

**MOD 0231V – CHANGES TO THE REASONABLE ENDEAVOURS SCHEME
TO BETTER INCENTIVISE THE DETECTION OF THEFT**

DRAFT LEGAL TEXT – v21 (8 SEPTEMBER 10-NOVEMBER 20109)
(prepared by Scotia Gas Networks Limited)

Proposed Amendments to Transportation Principal Document Sections S and V

UNC Transportation Principal Document – Section S

1. Insert new Section 5, as follows:

“5. SUPPLIES OF GAS ILLEGALLY TAKEN

5.1 Reasonable Endeavours Scheme

5.1.1 Where a Shipper User notifies a Transporter that paragraph 5 of standard condition 7 of the Transporter’s Licence applies and that sub-paragraphs (a) and (b) of that paragraph are met, that paragraph requires the Transporter, for the purposes of calculating and claiming charges to be paid to it by the Shipper User in pursuance of arrangements between them (“**the Charges**”), to:

- (a) treat the amount of gas to which the Supplier’s charges (as defined in paragraph 5(a)(ii) of standard condition 7 of the Transporter’s Licence) relate as not having been taken out of its System by the Shipper User; and
- (b) further reduce the Charges by an amount equal to that of an allowance in respect of an amount calculated in accordance with the principle set out in paragraph 5.1.2 below (as set out in the table in Annex S-4).

5.1.2 The principle referred to at paragraph 5.1.1(b) above is that the allowance shall be such as to ameliorate any disincentive on the part of Suppliers to investigate and use reasonable endeavours to recover the charges to which they would be entitled as referred to in paragraph 5 of standard condition 7 of the Transporter’s Licence. This shall be the case where the allowance is not more than the amounts for measures reasonably shown to have been taken by Suppliers as set out in the table set out in Annex S-4, provided always that:

- (a) in respect of a single case only one of the allowances set out in sections (i), (ii) and (iv) of the table in Annex S-4 may be claimed; and
- (b) where, in respect of any matter investigated, the Supplier recovers a proportion of such charges as are mentioned in paragraph 5.1.1(b) of this scheme, the total of the allowances calculated in accordance with the table in respect of that matter shall be reduced by that proportion.”

2. Insert new Annex S-4 at the end of Section S with a table, as follows:

Annex S-4

Table 1

(i) Attendance at premises (including at primary or secondary sub-deduct (premises) following a breach of paragraph 10(1) of schedule 2B of the Act, including preparation of investigation report and notification to the police (actions 1 and 2 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(ii) Attendance at premises (including at primary or secondary sub-deduct premises) following a breach of paragraph 11(2) of schedule 2B of the Act including preparation of investigation report and notification to the police (actions 1 and 2 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(iii) In cases (i) and (ii) above the assessment and pursuit of charges for gas taken (actions 3, 4 and 5 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(iv) Attendance at premises (including at primary or secondary sub-deduct premises) where a supply has been taken in such circumstances as are mentioned in standard condition 7(4)(c) of the Transporter's Licence including assessment and pursuit of charges and attempted identification of person taking supply (actions 2, 3, 4 and 5 in paragraph 3 of the Reasonable Endeavours Document for Gas Illegally Taken)	Actual costs up to a maximum of £1000.
(v) Meter exchange costs, including material, labour and sundry costs relating to new meter and its installation	Actual costs up to a maximum of £1000.
(vi) Forensic tests	Actual costs up to a maximum of £1000.
(vii) Court fees including issue of summons, service, judgment and execution fees	Actual costs.

UNC Transportation Principal Document – Section V

3. Amend Sections V12.1 and V12.3, as follows:

“12 GENERAL PROVISIONS RELATING TO UNC RELATED DOCUMENTS

12.1 Purpose

The purpose of this Section is to establish generic governance arrangements in respect of the following UNC Related Documents (each a “**Document**” and collectively the “**Documents**”):

- (a) Network Code Operations Reporting Manual as referenced in Section V9.4;
- (b) Network Code Validation Rules referenced in Section M1.5.3;
- (c) ECQ Methodology as referenced in Section Q6.1.1(c); ~~and~~
- (d) Measurement Error Notification Guidelines for NTS to LDZ and LDZ to LDZ Measurement Installations as referenced in OAD Section D3.1.5.;
- (e) the Allocation of Unidentified Gas Document referenced in Section E9.1.1; ~~and~~
- (f) Reasonable Endeavours Document for Gas Illegally Taken (v.1) in Section S5.1.;

12.3 Modifications

12.3.1 Subject to Section V12.3.2, ~~S~~should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Committee or any relevant subcommittee where the Uniform Network Committee so decide by majority vote.

12.3.2 Any proposed modification raised in relation to the Reasonable Endeavours Document for Gas Illegally Taken shall be amended for the purposes of the Code by way of Code Modification in accordance with Section 7 of the Modification Rules.

~~43.~~ Introduction of new UNC Related Document to the Transportation Principal Document - Reasonable Endeavours Document for Gas Illegally Taken

See separate document