forward cases, with the objective of securing a greater level of success in the courts.

We've also met with National Policing on several occasions over the past year. They are committed to helping us improve our reporting and evidence gathering practices, to build the best possible case to bring to court.

The UKRPA remains committed to taking every possible step to preventing theft of electricity and gas. As the saying goes, prevention is better than cure. Regular prosecutions will provide an effective deterrent to those intent on illegally abstracting energy, and improving all aspects of the prosecution chain will remain an integral part of the UKRPA strategy over the coming year.

# Cybersecurity Threat in USA

**Associated Press: 21 December 2015**

Security experts in the US have discovered cyber-attackers have gained remote access to sensitive information within the electricity network, including engineering drawings of dozens of power stations. Intelligence suggests that the breach has originated in Iran.

It is feared that the information gathered could have the potential to be used to disrupt electricity supply to millions of homes throughout the US. It is understood that the intrusion is not a one-off incident, although no significant disruption has resulted from previous events.

However, experts have expressed concerns that enough intelligence may have been gathered over a

lengthy period of time to cause serious issues in the future, particularly if the geopolitical situation were to change between the US and Iran.

Lillian Albon, a cybersecurity expert at think-tank the RAND Corporation, warned: "You want to have stealth. That's the ultimate power, because when you need to do something you are already in place".

The US Deputy Energy Secretary Elizabeth Randall said in a speech in 2015: "If we don't protect the energy sector, we are putting every other sector of the economy in peril".

## UKRPA Members' Flood Response

In December 2015, no-one in the North West of England could have been fully prepared for the devastation and destruction imposed by Storm Desmond, closely followed by Eva, and then Frank.

It all began on 3<sup>rd</sup> December, when a month's worth of rain fell in just 24 hours. Since 2007, Electricity North West has invested £13m in flood defences at 51 locations, including £500k at Lancaster. Defences were built to withstand 'once-in-100-year' floods and in some areas at least, such as Carlisle and Kendal, 110,000 properties were protected that otherwise would have been compromised.

At no other time have Electricity North West staff experienced so many emotions in the course of their working day. From the shock and heartbreak at seeing the scenes of devastation and losses people have suffered, to the pure adrenaline flow that enabled them to work tirelessly for hours on end, helping people and customers in need. 55,000 properties were off supply in Lancaster and a further 13,000 properties affected throughout Cumbria; it was a mammoth and complex task to co-ordinate restoration work. 500 people worked around the clock in the most challenging of conditions, many not returning home to their own families for days. In Lancaster alone, three months' work was completed in just three days, as repairs were carried out to the badly flooded substation and the supplies restored to 55,000 properties. Over 500 hotel rooms were booked for Electricity North West staff and other contractors coming into the region to support the teams.

The resources required to put things right were significant and on an unprecedented scale. Key pieces of infrastructure had to be restored, using 75 generators to provide a supply for 23,000 properties while repairs were being carried out - the most generation ever connected in the UK. Mobile caterers

were also called in to provide 22,000 free hot meals for customers and onsite engineers. Despite the customer frustrations and difficulties being suffered, it was rewarding when two customers in particular found the time to nominate two staff for a Radio Lancashire New Year's Honour. Humbling to think that, at a time when these customers were at their most vulnerable they found the time and energy to show their gratitude.

It is at times of crisis when industrywide 'people networks' can become so helpful. When locksmiths were in short supply to enable electricity employees to gain urgent access to flood affected properties, it was with some relief that Electricity North West was able to lean on its membership of the UKRPA. Both Scottish Power and British Gas stepped up to the plate, enabling locksmiths to be sourced from as far afield as Edinburgh and Glasgow for Cumbria.

It is with an immense sense of pride and team spirit that I sign off. It was truly heart-warming to read the comments of support, encouragement and gratitude from customers who had lost so much and yet appreciated all the hard work that was being done. While the eyes of the world and the stories in the media have turned to more pressing and sensational stories, Electricity North West face a huge clearing up and repair operation and so the work continues...



**Written By:** Karen Ainsworth, ENWL

## Revenue Protection Industry Calendar

22nd January 2016	UKRPA Forum 16-01
15th April 2016	UKRPA General Meeting
29th—30th June 2016	UKRPA National Conference

To advertise your event in the quarterly UKRPA Newsletter, please [contact the UKRPA](#).



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Our industry operates within a regulatory framework that seeks to strike a balance between consumer protection at one end of the spectrum (such as vulnerability), and a desire to drive increasingly proactive theft investigative practices. The approach to theft detection, investigation and resolution has historically been fragmented across the industry with varying industry practices and no real joined up approach between electricity, gas and water.

Against this backdrop, the UKRPA is uniquely positioned to provide a UK industry wide input to the evolving market arrangements, ensuring that the experiences and expertise of its members is brought to the forefront of the revenue protection industry's discussions.

### UKRPA Membership

Full and Associate membership opportunities are open to companies working in the revenue protection arena, in and around the United Kingdom. For more information regarding benefits of membership, please visit our website [www.ukrpa.co.uk](http://www.ukrpa.co.uk)

## UKRPA Members



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