













Final Modification Report		At what stage is this document in the process?
<h1>0574:</h1> <h2>Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p>This is an enabling modification, which seeks to create the necessary permissions in UNC for supply point data to be provided to the Theft Risk Assessment Service (TRAS) to increase the accuracy of the service.</p>		
	Panel consideration is due on 15 September 2016 (<i>at short notice by prior agreement</i>)	
	High Impact: None	
	Medium Impact: None	
	Low Impact: Shippers and Transporters	

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Timeline:		 0121 288 2107
Modification timetable:		Proposer: Sasha Pearce
Initial consideration by Workgroup	25 February 2016	 enquiries@gasgovernance.co.uk
Amended Modification considered by Workgroup	26 May 2016	 sasha.pearce@npower.com
Workgroup Report presented to Panel	21 July 2016	 07881 617634
Draft Modification Report issued for consultation	18 August 2016	Transporter: Northern Gas Networks
Consultation Close-out for representations	09 September 2016	 jferguson@northern-gas.co.uk
Final Modification Report available for Panel	12 September 2016 (short notice)	 0113 397 5323
UNC Modification Panel recommendation	15 September 2016	Systems Provider: Xoserve
		 commercial.enquiries@xoserve.com

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification because it merely seeks to grant permission to release an existing dataset for use by the Theft Risk Assessment Service (TRAS), therefore there will be no material effect on existing or future gas consumers and competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.

The Workgroup does not consider this modification as suitable for self-governance as it may have a material impact due to data protection issues in terms of the type of information being released.

At the 18 August 2016 Panel meeting members reconsidered the self-governance status for the modification and concluded that it does not satisfy the self-governance criteria.

Is this a Fast Track Self-Governance Modification?

The modification would meet the self-governance criteria, however as it is not properly a housekeeping modification required as a result of some error or factual change it would not be suitable for Fast Track Self-Governance.

Why Change?

The TRAS has a requirement to access Supply Point Information, arising from terms agreed with the Supply Point Administration Agreement (SPAA) process for the purposes of assessing energy theft risk. The provision of data to the TRAS will contribute towards fulfilment of supply licence obligations to detect, prevent and investigate theft of energy.

Solution

This enabling modification is proposing to grant access and permissions to access relevant Supply Point Information to the TRAS provider.

Relevant Objectives

Theft of energy has a material impact on energy consumers in terms of cost and safety. It also leads to a misallocation of costs among energy suppliers, which can distort competition and hamper the efficient functioning of the market. Therefore, UNC relevant objective d(ii), securing of effective competition between relevant suppliers, is better facilitated by this modification.

Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. However, should the self-governance status of the modification change, no implementation timescales are being proposed.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

2 Why Change?

Background

In January 2013 Ofgem implemented new licence conditions for gas suppliers to detect, prevent and investigate theft (SLC12A). Contained within these conditions is a requirement for gas suppliers to implement a central service to assess the risk of theft of gas at consumer premises and so help target theft investigations. To meet this condition a dual-fuel industry procurement was run to appoint a single energy TRAS provider. A contract has been agreed and these services are now being implemented.

The TRAS has a requirement to access Supply Point Information, arising from terms agreed with SPAA for the purposes of assessing energy theft risk. The provision of data to the TRAS will contribute to fulfilment of the licence obligations outlined above, and will also deliver a clear benefit to the Industry by identifying supply points with a high likelihood of energy theft.

The specific use of the Supply Point Information data as a quarterly download is to provide the universe of gas supply points as a reference file against which all the consumption files submitted to the TRAS by suppliers can be matched. Using advanced address data processing tools, the TRAS provider will be able to assess the completeness and accuracy of the meter addresses and identify exceptions. The matching process used by the TRAS will identify supply points that are not being billed by any of the gas suppliers. In this respect, giving the TRAS provider access to this data for the TRAS project will help to improve TRAS data quality. In addition, access to this reference dataset will enable the TRAS provider to create a better set of predictive models, because all known supply points can be included, not just those notified to TRAS by the gas suppliers.

The TRAS provider has already taken steps to meet data protection requirements as part of the TRAS arrangements and already has access to the data by virtue of permissions granted under the TRAS contract with SPAA. The dataset created from the quarterly download of Supply Point information under the UNC will only be used for the purposes of TRAS and will not be loaded or used in any other product or service and will not be distributed to other divisions of the TRAS provider organisation. The TRAS provider has a Data Security policy in place, which documents in detail the steps that the TRAS provider takes to ensure robust data protection standards and procedures are in place to safeguard all data received from parties.

The benefit of increased theft detection is decreased cost for consumers and industry parties, as theft volume is accounted for within industry unallocated energy processes. Additionally and significantly, reducing the number of theft instances within the industry will reduce the overall safety risk to consumers.

This modification should be considered as 'enabling', since the change would mainly be of benefit to the TRAS provider and Suppliers, which are not Code parties and therefore of indirect benefit to UNC parties.

More information on the TRAS industry procurement can be found at:

<http://www.electralink.co.uk/services/procurement-services>.

3 Solution

This enabling modification is proposing to grant the relevant permissions to allow the TRAS provider to specifically access:

- Meter Point Reference Number
- Meter Point Address and Postcode
- Meter Serial Number.

This is an ongoing requirement and quarterly refreshes of the data are needed.

This may require amendment to UNC TPD Section V5 (INFORMATION AND CONFIDENTIALITY) to permit the release of the data in question to TRAS.

For the avoidance of doubt this data does not include unique sites or “Special Metering Supply Points” defined at UNC TPD Section G.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	This is not a User pays modification, as it does not create or amend a User pays service as it merely provides permission for the release of data.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Securing of effective competition between relevant suppliers

Theft of energy has a material impact on energy consumers in terms of cost and safety. It also leads to a misallocation of costs among energy suppliers, which can distort competition and hamper the efficient functioning of the market.

Supplier Licence Condition 12A.8 requires gas suppliers to develop a Theft Risk Assessment Service (TRAS) to support detection, investigation and prevention of gas theft. It has been determined, as part of the industry procurement of TRAS that access to the data items specified in this modification, this data would benefit the service provided by improving exception management and overall data quality of the TRAS service.

Therefore, UNC relevant objective d(ii), securing of effective competition between relevant suppliers, would be better facilitated by the implementation of this enabling modification.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

No implementation timescales are proposed, however should the Modification Panel agree this modification is not suitable for self-governance, implementation should be as soon as is practicable following Ofgem direction.

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

7 Legal Text

Text Commentary

Legal text has been prepared on the assumption that implementation of UNC0584S (ETTOS – Release of Supplier identity) has been directed by the Modification Panel. Should UNC0584S be rejected the new paragraph numbering will be adjusted.

Text

Text was not available for Workgroup assessment. However, the Workgroup considers this modification suitable for consultation without the provision of text.

The following legal text was provided by Northern Gas Networks in response to a formal request for legal text at the 16 June 2016 Panel meeting.

Please Note: The legal text provided for this modification is contingent upon implementation of UNC Modification 0584S – Energy Theft Tip-Off Service (ETTOS) – Release of Supplier identity.

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION V - GENERAL

Amend paragraph 5.5.3(l) to read:

“5.5.3

- (l) to a person appointed pursuant to the SPAA to provide Energy Theft Tip-off Services (“**ETTOS**”) when information is received by that person of an allegation of a potential theft of gas at a premises and the identity of the relevant Supplier is required. For the purposes of the Code ETTOS shall have the same meaning as contained within SPAA;
or”

Add new paragraph 5.5.3(m), as follows:

“5.5.3

(m) to a person appointed pursuant to the SPAA to provide Theft Risk Assessment Service, on a quarterly basis, the following data items; Meter Point Reference Number, Meter Point Address and Postcode, and Meter Serial Number.

For the purposes of the Code ETTOS shall have the same meaning as contained within SPAA.”

8 Consultation Responses

Panel invited representations from interested parties on 18 August 2016. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations be read in full when considering this Report. Representations are published alongside this Final Modification Report.

Of the six representations received, three supported and three were not in support.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
E.ON Energy Solutions	Support	d(ii) - neutral f - positive	<ul style="list-style-type: none">• Addition of the requested data will enrich the data received from Suppliers and give the TRAS provider confidence that it is in receipt of all appropriate data from Suppliers, and thus ensures that all created live meter points are captured within the TRAS system.• Believes this to be neutral in terms of the effect on competition. The difference between the permission to release data to commercial and contestable third party service providers was justified to support the competitive market (by ensuring metering costs are being appropriately targeted). This however facilitates data provision to a monopoly service provider that is delivering a service that Suppliers are obligated via their Licence conditions to implement. The Gas Transporters, as custodians of the centrally held data requested, are the only parties who can provide the full data set and therefore relevant objective (f) is more relevant, as it confers the appropriate permission within the Code to allow the data to be provided from the only available and accurate source.• As a permissions modification, the implementation timescales to be immediately following the completion of the approval of the modification processes, and delivery of the service will be agreed between the parties.
National Grid Distribution	Support	d(ii) - Positive	<ul style="list-style-type: none">• Notes that this is an enabling modification that will provide the necessary permissions for Transporters to release a small number of data items via a quarterly DVD to the TRAS.

			<ul style="list-style-type: none"> • It may assist in helping reduce occurrences of gas theft within the industry. • Notes an incorrect reference within the legal text provided. The text was written contingent upon Modification 0584 being implemented, and documents an 'either' 'or' option. The 'or' option, which it is understood will be incorporated into UNC if the modification is implemented, currently incorrectly references ETTOS rather than TRAS.
Northern Gas Networks	Oppose	d(ii) - Neutral	<ul style="list-style-type: none"> • Agrees that efficient identification of Supplier theft should provide a positive competitive position between Suppliers, but is unable to see how provision of this bulk data set specifically furthers this. • Concerned that this provides permission for bulk data release but does not also provide suitable justification for the provision of this personal data, or how it will be used. • Understands that Suppliers have obligations in SPAA to supply portfolio data including these data items to the TRAS along with additional information that facilitates analysis for identifying theft on registered sites. The additional provision of this MPRN level data therefore has no clear purpose. In order to put in place a confidentiality agreement and contract to provide this data if this modification is approved, the purpose of the data is required and must be justified. Without the addition of clear purpose for each of the data items support cannot be given for this bulk data release at this time. • If approved then suitable confidentiality agreements and commercial arrangements would need to be established before a service could be provided. Notes at this time the priority of activity within the Transporter Agency, who would deliver any service, is to progress Project Nexus/UK Link Programme. • Wishes to see a clear purpose and justification for the release of each of the data items. Points out this data, together with other relevant data for analysis, is already being provided by Suppliers to the TRAS in order to discharge their existing SPAA obligations. For identifying Supplier responsible theft it considers additional provision of this data to be unnecessary duplication. • Within the Background section of the modification the Proposer suggests that the TRAS may be able to utilise this data to identify unregistered sites. The TRAS service is specific to Suppliers, and therefore the identification of unregistered sites is beyond the scope of the TRAS service. Specific unregistered sites reports are already provided to Shippers and Transporters and monitored through current industry processes. As Suppliers do not have a contractual relationship with unregistered sites the identification of these appears to be inefficient. • Notes this only provides permission, not delivery

			<p>of a service, so no costs incurred in implementation. Costs may be incurred should a service be developed based on the permission provided. These costs have not yet been assessed.</p> <ul style="list-style-type: none"> As legal text provider, has identified an error in the text provided in the draft modification report. The last sentence of the text should read: <i>“For the purposes of the Code the TRAS shall have the same meaning as contained within the SPAA.”</i> This error is as a result of producing the legal text for this modification alongside the text for Modification 0584 and is a typographical error that should be acknowledged when making a recommendation on the modification.
RWE npower	Support	d(ii) - Positive	<ul style="list-style-type: none"> Happy that it falls within the self-governance criteria, however also acknowledges that data protection is a key concern and does not have any objection to the status being changed. To mitigate any concerns about data protection, suggests that a confidentiality agreement be put in place with the TRAS provider before the data is released to TRAS. (It is understood that when similar arrangements for data release were put in place in the electricity market, such an agreement was put in place.) This proposed change would assist industry efforts to ensure that detection of theft increases and that costs associated with theft will reduce for consumers and industry parties, as theft volume is accounted for within industry unallocated energy processes. The reduction of the number of theft instances within the industry will in turn reduce the overall safety risk to consumers. Implementation to be as soon as possible to allow the TRAS provider to continue to improve the data provided to the Industry that will enable the increase of theft detection.
Scotia Gas Networks	Oppose	d(ii) - None	<ul style="list-style-type: none"> Insufficient justification has been provided for the release of the requested data in the absence of customer consent. Whilst strongly supporting the sharing of data where there is a tangible customer or industry benefit, is not satisfied that the case has been sufficiently made in this instance for the existence of such benefit, nor has any discussion been held regarding data protection issues and the control measures that would be put in place to ensure data is not misused. Points out that the Information Commissioners Office is clear that where data items within a data set can be linked to other data held by the requesting organisation, or to data available in the public domain, and there is potential for an individual to be identified or for actions to be taken that affect that individual, the entire data set must be considered personal data. The TRAS provider will already have access to supply point data,

			<p>notably from electricity suppliers, and aims to take actions that could affect an individual (such as the profiling of theft risk). As such, the Data Protection Act (DPA) applies, and the sharing of personal data must be legitimised by ensuring that at least one of the DPA's prescribed conditions is met. Given that the nature of the TRAS is such that customer consent cannot be obtained, it is vital that a strong case is made regarding which of the DPA's conditions has been met. To date, no such data protection case has been made, nor has a sufficient outline of the sharing arrangements, access and use agreements, auditing arrangements or sanctions for misuse of data been provided that satisfies concerns that suitable and sufficient controls will be in place.</p> <ul style="list-style-type: none"> The objectives of the TRAS provider in receiving the requested data (as stated in the 'Why Change' section of the Workgroup Report) are to <i>"help to improve TRAS data quality"</i> and to <i>"create a better set of predictive models"</i>. It is considered that this objective, combined with the data protection issues outlined above, is not proportionate to the risk to customers and the risk to UNC parties in reputational terms from misuse or breach of data, particularly given that individuals may find the sharing objectionable should they be made aware. Similarly, it is not satisfied that there is a direct link between the stated objectives and the furthering of relevant objective d)(ii) – the securing of effective competition between relevant suppliers. Implementation of this permission only modification would be possible as soon as is reasonably practicable following the Authority's decision but subsequent work would be required to sufficiently develop the associated service delivery aspects. Notes that whilst there are no costs associated with implementation, work would be required to develop the service and the associated privacy impact assessments, access and use agreements, confidentiality agreements, auditing arrangements and sanctions. Input from qualified experts may also be required (such as data privacy and security experts).
Wales & West Utilities	Oppose	d(ii) - Neutral	<ul style="list-style-type: none"> Recognises the need to appropriately and efficiently manage and reduce theft of gas (a clear benefit to the end consumer whose bill should reduce from reducing the volumes of unallocated gas and by virtue of an increased chargeable base). This seeks to provide data (Meter Point Reference Number, Meter Point address and Meter Serial number) to the Theft Risk Assessment Service (TRAS) service provider on behalf of Suppliers who are currently obligated to provide such information. Recognises the risk that is posed from

			<p>inappropriate data management and opposition therefore relates to the management and scope of data provided. Specifically: 1) Provision of information of shipperless sites. Believes there is no requirement for the TRAS to have this information. Notes there already exists industry process to review this information by Shippers and Transporters within the Gas industry. This poses a wider concern that the scope of data collected has not been robustly justified. (2) Suppliers are currently obligated under SPAA to provide this data. For the TRAS to effectively operate information other than that which is being requested under this modification must be supplied from the Suppliers. Believes that Supplier data should be provided in the first instance and where Suppliers are in breach of their obligation, provision directly by Xoserve may be concluded as an alternative solution. Currently therefore the justification for data release is not considered sufficient and would result in duplicative data and the requirement to reconcile an additional data source which it is believed would add a further administrative element which is not required.</p> <ul style="list-style-type: none"> • Approval would require suitable confidentiality agreements and commercial arrangements to be established before a service could be provided. This should be balanced with any ongoing commitments to deliver Project Nexus and should not result in additional delay. • No directly incurred costs. The user(s) of this service should pay for any marginal cost for the provision and management of this information that results. • Comments on the statement in the Why Change section of the draft modification report which states: <i>"The TRAS has a requirement to access Supply Point Information, arising from terms agreed with the Supply Point Administration Agreement (SPAA) process for the purposes of assessing energy theft risk. The provision of data to the TRAS will contribute towards fulfilment of supply licence obligations to detect, prevent and investigate theft of energy."</i> Notes this is factually correct but creates the impression that the release of data contemplated in this modification is required. It is not. The data required can and should be provided by Suppliers under their SPAA obligations. This modification assumes that the Suppliers fail to fulfill their SPAA obligations by granting for the release of data to the TRAS service provider. It also provides the TRAS service provider with data that it does not require for the purposes of fulfilling its TRAS obligations. • The data requested under this proposal includes MPRNs where no Supplier is registered, this is beyond the scope of the TRAS service provider's contract and therefore the TRAS service provider has no need for this data for the purposes of the agreement. Were this data to be provided to TRAS the expectation would be that TRAS would
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			<p>be required, under data protection best practice, to delete any data relating to MPRNs where there was no registered Supplier because it was not required for the purposes of the contract. This means that it is pointless authorising the provision of such data, hence this Modification 0574 has no useful purpose. Shipperless sites are an issue regarding which Gas Transporters have done and continue to do work - some of these are legitimately Shipperless; notwithstanding any issues with Shipperless sites, these are out of scope of TRAS.</p> <ul style="list-style-type: none"> Unlike Modification 0584, this proposal contemplates the bulk release of data to the TRAS service provider, and this release is not considered to be a proportionate solution. If for some reason a Supplier fails to rectify its failure to provide data then a more proportionate solution would be for Xoserve to provide a one-off extract of data for which that Supplier is registered as the Supplier.
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Responding parties were also requested to address the following question in their representations.

Q1: To inform Panel's consideration of self-governance, views are requested as to whether respondents believe that releasing these data items represents a material impact on commercial arrangements for either / both Shippers and Transporters.

Organisation	Key Points
E.ON Energy Solutions	<ul style="list-style-type: none"> Recent permissions modifications, such as 0593, have been treated as self-governance. Data being released is not commercially sensitive and assists SPAA parties in complying with TRAS-related licence obligations, therefore the impact is not considered to be material.
National Grid Distribution	<ul style="list-style-type: none"> Data being released does not appear to represent a commercial impact on Transporters, but if not handled correctly could represent a data protection risk.
Northern Gas Networks	<ul style="list-style-type: none"> As a permissions only modification, this could be considered suitable for self-governance, however as the provision of a subsequent service could involve providing personal data (MPRN, address) to a third party, it is believed this should be subject to additional scrutiny. On balance, therefore it is believed that this should not be subject to self-governance.
RWE npower	<ul style="list-style-type: none"> Happy that it falls within the self-governance criteria and therefore does not represent a material impact.
Scotia Gas	<ul style="list-style-type: none"> Does not support self-governance status for this modification as the data

Networks	<p>protection issues and potential for misuse of data, particularly given the lack of clarity or discussion regarding control measures, could have a material impact on UNC parties.</p> <ul style="list-style-type: none"> Not satisfied that the release of the requested data is sufficiently justified from a DPA perspective and given the lack of clarity surrounding the service delivery aspects related to this permission only modification and the potential impacts should data be misused or a data breach occur, believes that the release of these data items could have a material impact on both Shippers and Transporters
Wales & West Utilities	<ul style="list-style-type: none"> Believes should be self-governance. Whilst it is an enabling modification it will ultimately result in the provision of information to a third party. Believes that this would also be self-governance on the basis that the industry should have sufficiently robust controls in place to manage the flow of data between parties effectively. Notwithstanding its opposition to this modification it does not believe that the TRAS service provider in itself holding the data will represent a material impact on commercial arrangements for Shippers or Transporters. Most of this data (that where there is a registered Supplier) will already be held by the TRAS service provider if all Suppliers comply with their SPAA obligations.

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report, and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

9 Panel Discussions

10 Recommendation

Panel Recommendation

Members recommended:

- that Modification 0574 should **[not]** be implemented