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CODE OF PRACTICE

FOR

DEALING WITH THE ILLEGAL USE OF GAS

Code of Practice for Dealing with the
Illegal Use of Gas as
Defined by Paragraphs 9.2, 10.1 & 11.2
of Schedule 2B of The Gas Act 1986.

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1. DEFINITIONS AND INTERPRETATION

<u>Term</u>	<u>Meaning</u>
ACOP	Approved Code Of Practice
The Authority	Ofgem
Consumer	The end user at the premise where a gas supply is off-taken
Cap / Capped	Sealing device for fitting on the outlet of the emergency Control that provides a gas tight closure and prevents unauthorised use of gas.
Collar	
CORGI	Council Of Registered Gas Installers
Conveyance	
CSEP's	Connected System Exit Points
Domestic Site	A premise consuming less than 73,199 kwh per annum
Downstream	The gas supply network up to the ECV operated by a Gas Transporter.
<u>Emergency Control Valve (ECV)</u>	'Emergency Control Valve' shall mean a valve for shutting off the supply of gas in an emergency. The ECV is located at the end of a service or distribution main.
The Gas Act	Gas Act 1986 as amended by the Gas Act 1995 & by the Utilities Act 2000
Gas Safety Regs.	The Gas Safety (Installation and Use) Regulations 1998
<u>GT</u>	<u>Holder of a Gas Transportation licence</u> granted under section 7 of the Act
I&C Site	A premise consuming equal to or greater than 73,200 kwh per annum.
<u>Isolation</u>	<u>Isolation of a Supply Point means the securing of the gas supply so that gas can not be off-taken from the network/system</u>
iGT	independent Gas Transporter who own the CSEP
Larger Supply Point	A premise exceeding an annual estimated gas consumption of 73,200 kwh
The Manual	A Manual containing Information and Guidance on Revenue Protection Procedures and Practice, which is intended to supplement requirements in the Code, indicating best practice and providing information and legal basis for action which may be taken.
Market Participants	For the purposes of this Code of Practice shall mean Gas Transporters, Shippers, Suppliers and their Agents.
Meter By-Pass	Comprises gas fittings through which the flow of gas can be diverted so as not to pass through the meter or metering equipment.
PaCE	The Police and Criminal Evidence Act 1984
Revenue Protection	A provider of services to detect, investigate and remedy cases of meter tampering and theft. A RPS may be a department of a

Services	shipper, Supplier & GT or a separate entity contracted to provide RPS on behalf of the Shipper, Supplier or GT.
Seals	Various components & connections on metering installations require sealing to prevent them being used by unauthorised persons. Some components may require to be sealed to prevent tamper.
Shipper	Holder of a Shipper licence granted under section 7A of the Act
Shipperless Site	A Supply Meter Point which does not have a registered Shipper for the site
Supplier	Holder of a Supplier Licence granted under section 7A of the Act. Supplier, to supply gas to consumers
Taking Gas Illegally	Defined by paragraphs 9.2, 10.1 & 11.2 of Schedule B to the Gas Act 1986 (as amended)
Uniform Network Code	Contract between Gas Transporters & Shippers for transportation of gas to the end consumer.
Upstream	The gas service provided by a Supplier to a property from the ECV .
Vulnerable Customers	A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity they are unable to safeguard their personal welfare or the personal welfare of other members of the household.
xoserve	xoserve are an 'Agency' established to provide services to shippers on behalf of the Gas Transporters.

2. SCOPE

- 2.1 This Code of Practice applies to natural gas only.
- 2.2 Applies to the taking of gas illegally through meter tampering, taking of gas in the course of being conveyed or restoration of the gas supply without the relevant consent
- 2.3 The Code details the responsibilities, processes and duties of a GT (xoserve carry out some of these duties on behalf of the GT), Supplier and Revenue Protection Services.
- 2.4 Sets out guidance within which market participants can carry out their licence obligations and conduct their investigations.
- 2.5 The code does not deal with other types of theft or fraud, or the recovery of bad debts.
- 2.6 Sets out the Reasonable Endeavours scheme operated by GT's.
- 2.7 Applies to both domestic & non-domestic premises/consumers
- 2.8 The Code does not cover Shipperless Sites.
- 2.9 The Code applies to all licensee's of the Gas Transporters Licence, Gas Shippers Licence and Gas Suppliers Licence.

3. INTRODUCTION

This Code of Practice was developed as a result of a working group set up to review the current obligations, responsibilities, processes, incentive schemes and documentation for energy theft. The Energy Retail Association (ERA) and Energy Networks Association (ENA) initiated the working group in response to the Ofgem consultation paper in April 2004 on Theft of Energy and the subsequent 'Next Steps' document published in January 2005.

Suppliers, GTs, xoserve and Revenue Protection Service Providers have developed this Code in discussion with Ofgem and energywatch.

Ofgem is the regulator for Britain's gas and electricity industries established under the Utilities Act 2000. Its role is to promote choice and value for all consumers. Amongst the relevant powers and duties, Ofgem has the responsibility to investigate the suspected breach of their licence and, if proven, take enforcement action.

energywatch is the independent watchdog for gas and electricity consumers established in November 2000 under the Utilities Act 2000. energywatch are responsible for the investigation of individual disputes between consumers and suppliers. Where investigation and negotiation does not resolve these disputes, and the licence holder is suspected of having breached its statutory or licence obligations, the Authority has the responsibility to carry out enforcement action.

3.1 Objectives

This Code of Practice provides guidance to Market Participants on how to deal with consumers who are suspected of taking gas illegally in order to ensure consistency of treatment, and to outline the relationships between Market Participants and how they communicate with one another. The Code sets out the roles for all Market Participants involved and guidelines for the detection, investigation and reporting of suspicions of theft of gas, including where activities are discharged by third party contractors operating on behalf of the Market Participants e.g. contracts between Market Participants for Revenue Protection Services are in place.

Adherence to the Code is not mandatory but Market Participants should recognise that the Code provides guidance and as a best practice approach sets out procedures that if followed will help to demonstrate licence compliance.

3.2 Market Participants to the Code

- [Gas Transporters](#)
- Independent Gas Transporters (iGT's)
- [Shippers](#)
- [Suppliers](#)
- Suppliers/GT's Agents

3.3 Principles of the Code

Associated with this Code is a Manual of Information and Guidance on Revenue Protection Procedures and Practice ('the manual'), which is intended to supplement requirements in the Code, indicating best practice, providing information and explaining the legal basis under which action may be taken. The following outlines principles of the Code which are set out either in its Appendices or are covered in Section ? of the manual.

- 3.3.1 When dealing with an actual or suspected case of tampering or theft, safety concerns will be paramount. Investigations must always be focused on the identification and remedy of any risks to safety and the appropriate safety regulations must take precedence.
- 3.3.2 Theft of Gas investigations will be undertaken by staff or agents who meet the requirements set out in Appendix 6. In addition, all such persons must carry out their duties in accordance with relevant legislation, e.g. the Police and Criminal Evidence Act 1984 (PaCE). Ofgem should be informed of the use of any third party companies or agents who GTs or Suppliers believe meet these requirements and will keep a record of this information (under SLC 24 for Suppliers).
- 3.3.3 Investigations will be conducted in accordance with this Code of Practice; cases of reported tampering or illegal connections will be dealt with in accordance with the guidelines set out in the Manual.
- 3.3.4 Confirmed cases of tampering and illegal connections may be reported to the police in accordance with a Supplier's and/or GT's policy, however it is recommended to report all cases of theft to the Police. Responsibility for initiating associated criminal proceedings, however, rests with the Police and Crown Prosecution Service (Procurator Fiscal in Scotland).
- 3.3.5 Cases of reported actual or suspected theft will be dealt with in accordance with the timescales in Appendix 3 of the Code. xoserve (on behalf of the GT) will be informed of any actual or suspected cases of gas illegally taken. Where a suspicion of theft is proven, an estimate of the volume of gas, in accordance with Condition 16 of the Suppliers' Licence, will also be required.
- 3.3.6 Records, case files and evidence will be retained in accordance with Appendix 7.
- 3.3.7 The amount of energy stolen will be calculated in accordance with the guidelines in Section ? of the manual. When charges have been paid or arrangements to pay agreed, consumers will be reconnected as soon as reasonably practicable. Charges may include the reasonable costs associated with the investigation, connection and disconnection of the supply as supported in Section ? of the manual.
- 3.3.8 Guidance as to how suppliers and GTs should deal with consumers found to be tampering with the gas supply or an illegal connection, including the process for vulnerable consumers, is detailed in Section ? of the Manual.

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3.4 Governance

The code will be governed in accordance with Appendix 5.

4. OBLIGATIONS

4.1 Responsibilities for Investigation

<u>Scenario</u>	<u>Gas Transporter</u>	<u>Gas Supplier</u>	<u>iGT</u>
<u>Downstream of ECV</u>		X	
<u>Upstream of ECV</u>	X		
<u>Shipperless</u>	X		
CSEP's		X	X

4.2 Gas Transporter Obligations

4.2.1 Standard Licence Condition 7 Paragraph 1

Where it appears that a supply of gas has been taken in the course of conveyance by the GT, the GT shall investigate and, subject to the outcome of the investigation, use its reasonable endeavours to recover the value of gas taken.

4.2.2 Standard Licence Condition 7 Paragraph 2

Where it appears that a supply of gas has been taken previously conveyed by the Gas Transporter to primary sub-deduct premises the GT shall investigate and, subject to the outcome of the investigation, use its reasonable endeavours to recover the value of gas taken.

4.2.3 Standard Licence Condition 7 Paragraph 3

The GT shall suffer no financial detriment or benefit from the recovery of gas taken.

4.2.4 Standard Licence Condition 7 Paragraph 4

Where (a) the premises are without arrangements with a gas shipper, or (b) a supply of gas taken without the agreement of either the GT or Supplier who cut off the supply of gas or, (c) the premises are unlawfully occupied or the occupier has no intent to pay, paragraphs 5, 6, (7) & 8 shall apply.

4.2.5 Standard Licence Condition 7 Paragraph 5

Where the Supplier has investigated the matter and tried to recover charges but has failed and cannot reasonably be expected to recover the charges, the GT shall make an allowance available.

4.2.6 Standard Licence Condition 7 Paragraph 6

An allowance shall be calculated in accordance with principles set out in a scheme designated by the Authority.

4.2.7 Standard Licence Condition 7 Paragraph 8

For the purposes of paragraphs 5 & (7), the GT shall prepare a document which has been consulted on by the relevant shippers and suppliers, approved by the Authority and drawn to the attention of such Shippers and Suppliers.

4.2.8 Standard Licence Condition 7 Paragraph 13

The GT shall, at the request of a relevant Shipper, secure the gas supply which has been rendered unsafe.

4.3 Gas Supplier Obligations

4.3.1 Standard Licence Condition 16 Paragraph 1

The Supplier shall provide information in its possession or readily available, which is reasonably requested by a GT to fulfil its licence obligations.

4.3.2 Standard Licence Condition 16 Paragraph 2

Notify the GT of any actual or suspected cases of gas taken illegally, including, where proven, an estimate of the volume (in kwh) of the gas taken.

4.3.3 Standard Licence Condition 17 Paragraph 1

Suppliers must use all reasonable endeavours, including seeking a warrant where necessary, to ensure that each meter and associated installation at premises where they are the Gas Supplier is inspected at intervals of not more than 2 years by a person with the appropriate expertise.

4.4 Gas Shipper Obligations

4.4.1 Standard Licence Condition 9 Paragraph 1

The Shipper shall provide information in its possession or readily available, which is reasonably requested by a GT to fulfil its licence obligations.

4.4.2 Standard Licence Condition 9 Paragraph 2

Notify the GT of any actual or suspected cases of gas taken illegally, including, where proven, an estimate of the volume (in kwh) of the gas taken.

4.5 Uniform Network Code Obligations (Section N Shrinkage 1.4.2)

4.5.1 Section N, 14.2 Shrinkage

Shrinkage gas shall include gas off-taken from the System which has been illegally taken:

4.5.2 Section E, 3.5 Gas Illegally taken

Where gas has been illegally taken at a larger Supply Point downstream of the ECV and the case is not one in which the Gas Transporter is entitled to recover the value of the gas, adjustments shall be made, in respect of the quantities treated as off-taken for the purposes of determining the quantities subject to individual NDM Reconciliation or DM Reconciliation.

4.6 The Gas Act 1986, Schedule 2B – The Gas Code

4.6.1 Section 9 (1) & (2)

Where gas is illegally taken in the course of being conveyed by a GT or where any person reconnects a supply of gas which has been conveyed to those premises by the GT, the Gas Transporter is entitled to recover the value of gas taken.

4.6.2 Section 9 (3)

Each GT shall provide a scheme for the number of therms or kilowatt hours represented by a supply of gas taken in such circumstances as (1) or (2) above is to be determined.

4.6.3 Section 10 (2)

If any person intentionally or by negligence, injures or allows to be injured, any gas fitting or any service pipe, alters the index to the meter or prevents the meter from registering, the Gas Transporter or Supplier may disconnect the premises or cut off the supply of gas.

4.6.4 Section 11 (2)

Where the gas supply has been reconnected without the relevant consent from the Gas Transporter who disconnected the supply or the Gas Supplier who cut off the gas supply, the Gas Transporter or Supplier may again disconnect the premises or, cut off the supply.

5. INFORMATION AND COMMUNICATIONS

This section covers how Gas Transporters, Shippers, Suppliers and their agents will report suspicions of tampering or illegal connections.

5.1 Communication between Market Participants

Process Flow diagrams for the following activities can be found in Appendix 1.

- Receiving and Processing Suspicions of Theft
- Suspicion of Theft on an iGT Network

5.2 Communication with Consumer

Letters left with end consumers as a result of a revenue protection visit where access has been gained should clearly state:

- Who the Revenue Protection agent is representing, supplier, GT, etc.
- The contact details for both the revenue protection company and the party they are representing.
- The outcome of the visit, e.g. the details of the evidence of taking gas illegally, meter exchange, etc.
- What the consumer can expect next / what they should do, e.g. contact their supplier.
- What the consumer should do if they are not satisfied with the outcome, e.g. contact their supplier in the first instance. If the case is not resolved to the consumer's satisfaction then they should contact energywatch.

6. DEALING WITH TOG LEADS PROCEDURES

6.1 Reporting a Suspicion of Theft

GT's and Supplier's (or their agents) will use reasonable endeavours to conduct a check on the metering equipment for any signs of tamper or interference whenever a visit is made to the site/premises.

Where theft is suspected this must be reported promptly to either the:

- National Gas Emergency Number (0800 111 999) if there is a safety risk or
- The Supplier where there is no risk to safety.

All suspicions of theft of gas must be passed to xoserve, who will, on behalf of the GT, record the details and to ensure the relevant Supplier or Gas Transporter is passed the information to enable an investigation to be carried out.

6.2 Supplier / Agent Detection

Meter Installers carrying out work on the gas supply/meter, Meter Readers etc should carry out a visual inspection for any signs of tampering, further information of types of tampering can be found in the Manual.

Physical detection of tampering and theft may not always be evident. Some types of theft can be concealed to prevent discovery, and it is only when assessing energy used that cause for suspicion will be raised. Therefore, other measures will need to be employed to assist with detecting losses. It is accepted that suppliers may not always have a meter reading history, or information on appliances in use to form a judgement on whether consumption is correct for the consumer.

There are a number of common methods of data interrogation that can assist with detection; these are included in the Manual.

6.3 GT Detection

The following Theft of Gas procedures must be used when the engineer suspects a theft of gas or is called to a reported/actual theft of gas.

Gas Transporter's aim to attend all uncontrolled escapes within one hour, and all controlled escapes within two hours. A controlled gas escape is one where the person reporting it has confirmed that the gas emergency control valve serving the premises has been turned off and the smell of gas has gone. An uncontrolled gas escape covers all others.

Suspicious circumstances may include:

- Scoring of the meter inlet or outlet unions
- Meter not fitted in accordance with Installation Regulations
- DTI seal tampered with

A broken-open coin/token meter is theft of the Shipper's revenue, not theft of gas.

Important: nothing in this procedure overrides the requirements of the Gas Safety Regulations which must be followed at all times. If there is a safety hazard, carry out the minimum safety procedures to make safe the supply, record details and produce diagrams of everything altered.

Upon completion of the site visit the Engineer must record details of the evidence found (if any), action taken, status of supply and whatever is readable of the meter make, model, serial number, year of manufacture and reading(s), including an index read.

If no theft of gas is found this should be recorded as either 'No Theft of Gas' or 'No evidence of Theft of Gas found'.

The following are the basic procedures carried out by an Emergency Engineer; more detailed procedures can be found in the Operational Procedures produced by Gas Transporters.

- Check the property and installation for gas escapes and ensure the installation is safe according the Gas Safety Regulations.
- If a gas escape is detected, follow the Gas Escape Procedure, including forced entry if necessary.
- If access is not gained and a gas escape has not been detected, record details and 'No Access'.
- If there is an illegal tee into the service, isolate the supply.
- Where tampering/illegal connection is found, take photographic evidence if possible prior to making the installation and ensure any evidence is not removed and is preserved where possible. The supply, as appropriate, should be left capped, locked off or clamped.
- Record all relevant details, including meter serial number, meter readings, and for theft before the ECV or shipperless sites, record appliance details, time of occupancy, occupant details.

~~All suppliers will nominate a member of staff to receive TOG leads and will ensure details are lodged with their shipper and with Transco.~~

~~Leads will normally be received from:-
Transco meter readers
Other meter reading agents
Transco Competent Person, (TCPs)
Other gas service engineers*
New occupiers
Suppliers (e.g. on charge of supplier)
General public
Others (e.g. Police, other utilities)~~

6.4 Visit Procedure and Gaining Entry

The following paragraphs provide details relating to visits carried out by GT's, Suppliers and Revenue Protection Service (RPS) staff.

6.4.1 Routine Visits

RPS staff will, as a result of a report received, make a visit to the premises, identify on whose behalf they are calling and request entry to inspect the installation. Circumstances, as determined by the nature of the report and/or known local factors, will determine how many staff are involved and whether Police accompaniment may be requested (for instance if a breach of the peace is considered likely).

6.4.2 Gaining Entry

On arrival at the property, investigators must identify themselves and request to inspect the gas installation. If access is refused, or the site is un-occupied, Police assistance and/or a Rights of Entry warrant may be sought. If safety dictates, the GT must be requested to attend and may then decide to force entry on safety grounds.

7. ~~VISIT PROCEDURES (cont.)~~

~~* Make safe and lock off the supply.~~

~~* Complete & leave customer and standard letter, (Appendix 4).~~

~~* Complete call sheet on premises or immediately on leaving, (Appendix 5).~~

~~* Inform supplier's nominated contact of disconnection details immediately on leaving premises.~~

~~* Retain and safeguard evidence.~~

6.4.3 Need for a warrant

Where permission for entry is refused, or where premises may be unoccupied, recourse will need to be made for use of a Justice's Warrant to obtain entry, as set out in the Rights of Entry (Gas and Electricity Boards) Act 1954.

6.5 Investigation Process

Once entry has been gained or enquiries commenced the RPS, or relevant person, will, as soon as reasonably practicable, begin to collect evidence in accordance with all relevant statutory provisions, codes of practice and other applicable guidelines.

Where entry has been gained the subsequent course of action, where safe to do so, will be determined by the circumstances in the following table:

Tamper/Interference Found	Recommended Action's to be Taken	Recommended Follow-up Action's
Illegal Connection or Interference before ECV or By-Pass	<ol style="list-style-type: none"> 1. Explain to the consumer what has been found. 2. Photograph the illegal connection and any supporting evidence 3. Disconnect the supply, remove the meter and/or illegal connection if appropriate. 	<ol style="list-style-type: none"> 1. Proceed with recovery of costs & gas taken illegally. 2. Carry out further visit to check safety of supply & that gas has not been re-connected without consent.
Physical signs of tampering of the meter found (e.g. scored unions, scratched index or tilted meter) or interference with sufficient evidence	<ol style="list-style-type: none"> 1. Photograph and or scratch initials on meter 2. Collar the supply to deter further attempts at tampering 3. Exchange the meter for forensic tests 	<ol style="list-style-type: none"> 1. Proceed with recovery of costs & gas taken illegally. 2. Carry out further visit to check supply (see section 6.7).
Suspicion of interference/tampering but insufficient evidence to take action	<ol style="list-style-type: none"> 1. Do nothing but subject the installation/meter to further spot checks 2. Collar the supply to deter further attempts at tampering 3. Exchange the meter if required 	<ol style="list-style-type: none"> 1. Monitor consumption 2. Carry out further visit to check supply / meter (see section 6.7).
Damage to metering equipment but no cause to suspect interference	<ol style="list-style-type: none"> 1. Arrange for meter repair or exchange of damaged metering equipment 	N/A

No interference/tampering found & none suspected	1. Do nothing 2. Fit collars to protect consumer from further Suspicions of Theft	N/A
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6.5.1 ~~*** Transco must currently undertake this work.~~ In exceptional circumstances, the RPS may apply discretion and restore/~~ask Transco to restore~~ the supply straight away. Reasons must be noted on relevant paperwork/system (the winter disconnection moratorium does not apply in Theft of Gas cases).

6.5.2 The carrying out of the above actions is subject to ensuring the safety of all persons on site.

6.6 Conduct of a Case

RPS Providers will conduct any investigation in accordance with the details contained in Section ? of the Manual.

6.7 Re-visits

Where deemed appropriate and unless instructed by the Supplier to the contrary, the RPS should revisit consumers who are considered to be vulnerable or if there are considered to be safety issues, in order to check the safety of the installation and ensure that no unlawful re-establishing of the supply has taken place.

~~*(i.e. engineers working on customers' premises privately or as a contractor of a transporter, shipper or agent).*~~

~~5. DEALING WITH TOG LEAD (contd.)* Where a supplier has information that tampering may have preceded the~~

6.8 Reconnection Terms

6.8.1 Charges and agreements will be sought from consumers as a requirement for restoration of supply:

6.8.2 Payment of debt accrued prior to the discovery of the tampering may not be demanded as a condition of reconnection unless the supply has already been cut off for non-payment and has been reconnected illegally.

6.8.3 Where charges can not be recovered from the consumer concerned, allowances can be claimed from the GT in line with Reasonable Endeavours and ~~Ofgas~~Ofgem' Scheme of Allowance, more information can be found in Section 8 of the Code.

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6.9 Maintenance of Records

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Each Market Participant will maintain as appropriate records in relation to its operation in accordance with the requirements set out at Appendix 7.

7. DATA REQUIREMENTS

7.1 xoserve (on behalf of GT) to Shipper

- MPRN
- Site Address
- Date & Time Allegation was made
- Allegation Details
- Informant (if given)
- Site Visit Details (if required)
- Meter details (if provided)

7.2 Shipper to Supplier

- MPRN
- Site Address
- Date & Time Allegation was made
- Allegation Details
- Informant (if given)
- Site Visit Details (if required)
- Meter details (if provided)

7.3 Supplier to RPS

- MPRN
- Site Address
- Consumer details
- Meter details
- Date & Time Allegation was made
- Allegation Details
- Informant (if given)
- Site Visit Details (if required)
- Consumption history
- Type of premise & any relevant info re customer/site

7.4 Shipper to xoserve (on behalf of GT)

- If allegation is valid or invalid
- If valid;
 - o period of theft
 - o estimated kwh
- If invalid;
 - o reason invalid allegation or reason for not pursuing

8. THE REASONABLE ENDEAVOURS SCHEME

8.1 The Reasonable Endeavours scheme

A scheme, designated by The Authority for the purposes of Standard Condition 7 of the Gas Transporter Licence, sets out the principles by which Gas Transporters must prepare a document to enable Shippers to claim an allowance where reasonable endeavours have been used, but the supplier has failed and cannot reasonably be expected to recover some or all of the supplier's charges in cases of gas taken illegally.

The document defines the circumstances in which the GT will grant allowances to shippers as referred to in the Gas Transporters Allowances for Gas Taken Illegally Scheme designated by the Authority.

The allowance to the relevant shipper is in respect of:

- i) the reasonable cost to the supplier concerned of complying with a request or requirement to investigate gas illegally taken and using its reasonable endeavours to recover its charges; and
- ii) an amount calculated in accordance with principles set out in a scheme designated by the Authority for the purposes of standard licence condition 7.

8.2 Reasonable Endeavours Document

Each Gas Transporter must prepare a document, after consultation with relevant Shippers and Suppliers, gain approval from the Authority, ensure it is drawn to the attention of Shippers and Suppliers and supply copies at the request of the relevant Shipper/Supplier. A copy of the GT's Gas Illegally Taken Reasonable Endeavours document can be found on the individual GT's websites.

In preparing the document GT's have assumed the following:

- i) The Shipper claiming for Reasonable Endeavours was the Registered User
- ii) The Shipper has notified xoserve (on behalf of the GT) of the Alleged Theft and the kWh Assessed

To qualify for a refund of charges and payments of the allowance, a Shipper must confirm to xoserve, on behalf of the GT that the supplier has completed all the appropriate actions of Reasonable Endeavours and has failed and cannot reasonably be expected to recover some or all of the charges to which it is entitled under a contract or deemed contract or otherwise within 24 months of the incident being reported and recorded by xoserve.

Contractual records of end-customers and records of all actions taken to investigate illegal takings of gas and the pursuit of charges, including copies of reports presented to the police, must be kept by the supplier for a period of 3 years from the date of the claim having been made to the GT for the purposes of any audit which Ofgem and/or GT may at their discretion wish to make.

8.3 Reasonable Endeavour Claims

These notes are for guidance only and do not form part of reasonable Endeavours.

8.3.1 Under paragraph 3.1 Reasonable Endeavours

When submitting a claim for this action the evidence that xoserve (on behalf of the GTs) will accept is as follows:

- (i) Police Report Crime Number / Signed & dated Witness statement.
- (ii) Copy of estimated KWH taken and how this was calculated.
- (iii) Copy of communication to the End User to advise the outcome of the investigation.

In exceptional circumstances claims may be accepted when no report has been made to the Police (or where the police have refused to provide a crime number). In such cases the files should be accompanied by a report giving no less information than would have been given in a witness statement and clearly setting out the reasons why the Police were not involved. When submitting a claim under these circumstances the evidence that xoserve (on behalf of the GTs) will accept is as follows:

- (i) Police Report / Signed & dated Witness statement.
- (ii) Copy of estimated KWH taken and how this was calculated.
- (iii) Copy of communication to the End User to advise the outcome of the investigation.

8.3.2 Under paragraph 3.2 Reasonable Endeavours

This action is to allow you to claim in situations of gas taken illegally where the person is not the lawful occupier and /or does not intend to pay (Squatters), and the supplier has a contract or deemed contract to that property.

It should be noted that where a person is the lawful occupier but has gone away without paying outstanding charges this does not constitute gas taken illegally as defined in Standard Condition 7 of Transco's Gas Transporters Licence.

When submitting a claim for this action evidence that xoserve (on behalf of the GTs) will accept is as follows:

- (i) Copy of estimated KWH taken and how this was worked out.
- (ii) Evidence of a deemed contract & the basis of why the person was not the lawful occupier and no intent to pay, i.e. Council notification that no tenant was in place
- (iii) Copy of communication to the End User to advise the outcome of the investigation.

8.3.3 Under paragraph 3.3 Reasonable Endeavours

'Costs incurred' includes those associated with the replacement of damaged meters and gas fittings, isolation and restoration of the supply, investigation and debt recovery insofar as the supplier is entitled (whether by contract, deemed contract or otherwise) to recover the amounts.

The demand should clearly show how the charges have been calculated.

When submitting a claim for this action evidence that xoserve (on behalf of GTs) will accept is as follows:

- (i) Copy of estimated KWH taken and how this was calculated
- (ii) Copy of communication to the End User of pursuit of the debt.
- (iii) Copy of evidence of part payment arrangements.
- (iv) Breakdown of costs with copies of invoices where Forensic tests, meter exchanges took place.

8.3.4 Under paragraph 3.4 Reasonable Endeavours

Where arrangements to pay for the gas taken illegally have been made available it should also be taken into account the person's ability to pay and must not provide an opportunity for the person to avoid any part of the payment, which could reasonably be made. Where appropriate, a prepayment meter should be installed to assist recovery of the charges.

When submitting a claim for this action evidence that xoserve (on behalf of GTs) will accept is as follows:

- (i) Copy of Invoice/letters issued to end user that state payment arrangements. These should not have an issued date of less than 6 months and a maximum of 12 months
- (ii) If a PPM meter was installed, how much was/will be recovered by this meter and if new tenant evidence of trying to locate person.

8.3.5 Under paragraph 3.5 Reasonable Endeavours

When an offence under paragraph 10(1) or 11(1) of Schedule 2B to the Act has been committed, the supply can be discontinued or isolated in accordance with paragraph 10(2) or 11(2) of the Schedule respectively.

The person, where no payment or failed to pay agreement has occurred must be disconnected and remain disconnected for a period not less than 28 days. If there has been no change of occupancy xoserve (on behalf of GTs) would expect to see that the site has remained disconnected.

8.3.6 Under paragraph 3.6 Reasonable Endeavours

A claim for refund of charges and payment of the allowance cannot be made until the supplier has a reasonable expectation of the amount of the distribution that is to be made.

When submitting a claim for this action evidence that xoserve (on behalf of GTs) will accept is as follows;

xoserve

- (i) Document from receivers that the claim for costs has been submitted and how much the receiver has advised will be distributed to the Shipper.

8.3.7 Under paragraph 3.7 Reasonable Endeavours

If a civil action is not taken, then the information used to arrive at this decision must be retained and produced on request.

When submitting a claim for this action evidence that xoserve (on behalf of GTs) will accept is as follows;

- i) Evidence of Civil action taken, documents submitted to the courts
- ii) If no civil action taken, evidence of reason not to take this action

All claims should be submitted to xoserve for validation and, for valid claims, invoice issue. A copy of the Claims Form for Reasonable Endeavours can be found in Appendix 4.