

Review Group 0208
Tuesday 21 October 2008
Energy Networks Association, 52 Horseferry Road, London

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	LD	Joint Office
Richard Street (Proposer)	RS	Corona Energy
Bali Dohel	BDo	Scotia Gas Networks
Brian Durber	BDu	EON
Chris Warner	CW	National Grid Distribution
Fiona Cottam	FC	xoserve
Joanna Ferguson	JF	Northern Gas Networks
John Edwards	JE	Wales & West Utilities
Shelley Rouse	SR	Statoil
Stefan Leedham	SL	EDF Energy

Apologies

James Crump	JC	Ofgem
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1. Introduction and Status review

1.1 Minutes from previous meeting

The minutes of the previous meeting were approved.

1.2 Review of Actions from previous meeting

Action 0008: All to consider Shipper incentives to investigate theft.

Action Update: UNC0231 raised by British Gas on 09 October 2008. See item 2.2. **Complete.**

Action 0009: All to consider incentives for Meter Reader theft detection.

Action Update: See item 2.2. **Complete.**

Action 0012: xoserve to investigate and report the ability to bill for reported Theft of Gas consumption.

Action Update: FC confirmed that this is being considered within other industry groups. RS believed there was no need for a UNC change, FC agreed, she believed this can be dealt with by the financial adjustment process, and that this is being explored further. **Complete.**

Action 0018: National Grid Distribution to check on the details and establish if a of a bypass is a Supplier or MAM responsibility.

Action Update: CW confirmed that Annex 7 of the Meter Asset Managers Code of Practice (MAMCoP) provides clear responsibilities on the actions required from a MAM when it discovers a broken meter seal on a bypass. BDu questioned if a meter bypass gets vetted or not and when. BDu challenged if something should exist within the MAMCoP to assess whether a meter bypass should or should not exist at a site. CW believed not only the MAMCOP needs to be considered but other codes of practise.

The group agreed to recommend within the Review Group Report that the MAMCoP needs to be considered. **Complete.**

Post Meeting Note:

The following is an extract from Annex 7 of the Meter Asset Managers Code of Practice (MAMCoP) which covers "Meter By-Pass and Use": This covers the actions that are required of a MAM where it discovers a broken seal on a bypass or where it has been opened in absence of notice of such to the supplier:

- 9 *Actions to be Taken Should the Meter By-Pass Seal be Found Broken*
 - 9.1 *If the MAM identifies that the by-pass seal is broken a responsible person on site should be contacted and a written record of all the details and actions shall be made.*
 - 9.2 *Action should be taken according to paragraph 10 below if theft of gas is suspected.*
 - 9.3 *The gas supplier shall be advised of broken seals.*
 - 9.4 *Arrangements shall be made for the by-pass valve to be resealed.*
- 10 *Actions to be Taken Should the By-Pass be Found in the Open Position and no Notification has Been Made to the Gas Supplier*
 - 10.1 *The responsible person on site must be advised that the by-pass has been found open. Both the date and time of the notification and the time at which the by-pass was found to be open must be recorded. If there is no apparent reason to why the by-pass is open, then arrangements must be made with the gas supplier and consumer for the by-pass to be closed safely and the by-pass valve resealed. If the by-pass is left open the purpose should be identified as to why the by-pass is left open. In either circumstance the relevant gas supplier shall be notified.*
 - 10.2 *Where the MAM suspects that there has been theft of gas then the relevant gas supplier shall be notified.*

New Action 0018b: National Grid Distribution to check on the details and establish who authorises the installation of a new meter bypass – Supplier, GT or MAM.

Action 0019: National Grid Distribution to reflect the views of this group and raise the issue of the tag either not being fitted or remaining with the service with the relevant parties.

Action Update: CW confirmed he was not able to progress this any further, BDU suggested that this should be a further recommendation within the Review Group Report. Review Group 0208 is to express its views in respect of labelling services with MPRN to the Modification Panel – ie potential for a more permanent form of labelling e.g. stamping. **Complete.**

Action 0020: National Grid Distribution to check what legislation applies to connections to Networks and determine what is required.

Action Update: CW confirmed that this is covered by the Gas Act. Please see below Post Meeting Note. **Complete.**

Post Meeting Note:

Legislation applicable to connections to Networks

http://www.opsi.gov.uk/si/si1996/Uksi_19960450_en_1.htm#tcon (Connection and Disconnection Regs explanatory note as follows -)

Paragraph 12 of Schedule 2B to the Gas Act 1986 provides that a person proposing to connect a meter with a service pipe through which gas is conveyed to any premises by a public gas transporter, or to disconnect a meter from such a pipe, must give 48 hours' notice of the connection or disconnection to the gas supplier supplying gas to the premises, or to the transporter in question. The Regulations prescribe the form of the notice and the information which it is to contain. This includes details of the meter itself and of the person requesting the connection or disconnection.

Schedule 2B Gas Code

Failure to notify connection or disconnection of service pipe

- 12 (1) *No person shall connect any meter with a service pipe through which gas is conveyed to any premises by a public gas transporter, or disconnect any meter from any such pipe, unless he has given—*
- (a) in a case where gas is supplied to the premises by a relevant gas supplier whose name and address are known to him, to the supplier; and*
 - (b) in any other case, to the transporter,*
- so that it is received by the supplier or transporter at least 48 hours before he does so, notice in the prescribed form of his intention to do so.*
- (2) *Subject to sub-paragraph (3) below, a notice under sub-paragraph (1) above shall contain—*
- (a) details of the time and place of the proposed connection or disconnection; and*
 - (b) such other information as may be prescribed.*
- (3) *In so far as it is not reasonably practicable for a notice under sub-paragraph (1) above to contain any information required by sub-paragraph (2)(b) above, it shall be a sufficient compliance with that requirement if the information is given to the relevant gas supplier or, as the case may be, the public gas transporter within 48 hours after the connection or disconnection is effected.*
- (4) *If any person acts in contravention of this paragraph, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.*

Action 0021: Joint Office to ask the Modification Panel for an extension.

Action Update: Workgroup extended until February 2008. **Complete.**

2. Review Group Discussion

BDu wished to discuss the meter suitability of I&C metering i.e. oversized meters as he explained an oversized meter may not register the correct gas flow. He believed that National Grid Metering's policy was not to downsize meters unless the meter can be

proved to be oversized and operating more than 2% below the meter Qmin. This can be difficult to prove and requires extensive investigation on site.

RS confirmed it is the Gas Suppliers responsibility to ensure meters are fit for purpose. He also confirmed that AMRs may not resolve the problem.

RS believed it may be difficult to ascertain the full extent of the problem. However BDu suggested a survey could be undertaken using meter data and gas usage.

RS believed that the supplier is suitably incentivised to ensure the correct meter size is fitted to a site. However BD challenged that it may not be possible to downsize a meter if there are commercial drivers on the MAM to avoid the reduction in meter rental income.

The Review Group agreed that this needs to be recognised within the Review Group Report and raised with the MAMCOP Board. CW suggested that this is not restricted to MAMCOP.

2.1. Unregistered Sites

2.1.1. Orphaned Sites and impacts of “new connections” process

RS expressed that he would like to see a clear statement from this group that Ofgem need to look at this with some urgency. He believed that Suppliers could agree and operate a consistent connection process but it would not prevent third parties operating differently, which could create commercial disadvantages. RS believed that the Review Group needs to recommend that the Panel write to Ofgem for them to address some of the issues identified within this Review Group as they are much wider than the UNC. There was a general agreement for this recommendation.

2.2. Theft of Gas incentives

CW confirmed that the Ofgem Theft Group have examined the Theft of Gas regime. RS confirmed that this was started of by the ERA/ENA which focused on domestic issues. He was not convinced that the group have been able to solve all the issues; he believed a more robust process was required for the detection and reporting of theft.

RS referred to the British Gas Modification UNC0231, he understood that this relates to the reasonable endeavours scheme; however he believed there were still a number of process improvements that could be made i.e. taking photographic evidence of meter tampering. SL believed that it may be difficult for MAMs to fully participate, as there was little incentive for the MAMs, the incentive has to be on the Shipper along side a Code of Practise with the MAM.

RS believed that there were some relatively simple incentives.

SL highlighted within the 0194 Development Work Group where it looked at Theft of Gas Reporting and in particular the lapse of Theft of Gas investigations.

FC believed there is a big difference between USRVs and Theft. She explained that Shippers do not need to report theft to the Transporter and that there is no incentive for the Shipper to report theft, she suggested that an incentive may actually disincentivise the reporting of theft cases.

SL believed there needs to be an incentive for suspected theft and that suspected cases ought to remain open until the conclusion of an investigation is provided by the Supplier, not simply closed down without the flow of information from the Supplier. He also suggested that if suspected cases are not closed down a charge ought to be levied similar to USRVs. RS expressed concern about providing a framework for encouraging the right behaviour, he believed an incentive to report gas flows may

encourage inappropriate zero reporting to ensure closure of suspected cases and to avoid charges.

RS believed that there was a general interest for domestic and I&C Suppliers to detect and report theft correctly and to enable the progression of cases through court.

RS acknowledged that proving theft can be difficult as by the time a suspected theft report can be investigated the by the supplier the circumstances which led to the suspicion can be removed.

SL confirmed that Ofgem are in the process of investigating Theft further.

CW confirmed that there is scheme in place, however RS believed that this scheme has not resolved the problem, he wants to look at measures that the industry could adopt, practical suggestions that are either in the UNC or other contracts.

BF suggested that the Review Group provide some recommendations on the detection of theft. RS agreed that simple solution such as photographic evidence would be good practise.

RS asked about the possibility of Transporters providing engineers with digital cameras to assist with the collection of evidence. CW and BDo confirmed that this would have to be taken away and considered. CW confirmed he would provide a response.

Action 0022: All Transporters to respond to the suggestion of adopting best practise solutions for the detection of theft eg use of digital cameras.

FC believed that support from Ofgem needs to be obtained and changes mandated to adopt a more stringent approach. RS agreed and suggested that the review group recommend that Ofgem are approached for their support.

SL highlighted that Ofgem will be issuing an Ofgem consultation on Theft and Connections

3. Diary Planning for Review Group

BF reviewed the existing work plan. It was agreed that the Review Group Report can now be drafted as the Work Plan had been somewhat superseded by other industry developments. It was agreed the Review Group report could now be drafted and reviewed at the next meeting however it would not be issued to the Panel until the other Modifications relating to unidentified gas had been discussed to ensure nothing has been overlooked.

RS wanted to ensure that the xoserve process diagrams were included within the report. It was agreed that the draft report would be produced ahead of the next meeting for members to consider prior to the final meeting.

The terms of reference was reviewed to ensure all areas have been considered.

It was acknowledged that there are a number of influences outside of the UNC which needed to be considered and would be included within the Review Group Reports recommendations.

Action 0023: The Joint Office to produce draft a Review Group Report, including all the recommendations considered and xoserve process diagrams.

It was agreed that the Review Group would meet on the same day as the additional Workstream Meeting mid November, it was agreed that a date would be established at the October Distribution Workstream.

4. AOB

None.

ACTION LOG - Review Group 0208

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0208 0008	13/05/2008	2.1	All to consider Shipper incentives to investigate theft.	All	Complete
RG0208 0009	13/05/2008	2.1	All to consider incentives for Meter Reader theft detection.	All	Complete
RG0208 0012	09/06/2008	2.1	xoserve to investigate and report the ability to bill for reported Theft of Gas consumption.	xoserve	Complete
RG0208 0018	31/07/2008	1.2	National Grid Distribution to check on the details and establish if this is a Supplier or MAM responsibility.	NG Distribution (CW)	Complete
RG02080 018b	21/10/2008	1.2	National Grid Distribution to check on the details and establish who authorises the installation of a new meter bypass – Supplier, GT or MAM.	NG Distribution (CW)	Pending
RG0208 0019	31/07/2008	2.1	National Grid Distribution to reflect the views of this group and raise the issue of the tag either not being fitted or remaining with the service with the relevant parties at the MAMCOP Board.	NG Distribution (CW)	Complete
RG0208 0020	31/07/2008	2.1	National Grid Distribution to check what legislation applies to connections to Networks and determine what is required.	NG Distribution (CW)	Complete
RG0208 0021	31/07/2008	2.1	Joint Office to ask the August Modification Panel for an extension.	Joint Office (JM)	Complete
RG0208 0022	21/10/2008	2.2	All Transporters to respond to the suggestion of adopting best practise solutions for the detection of theft eg use of digital cameras.	All Transporters	Pending
RG0208 0023	21/10/2008	3.0	The Joint Office to produce draft a Review Group Report, including all the recommendations considered and xoserve process diagrams.	Joint Office (BF)	Pending