

Theft of Gas Review Group (UNC0245) Minutes
Monday 15 June 2009
Ofgem, 9 Millbank, London, SW1P 3GE

Attendees

Bob Fletcher (Chair)	BF	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Aaron Toussaint	AT	Consumer Focus
Alan Dick	AD	UK RPA
Gareth Evans	GE	Watersye Associates
Andrew Wallace	AW	Ofgem
Anne Jackson	AJa	Scottish and Southern Energy
Bali Dohel	BD	Scotia Gas Networks
Chris Hill	CH	RWE Npower
Colette Baldwin	CB	E.ON UK
David Watson	DW	Centrica
Erika Melén	EM	Energy Networks Association
Joanna Ferguson	JF	Northern Gas Networks
Keith Stout	KS	Fulcrum
Phil Lucas	PL	National Grid Distribution
Ralph Reekie	RR	Envoy Metering
Rosie McGlynn	RM	EDF Energy
Simon Trivella	ST	Wales and West Utilities
Steve Mulinganie	SM	Onshore Consultant/GDF Suez

Apologies

Lorraine McGregor	LM	Scottish Power
Alison Jennings	AJ	xoserve

1. Introduction and Status Review**1.1. Minutes from previous Review Group Meeting**

The following amendments were requested:

Section 1.2 Review of actions from previous Review Group meetings

Action RG0245 0023: SM to provide clarification of the GS(IU)Rs and GSMR 2 year safety timeframe for service disconnections.

Action Update: ST was unaware ~~unsure~~ if the Transporters had a two year obligation, he referred to a 12 month obligation once a meter has been removed. It was acknowledged that the rules need to be considered to ascertain the best way forward for the various scenarios identified. A discussion took place on the remedy and the different powers for the scenarios. **Complete.**

Section 2.3 Best Practice

AD provided a presentation on the code of practise for revenue protection used within the electricity industry and managed on their behalf by the revenue protection agency.

The presentation included a website location www.ukrpa.org to obtain the best practise document.

AW asked if there was any restriction on the Review Group using the document. RM believed that a [review complete overhaul](#) is required in terms of the RPA code of practice. DW wished for the group to consider what elements need to be used specifically for the gas industry, what are the core practices that can be used for both.

AW suggested that the [Domestic Code of Practice \(DC~~E~~OP\)](#) document may wish to be considered.

The minutes of the previous meeting were then approved.

1.2. Review of actions from previous Review Group Meetings

Action RG0245 006: Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.

Action Update: AW confirmed that British Gas has revised the proposal in line with discussions at previous meetings. He agreed to provide a marked up version for publication with the minutes. BF confirmed that the draft Terms of Reference will be republished. **Complete.**

Action RG0245 0008: Review Group 0245 to ensure the Theft of Energy Work Group recommendations are considered within the Review Group Report.

Action Update: BF confirmed that this will be reviewed at a suitable time. **Carried Forward.**

Action RG0245 0009a: National Grid to confirm if evidence of theft is communicated to Shippers, if digital cameras are universally supplied to engineers and what action an engineer takes if an unsafe meter was discovered.

Action Update: PL confirmed clarification will be provided shortly. **Carried Forward**

Post Meeting Note: National Grid Distributions response:

Is evidence of theft communicated to shippers?

The details of the findings are passed to xoserve who then enter the details into ConQuest against the relevant query type and is issued to Shippers via ConQuest.

Are digital cameras are universally supplied to engineers?

All National Grid Distribution engineers have a digital or Polaroid camera.

What action does an engineer take if an unsafe meter is discovered?

This question was addressed by the WWU presentation given on 15 June 2009. This included the actions taken where there is an unfixed or tilted meter, where it has been tampered with and where it has been fitted in reverse. In general, if unsafe, the Engineer will "make safe" the installation which could mean closing and capping the ECV. The meter is usually left in situ, but can be removed on the grounds of safety as prescribed by the procedures.

Action RG0245 0009b: Transporters to provide an extract of the EM72 Procedure.

Action Update: See item 2.1. **Complete**

Action RG0245 0013: Review Group to consider a common set of rules for gathering evidence of theft and the key communication processes required.

Action Update: It was agreed that a detailed list will be incorporated into the final Review Group Report in addition to the Safety checks undertaken by the National Grid's Contact Centre. **Carried Forward.**

Action RG0245 0014a: Ofgem and WWU to provide a view on the Gas Act Schedule 2b Para 9 (1) and Para 18 on the ability to charge and disconnect customers for theft of gas.
Action Update: See item 2.1. **Complete**

Action RG0245 0015b: SGN and NGN to provide their view of Licence requirements for billing theft.
Action Update: See item 2.1 **Complete**

Action RG0245 0016: Transporters to confirm the process for Theft of Gas upstream of ECV and provide a presentation on the network obligations for unregistered sites.
Action Update: See item 2.1. **Complete.**

Action RG0245 0017: xoserve to provide a further breakdown on the valid, invalid and CCAC statistics.
Action Update: AJ had provided some analysis of the CCAC closures and subsequent resubmissions for consideration at the meeting. It was agreed to carry this action forward until the next meeting in xoserve's absence. **Carried Forward**

Action RG0245 0018: xoserve to provide estimated theft of gas volumes
Action Update: AJ had provided an estimation of the gas stolen for 2008/09 and 2007/08 for consideration at the meeting. It was agreed to carry this action forward until the next meeting in xoserve's absence. **Carried Forward**

New Action RG0245 0018a: xoserve to provide a breakdown on the estimated theft of gas volumes into LSP and SSP markets. **Pending**

Action RG0245 0022: EDF Energy to consider the availability of customer data and the provision of confidential information.
Action Update: RM provided the background to the action explaining that a response to the action was not readily available. She felt new discussions need to be held with the Information Commissioners Office (ICO) on what restrictions there could be on suppliers exchanging theft of gas information. It was highlighted that the UNC does not prevent a transfer of supplier during a theft of gas investigation and that this results in a loss to the right of entry to investigate theft. **Closed**

New Action RG0245 0022a: Review Group to establish the legal boundaries of exchanging customer information and potential transfer objection routes for the Review Group Report. **Pending**

Action RG0245 0026: xoserve to report back on the progress made with the MRPN "no activity" report.
Action Update: **Carried Forward**

Action RG0245 0027: AD to provide details of document sensitivity and any IPR issues. CB confirmed that she could make available a summary of the key points.
Action Update: RM confirmed that further discussions have taken place. RM felt that the Domestic Codes of Practice document is available for industry domain use but not wider publication. AD confirmed that no objections have been expressed to sharing the document with the Review Group however, he would provide final confirmation. It was agreed on the provision of AD's confirmation the document could be circulated to members but not to be published on the Joint Office website. On the provision of the document strict restrictions would apply on its circulation outside of the Review Group.
Carried Forward
Post Meeting Note: RM circulated Domestic Codes of Practice document.

Action RG0245 0028: E.ON UK to provide a summary of the code of practise key points.

Action Update: CB confirmed that Gemserv are currently tracing the original document.
Carried Forward

Action RG0235 0029: Review group to consider the governance of code of practice documents

Action Update: Carried Forward

Action RG0245 0030: Ofgem to provide a view on the rights and entitlements to bill for used energy.

Action Update: See item 2.1. **Carried Forward**

2. Review Group Process

2.1. Action Presentations

ST provided a presentation based on extracts from DN Emergency Procedures; he confirmed that all DNs are reviewing current procedures. ST explained the procedures for varying scenarios.

GE asked if an engineer collected evidence of theft if a customer was present. It was suggested that evidence could be collected with the customer present however ST suggested that if an engineer felt intimidated a subsequent visit may have to be undertaken.

SM asked if seals and unique numbers are recorded. ST confirmed in circumstances where new seals are fitted this will be recorded.

BF asked the group to be mindful of recommendations for consideration as part of the DN Emergency Procedures review.

RM confirmed that Shippers would like to see as much details as possible reported back as part of any DN Emergency Procedure/Theft of Gas investigation. She also requested a standardisation of reports across all Transporters.

A discussion took place on the extent of the details provided. RM requested that as much detail as possible is provided to Shippers as sometimes the information can be sketchy and difficult for Shippers to ascertain the extent of the investigation. AJa gave examples of what information may be unclear, such as the scratches made on the meter or if collars have been fitted by an engineer which may have been subsequently removed.

KS asked if there was a facility to attach photos into conquest.

It was agreed further consideration is required on the level of details to be recorded and possible feeds into conquest. It was agreed that Shippers will provide the DNs with what information they require for theft of gas reports. It was suggested that the group may need to look at alternative solutions if the information being fed back cannot be recorded cannot be replicated in conquest.

SM suggested Shippers may need direct contact with an engineer, AJa asked if Shippers would be able to call the engineer to attend court and give evidence. ST had no initial objection to the possibility of engineers appearing in court to provide evidence. It was requested if DNs could confirm the ability to call an engineer to court as a witness. RM asked for a legal view from DNs.

DW thought the group need to be more specific on the information needed to be collected and what process needs to be built to insure flow of information. DW suggested that a

work around may need to be established if conquest places a barrier to collecting and recording the information required.

KS asked DNs how the EM72 and emergency provisions will work for iGTs. It was questioned what would happen if the DN attends an iGT site - how is the information shared. ST confirmed that all site visit records will be managed in the same manner whether or not an iGT site, information would be recorded on conquest. ST confirmed that data provision for iGTs will be considered as part of the review.

KS asked if the DNs will be reviewing the provisions collectively. ST confirmed he would provide an update on the review process, though this may be carried out jointly with other DNs.

RR advised that iGTs wish to pass through costs to Shippers for non emergency calls raised as an emergency job such as attending a CO report and where is subsequently found to be a battery fault or similar. This would be a pass through of costs based on those charged by a DNO.

RM asked for a view from the iGTs on the obligations within the reasonable endeavours scheme

Action RG0245 0031: Consideration to be given by the group as to the type of data is required in DN emergency procedures for reporting theft of gas, the flow of information to Shippers and iGTs.

Action RG0245 0032: DNs to confirm the process for reviewing the Emergency provisions.

Action RG0245 0033: DNs to consider data items required by Shippers/Suppliers.

Action RG0245 0034: RR to provide an iGT view on the reasonable endeavours scheme.

Action RG0245 0035: RR to provide a view on charges being passed through to iGTs for Theft of Gas and Co2 incidents in addition to those included in allowed revenues.

There was a general discussion concerning which parties were accountable in scenarios where the theft of gas incident is either upstream or downstream of the ECV and who investigates. AW provided a definition of “convincing” and CB asked if Transporter or Shipper views had changed since the last review on these procedures though no additional views were raised at the meeting.

ST provided a presentation on Schedule 2B paragraph 9 highlighting that DNs have a difference in opinion on the ability to charge customers for the use of energy due to inconsistent interpretations of gas Code.

AW highlighted that there are limitations that Transporters should consider with using the schedule to obtain costs and suggested they seek legal advice if considering charging customers. AW highlighted three different consumer protection legislations which may come into force if customers dispute a charge or file a complaint.

ST explained the ability to recover gas where a reconnection has been made following a disconnection without a supply contract being established. He summarised that the ideal solution would be to amend the Gas Code to provide further clarification.

AW was aware changes were due however, he was unclear if a one off amendment would be possible. An alternative solution to changing the gas code was offered whereby a guidance document is produced to agree the application of the Gas Code. RM suggested that this could prove difficult until it has been tested.

Action RG0245 0036: Ofgem to confirm the process to amend the Gas Code.

DW thought the existing Gas Act paragraph 9 (2) could be applied, though a process is required to be put in place to enable this.

2.2. Terms of Reference

BF confirmed that a new draft proposal had been provided today. DW explained that further clarity had been added and agreed to provide a marked up version for circulation to members to easily identify the changes made.

Action RG0245 0037: Marked up version of the amended Modification Proposal to be published with the minutes. **Completed**

BF confirmed that a revised Terms of Reference will be published once an amended Proposal has been received.

RR asked if shipperless sites and orphaned sites will be differentiated within the Terms of Reference. It was agreed that the definition for orphaned sites will need to be added to the Terms of Reference.

Action RGF0245 0038: xoserve to provide a definition of shipperless and orphaned sites for the draft Terms of Reference.

2.3. Shipperless sites (incentives)

DW provided a brief presentation on the goals for shipperless sites. He confirmed that British Gas have sought legal advice on the Gas Act Paragraph 9 (2) and the ability of making use of this right. He confirmed he would share this view with the group. He felt a process needs to be established to ensure shipperless sites can be resolved. BF asked what the incentive would be for Transporters to charge customers who used gas without a supplier. DW wanted to enable the networks to bill customers. RM questioned how Shippers would be incentivised to sign up existing shipperless sites. DW suggested that a firm conclusion to process is required and fare opportunity for a customer to sign up with the ability to disconnect customers if a supply contract is not secured. He highlighted that only the Transporter has the right of entry and the ability to bill for gas usage upon establishing a supplier contract.

ST highlighted that Transporters remain neutral to process but an incentive could be given to Transporters as being cost neutral may not be an incentive, he suggested that the process may want to allow a small recovery of costs.

DW suggested that Transporters could be funded to operate the process.

SM suggested a process whereby a clean break is given at the point of securing a supply contract whereby Transporters recover the cost of gas used prior to the supply contract and the Supplier after.

DW wished to establish a process to enable customers to establish a supply contract. SM highlighted that xoserve have previously indicated 85% of shipperless sites are resolved within 12 months. It was questioned what the trigger point would be for the new process. SM highlighted once Transporters have identified a service with meter scenario this should trigger the process for communicating with the customer to establish a supplier. It was suggested that the Transporter should control the identification of the service conditions. CB thought the disconnection communication needs to be provided via the Transporter. RM highlighted the previous three letter process that xoserve operated.

ST highlighted that an MPRN with a live service can stay live without a meter in situ and this currently sits outside the shipperless sites. It was challenged that these need to be monitored as meter could be fitted at any point in the future. It was accepted that a live service using gas without a meter should be treated as possible theft.

AW asked if there should be any concerns with data protection publishing a report identifying shipperless sites.

AW reminded the group that consideration will need to be given to vulnerable customers to ensure they are not disconnected and are supported through the process.

RM asked if Ofgem could engage with Vulnerable Customers team to make sure a checklist is used to ensure vulnerable customers can be identified as part of the process.

Action RG0245 0039: Ofgem to engage Vulnerable Customers team.

Action RG0245 0040: SM/DW to provide a process flow diagram for the management of shipperless sites.

CB considered that iGTs should not have pockets of shipperless sites, as supplies are normally arranged as part of the project management process. iGT shipperless sites were discussed. AJa suggested the same process for iGTs should eliminate the majority of iGT shipperless sites.

The correspondence process was discussed and the possible structure of the letter reminding customers of the obligation to contract with a supplier if consuming gas.

DW highlighted a service with no meter attached can legitimately occur, however it needs to be understood why they occur and whether a sunset clause ought to exist whereby a service can be disconnected after a period of time has lapsed and no supply contract is in place.

KS highlighted a domestic service invariably will have a meter installed, whereas a commercial service may not take a gas supply, due to a change in circumstances.

DW suggested a service without meter should be treated the same as a service disconnected under GS(I&U) Regs applied to a service with a meter removed. Where it is established a site has a meter when it was understood to be meter-less, it should then follow the process of a shipperless site. DW suggested that this is covered in the recommendation of the report.

The trigger for identifying services with a meter was discussed. The point in which a site has been identified as having a meter without a registered supplier should be the trigger to start the shipperless process and production of a letter. AJa suggested that the letter process could be similar to the debt process, however adequate time would be required to allow a consumer to arrange for a supplier. DW suggested that consumer focus and Ofgem could provide a view on a reasonable period to allow a customer to contract with a supplier.

The review group discussed the possibility of turning up on site to disconnect a customer when the customer may have recently signed a supply contract which has not yet filtered through the system.

To protect the consumer it was thought an initial site visit should be required. This would also allow the identification of vulnerable customers, if the site is occupied and allow the demonstration of reasonable endeavours having been made.

SM questioned if a disconnection takes place would this involve a meter removal or leave the asset on site. He suggested that the asset is removed but made available for collection by the asset owner.

DW confirmed that retrospective charging still needs to be considered.

2.4. Best Practise

DW provided a presentation on what best practise should look like and what the key principles should be, including a more published theft of gas reporting line. The use of using the gas emergency line was deemed to be appropriate due to potential safety concerns.

Action RG0245 0041: National Grid to confirm if the 0800 111 999 number can be used to report allegations of theft.

The value of maintaining a stolen meter register was discussed considering the costs and benefits associated with it. Some debate was had about the viability of a meter register and its value.

DW welcomed feedback on any other best practises he may have overlooked and asked for the provision of any further items.

It was questioned if follow up visits should be undertaken on sites previously subject to theft. DW suggested that customers have been found to re-connect meters whilst a theft of gas allegation is being processed. It was questioned if a gas supply could be reinstated. AW provided a quote from schedule 2b.11.3 which suggested a meter installation can be approved from the disconnecting supplier or an incoming supplier. AJa suggested customers will simply ask for a meter to be connected to a site and on occasions a new MPRN may be created depending on the reasons provided by the customer as to why they need a meter fitted.

DW acknowledged further detail is required for the best practise suggestions.

Action RG0245 0042: All to consider the best practise presentation provide by British Gas and provide views on the suggestions or any additional items which may wish to be included.

AW provided the Codes of Practise for dealing with the illegal use of Gas. BF confirmed that these have been published on the Joint Office website. DW confirmed that these had been considered when producing the best practise presentation.

Action RG0245 0043: All to consider the Codes of Practise documentation provided by Ofgem and provide any feedback for inclusion within the beat practise.

3. Diary Planning for Review Group

It was previously agreed that six sessions would be required to consider all the topics.

18 May: Flow of Information (xoserve presentation). Current management of shipperless sites (xoserve presentation). Recommendations from the Theft of Energy Work Group (ENA). **Complete**

01 June: Shipperless sites – route cause analysis and Best Practises. **Complete.**

15 June: Terms of Reference. Shipperless sites – action review and incentives (current incentives and gaps incentives). Best Practise. **Complete.**

13 July: Shipper incentive scheme, Best Practise.

Planned Meetings:

10:00 Monday, 13 July 2009 at Ofgem, 9 Millbank London

10:00 Monday, 17 August 2009 at Ofgem, 9 Millbank London

10:00 Monday, 14 September 2009 at Ofgem, 9 Millbank, London

4. AOB

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ACTION LOG – Review Group 0245

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0245 0006	20/04/2009	3.0	Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.	Joint Office (BF)	Complete
RG0245 0008	18/05/2009	2.1	Review Group 0245 to ensure the Theft of Energy Work Group recommendations are considered within the Review Group Report.	All	Pending
RG0245 0009a	01/06/2009	1.2	National Grid to confirm if evidence of theft is communicated to Shippers, if digital cameras are universally supplied to engineers and what action an engineer takes if an unsafe meter was discovered.	National Grid (PL)	Pending
RG0245 0009b	01/06/2009	1.2	Transporters to provide an extract of the EM72 Procedure.	Transporters (ST to coordinate)	Complete
RG0245 0013	18/05/2009	2.2	Review Group to consider a common set of rules for gathering evidence of theft and the key communication processes required.	All	Carried Forward
RG0245 0014a	01/06/2009	1.2	Ofgem and WWU to provide a view on the Gas Act Schedule 2b Para 9 (1) and Para 18 on the ability to charge and disconnect customers for theft of gas.	Ofgem (AW) and WWU (ST)	Complete
RG0245 015b	01/06/2009	1.2	SGN and NGN to provide their view of Licence requirements for billing theft.	SGN (BD) and NGN (JF)	Complete
RG0245 0016	18/05/2009	2.2	Transporters to confirm the process for Theft of Gas upstream of ECV and provide a presentation on the network obligations for unregistered sites.	All Transporters	Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0245 0017	18/05/2009	2.2	xoserve to provide a further breakdown on the valid, invalid and CCAC statistics.	xoserve (AJ)	Carried Forward
RG0245 0018	18/05/2009	2.2	xoserve to provide estimated theft of gas volumes.	xoserve (AJ)	Carried Forward
RG0245 0018a	15/06/2009	1.2	xoserve to provide a breakdown on the estimated theft of gas volumes into LSP and SSP markets.	xoserve (AJ)	Pending
RG0245 0022	18/05/2009	2.2	EDF Energy to consider the availability of customer data and the provision of confidential information.	EDF Energy (RM)	Closed
RG0245 0022a	15/06/2009	1.2	Review Group to establish the legal boundaries of exchanging customer information and potential transfer objection routes for the Review Group Report.	All	Pending
RG0245 0026	01/06/2009	2.1	xoserve to report back on the progress made with the MRPN "no activity" report.	xoserve (AJ)	Pending
RG0245 0027	01/06/2009	2.3	AD to provide details of document sensitivity and any IPR issues. CB confirmed that she could make available a summary of the key points.	Revenue Protection (AD)	Pending
RG0245 0028	01/06/2009	2.3	E.ON UK to provide a summary of the best practise key points.	E.ON UK (CB)	Pending
RG0245 0029	01/06/2009	2.3	Review group to consider the governance of code of practice documents	All	Pending
RG0245 0030	01/06/2009	2.3	Ofgem to provide a view on the rights and entitlements to bill for used energy.	Ofgem (AW)	Pending
RG0245 0031	15/06/2009	2.1	Consideration to be given by the group as to the type of data is required in DN emergency procedures for reporting theft		Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			of gas, the flow of information to Shippers and iGTs.		
RG0245 0032	15/06/2009	2.1	DNs to confirm the process for reviewing the Emergency provisions.		Pending
RG0245 0033	15/06/2009	2.1	DNs to consider data items required by Shippers/Suppliers.		Pending
RG0245 0034	15/06/2009	2.1	RR to provide an iGT view on the reasonable endeavours scheme.		Pending
RG0245 0035	15/06/2009	2.1	RR to provide a view on charges being passed through to iGTs for Theft of Gas and Co2 incidents considering any price control regulations.		Pending
RG0245 0036	15/06/2009	2.1	Ofgem to confirm the process to amend the Gas Code.		Pending
RG0245 0037	15/06/2009	2.2	Marked up version of the amended Modification Proposal to be published with the minutes.		Completed
RG0245 0038	15/06/2009	2.2	xoserve to provide a definition of shipperless and orphaned sites for the draft Terms of Reference.		Pending
RG0245 0039	15/06/2009	2.3	Ofgem to engage Vulnerable Customers team.		Pending
RG0245 0040	15/06/2009	2.3	SM/DW to provide a process flow diagram for the management of shipperless sites.		Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0245 0041	15/06/2009	2.4	National Grid to confirm if the 0800 111 999 number can be used to report allegations of theft.		Pending
RG0245 0042	15/06/2009	2.4	All to consider the best practise presentation provide by British Gas and provide views on the suggestions or any additional items which may wish to be included.		Pending
RG0245 0043	15/06/2009	2.4	All to consider the Codes of Practise documentation provided by Ofgem and provide any feedback for inclusion within the beat practise.		Pending