

**Theft of Gas Review Group (UNC0245) Minutes**  
**Monday 18 May 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
Alison Jennings	AJ xoserve
Anne Jackson	AJa Scottish and Southern Energy
Andrew Wallace	AW Ofgem
Bali Dohel	BD Scotia Gas Networks
Catherine Wheeler	CW Ofgem
Chris Hill	CH RWE Npower
Colette Baldwin	CB E.ON UK
David Watson	DW Centrica
Erika Melén	EM Energy Networks Association
Jim Dry	JD SGN Metering
John Snelling	JS Pipework GB Ltd
Keith Stout	KS Fulcrum
Lorraine McGregor	LM Scottish Power
Oliver Mergans	OM Consumer Focus
Peter Grimley	PG Pleasant Associates Ltd
Phil Lucas	PL National Grid Distribution
Ralph Reekie	RR Envoy Metering
Roger Morgan	RMo Ofgem
Rosie McGlynn	RM EDF Energy
Steve Mulinganie	SM Onshore Consultant
Vanja Munerati	VM Ofgem

**Apologies**

Jenny Rawlinson	SW GTC
Sarah Westrup	SW GTC
Simon Trivella	ST Wales and West Utilities

**2. Introduction and Status Review**

**2.1. Minutes from previous Review Group Meeting**

BF confirmed that the following amendment had been requested to the meeting minutes of 20 April 2009:

**Section 2 Shipperless Sites.**

[AJ suggested that the group need to define clearly what is referred to when discussing theft and shipperless sites. AJ explained that Theft is a physical tamper with the gas connection and shipperless sites need to be split into two pots - those that do not have a supplier knowingly and are not seeking to do so and those customers who are attempting to get a supplier but have been unable to do so. There are also those who do](#)

[have a supplier and are paying for gas - but the shipper has not confirmed the site in Sites & meters.](#)

[AJa](#) believed it is worth considering and defining what is considered as Theft as there is a fine line for shipperless sites which are not registered with a supplier and are consuming gas.

The minutes of the previous meeting were then approved.

## 2.2. Review of actions from previous Review Group Meetings

**Action RG0245 001:** ENA to provide a presentation on the issues and recommendations of the Theft of Energy Work Group at the next meeting.

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

**Action RG0245 002:** UK Revenue Protection Association to provide a presentation on identified best practises at the June Review Group meeting.

**Action Update:** Carried Forward until 01 June 2009.

**Action RG0245 003:** Joint Office to publish Final Review Group Report for UNC0208 with the minutes.

**Action Update:** BF confirmed that this had been published on the Joint Office website. **Complete.**

**Action RG0245 004:** xoserve to provide a presentation on current UNC Theft of Gas information flows and some Theft of Gas statistics relating to levels of theft and the number of investigations.

**Action Update:** See item 2.2 and item 2.3. **Complete.**

**Action RG0245 005:** xoserve to provide a presentation on current management of shipperless sites.

**Action Update:** See item 2.3. **Complete.**

**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:** BF confirmed that the draft Terms of Reference have been published on the Joint Office website, however he was aware that British Gas will be varying the proposal in line with discussion at the previous meeting and therefore the terms of reference are subject to change. He confirmed when the amended proposal is provided these can be reviewed and signed off. **Carried Forward.**

**Action RG0245 007:** Joint Office to invite UIPs to future meetings.

**Action Update:** BF confirmed that the UIPs had been invited and a number of representatives have attended today. **Complete.**

## 3. Review Group Process

DW provided a brief presentation on data collection and provision and how this could be a major tool in tackling theft or misallocated gas. Within the presentation DW provided a list of the key data items British gas believed should be collected.

### 2.1. Recommendations from Theft of Energy Work Group

EM gave a presentation providing background to the Theft of Energy Work Group chaired by the ENA/ERA, the obligations on the industry, the current incentives and the group's recommendations.

BF asked how the recommendations were being taken forward. AW acknowledged that the recommendations were provided to Ofgem. However, for various reasons Ofgem had not had chance to consult on the recommendations. He suggested that the recommendations could be re-examined within this or a similar industry review group.

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

## 2.2. Flow of Information

AJ provided a presentation entitled Meeting of Theft of Gas Review Group (UNC0245), this presentation included a high level Theft of Gas Process, some Theft of Gas Allegation Statistics and statistic on the Reasonable Endeavour Claims.

The Theft of Gas Process flow chart aimed to illustrate how theft is recorded and the various activities that are undertaken through Conquest. AJ explained that Theft of Gas allegations are reported for example by meter reading agencies. Upon this report an assessment on the gas safety risk is taken. If there is not a registered user the case is advised to the appropriate network. If there is a registered user the Shipper is advised, the Shipper will then investigate the allegation and confirm if the case is valid or invalid. However, if after 80 days the Shipper does not respond to the report the conquest log is closed down. AJ explained that xoserve report all activity to the industry.

SM questioned the process following the notification to Transporters and asked if the Transporters also close queries after 80 days.

AW asked what safety risk assessments are being made by the emergency call centre. A number of scenarios were provided which could indicate a gas safety risk such as a physical bypass of the meter, however it was highlighted that scratches on meter could also pose a safety risk as this could suggest the meter has been tampered with.

**Action RG0245 0009:** National Grid to confirm how the call centre identifies the risk associated with ToG calls.

SM asked what proportion of the theft allegations is deemed to be a safety risk. AJ agreed to investigate if any statistics are recorded in relation to safety.

**Action RG0245 0010:** xoserve to investigate and report the proportion of theft allegations which are deemed to be a safety risk.

RM questioned if engineers attending site are able to ascertain potential theft volumes, it was confirmed that the engineer would not know how much gas is consumed on site or the likely duration that the suspected theft has gone undetected. RM confirmed that Shippers are expected to provide an estimate. RM suggested that the engineer on site may be in the best position to gather information/evidence. AJ thought that the engineer may not have been the first person to have identified the potential theft.

CB asked if xoserve are able to provide a breakdown of potential theft reports by reporting parties and how these reports are typically made.

**Action RG0245 0011:** xoserve to provide a breakdown of parties reporting potential

PL asked if there are any MAM contractual requirements/provisions in relation to interference. RM agreed to confirm meter reading agency contractual arrangements.

**Action RG0245 0012:** EDF Energy to confirm any contractual arrangements with MAMs in relation to meter interference.

AW acknowledged the importance of gathering information as quickly as possible, he believed key communication links are important. SM suggested that a common set of rules (best practise) on what action need to be undertaken would be ideal.

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

RM asked about the “three letter” contact process xoserve operated with customers who are not registered with a supplier. AJ explained why this process was no longer operated.

AJa highlighted that xoserve recover charges from Shippers once they have been estimated, though she questioned what happens to unregistered sites. AJ explained that shipperless sites will only be billed from the provided meter read and that retrospective theft isn't billed for. AW believed Condition 9 of the Gas Code allows the provision for Transporters to bill for gas for unregistered sites. He confirmed he will consider this further and provide an update at the next meeting. It was also agreed that the Network would also provide a view on their ability to bill for gas flowing on unregistered sites. It was clarified anything upstream of the ECV is Transporter responsibility.

**Action RG0245 0014:** Ofgem to provide confirmation of the GDNs ability to charge customers for theft under the Gas Code and GT Licence.

**Action RG0245 0015:** Transporters to provide their view of Licence requirements for billing theft.

AJ highlighted that shipperless sites are less likely to interfere with a gas connection as they will not be paying for gas consumption.

DW explained that it is difficult to encourage the registration of sites as there are no incentives for the customer to contract with a Supplier when gas is flowing.

KS confirmed that theft prior to the ECV would have historically involved prosecution and the recovery of costs, however he was unsure how this is managed post the Network sales.

**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.

xoserve was asked to provide a further breakdown on the Conquest automatic closure statistics to determine if cases are re-opened following their automatic closure after 80 days.

DW asked if the report on theft allegations can also be broken down by who originally reported the potential theft and what proportions transpire to be valid or invalid. It was believed that this could help the group understand the success rates of reports particularly if meter readers report a higher percentage of valid theft. A question was also asked if it is possible to identify the proportion of bypass reports.

**Action RG0245 0017:** xoserve to provide a further breakdown on the valid, invalid and CCAC statistics.

SM enquired if xoserve are able to provide aggregate figures on volume.

**Action RG0245 0018:** xoserve to provide estimated theft of gas volumes

DW asked what data items xoserve are recording. RM asked if xoserve are able to provide examples of theft of gas cases, including the standard form issued to shippers, to give group an understanding on what information is provided to Shippers. AJ suggested that xoserve could provide screen shots to assist.

**Action RG0245 0019:** xoserve to provide screen prints to identify what data items are recorded by xoserve.

RM highlighted a project which is reviewing the replacement of conquest. She explained that if additional data items are required for the theft of gas process these would need to be included within the project.

AJ confirmed that from 01 April 2008 and 31 March 2008 £24,000.00 worth of Reasonable Endeavour Claims were processed.

DW highlighted that the figure may not be representative of the cases of theft as Shippers do not always pursue the case due to the costs and the ability to recover costs.

**Action RG0245 0020:** Joint Office to publish reasonable endeavours claim table with minutes. **Complete.**

AJ asked for feedback on the extra data items Shippers may want to see. AW suggested that the report needs to be more specific, for example. Type of theft including stolen meters, assets registered, post code and when reported. RM suggested that an alternative report may wish to be established as the current report provided was typical management information. SM suggested some care needs to be taken with the availability and nature of the information and what this data could be used for. LM suggested that future supply contracts may be affected for parties that have moved into a property that has been subject to previous theft and this information may be used and cause issues for innocent consumers. RM suggested that going forward the group needed to agree what data items are required and what protection is required. DW agreed to provide the list of items he perceived to be useful. RM agreed to take away consideration of how the information could be used and any codes of practise that need to consider in relation to the availability of customer data.

#### **Post Meeting Note:**

DW provided the following “wish list” of data items to be collected, collated and distributed on detection of theft:

- Who made the detection.
- Where the detection took place.
- The type of theft detected.
- When the detection was made.
- Assessed value of the theft.
- Stolen meters register, incl, meter technical data, location where stolen meter found / taken from, date meter found / identified as stolen.

DW welcomed views on the data items that may be required in additional to the list.

**Action RG0245 0021:** xoserve to investigate the availability of data requested by British Gas.

**Action RG0245 0022:** EDF Energy to consider the availability of customer data and the provision of confidential information.

### **2.3. Current management of shipperless sites**

AJ provided a presentation on shipperless sites setting the scene by starting off with the M Number Creation Process.

AJa highlighted that services can be laid upto 2 years before a customer moves in and starts using gas and asked if MPRNs should be allocated when the meter is requested. AJ explained that xoserve allocate blocks of MPRNs to UIPs to utilise as and when required. The UIP will then notify xoserve each time the service is made live and the adopting GT confirm back to xoserve. KS explained there are inherent time delays with information provision, changes to plans by developers can be made and transfer of data back to the GT can be delayed. It was recognised there are numerous complications with the new connection process and RM expressed her concern about the complexities involved and whether it was appropriate for the Theft of Gas Review Group to address the problems.

It was acknowledged that a developer can fit a meter during the building stage for practical reasons such as drying out plaster and therefore gas is being used without paying for the gas usage.

DW explained the reasons why he wanted shipperless sites to be included and that actions need to be taken to address the registration of sites with the ability to use gas without a supplier.

AJ provided five scenarios of unconfirmed sites and explained that it is difficult for xoserve to establish which scenario a site falls into as xoserve are blind to the actual site set up. AJ explained the indications xoserve use to suggest Shipper activity on a site, explaining that xoserve issue reports identifying sites which have had some activity but have not yet been registered. A number of these sites will be burning gas but xoserve are unable to identify the actual sites.

AJa believed there is intent to steal gas when sites are consuming gas deliberately without securing a supplier.

A discussion took place on Gas Safety Regulations (Installation and Use) Regulations (GS(IU)R) and Gas Safety Management Regulations (GSMR). SM clarified that GS(IU)R manages the risk of live services and agreed to provide further information at the next meeting. SM thought the two year timeframe starts from the point that the service is connected and in the case of a service and no meter responsibility lies with the GT.

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

It was agreed that proper arrangements are required for customers using gas with no intent of securing a supplier.

DW highlighted that the current arrangements allow a shipperless site to remain unregistered and there is no resolution process. He believed that the Review Group needs to understand the root causes for shipperless enable appropriate industry recommendations to be made. BF acknowledged that some members thought the inclusion of shipperless site is too wide of scope. CB suggested that the entire shipperless site issue needs wider industry involvement and did not want the Review Group to become distracted. DW acknowledged the concerns raised it was agreed to concentrate on the actions required to encourage the registration of shipperless sites.

RM highlighted that the iGTs and GDNs have been meeting and mapping out the communication process reviewing the NExA Annex A. Process diagrams may be available but there are complexities such as nested CSEPs and it may warrant a presentation on the network obligation for unregistered sites.

RM believed it would be useful for the review group to understand the contractual relationships of the parties involved in connections and the shipperless sites issue.

**Action RG0245 0024:** National Grid to provide a presentation on the network obligations for unregistered sites.

**Action RG0245 0025:** xoserve to provide a report identifying if there were any physical disconnections undertaken as part of the previous "three letter" process for managing unregistered sites.

KS acknowledges the need for resolution but equally at times gas suppliers request installation of meters and do not notify the relevant iGTs or contact the DNO instead.

DW believed the Review Group need to ascertain what is going wrong, why its going wrong, what are the arrangements for managing shipperless sites and consider making recommendations.

SM summarised the 5 shipperless site scenarios and suggested that until a meter has been installed the responsibility lies with the Transporter and using xoserve data suggested 85% of unregistered sites are resolved within 12 months. SM suggested that there needs to be an ultimate point whereby the customer could be cut off and though a reasonable amount of time needs to be allowed for the customer to establish a supplier.

A discussion took place if there is an obligation for the MAM to ensure a supplier contract has been established. SM explained that when a meter installation is undertaken by a MAM, an on job registration is sent to the supplier or the Transporter that a meter has been installed, this complies with the Gas (Information on the Connection and Disconnection of Meters) Regulations.

AJa highlighted that some UIPs/Meter installers are completing deals with the customer to install a meter and recover the costs of meter installation through the supplier though the supplier is unaware of the meter request or installation. SM explained that the supplier will be notified of a meter installation and if there isn't a supplier, the Transporter will be informed.

The Group discussed if customers ought to be obliged to pay for consumed gas but the suppliers do not have the ability to bill retrospectively. CB suggested that the estimated gas consumption could be charged by Transporters and credits passed back through RbD.

### 3. Diary Planning for Review Group

The Group previously agreed that additional sessions would be required to discuss the relevant topics and the Joint Office confirmed additional meetings had been added to the work plan.

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.

15 June: Incentives (current incentives and gaps incentives)

Planned Meetings:

10:00 Monday, 01 June 2009 at Ofgem, 9 Millbank, London

10:00 Monday, 15 June 2009 at Ofgem, 9 Millbank London

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

CB made a request for future meeting material to be made available ahead of meetings to allow consideration before the meetings. BF highlighted that this may prove difficult for the next meeting due on 01 June 2009 as this would only allow one week for the documentation to be produced. CW suggested that paper copies can be made available on the day for late material.

RM requested that the Theft of Energy Working Group Documentation published on the ENA website (<http://2009.energynetworks.org/theft-of-energy>) is also published on the Joint Office website under Review Group 0245.

**ACTION LOG - Review Group 0245**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
RG0245 0001	20/04/2009	2.0	ENA to provide a presentation on the issues and recommendations of the Theft of Energy Work Group at the next meeting.	ENA (EM)	Complete
RG0245 0002	20/04/2009	2.0	UK Revenue Protection Association to provide a presentation on identified best practises at the June Review Group meeting.	UK Revenue Protection Association (AD)	Carried Forward
RG0245 0003	20/04/2009	2.0	Joint Office to publish Final Review Group Report for UNC0208 with the minutes.	Joint Office (HC/BF)	Complete
RG0245 0004	20/04/2009	2.0	xoserve to provide a presentation on current UNC Theft of Gas information flows and some Theft of Gas statistics relating to levels of theft and the number of investigations.	xoserve (AJ)	Complete
RG0245 0005	20/04/2009	2.0	xoserve to provide a presentation on current management of shipperless sites.	xoserve (AJ)	Complete
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)	Carried Forward
RG0245 0007	20/04/2009	6.0	Joint Office to invite UIPs to future meetings	Joint Office (HC/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 0009	18/05/2009	2.2	National Grid to confirm how the call centre identifies the risk associated with ToG calls.	National Grid (PL)	Pending



Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0245 0010	18/05/2009	2.2	xoserve to investigate and report the proportion of theft allegations which are deemed to be a safety risk.	xoserve (AJ)	Pending
RG0245 0011	18/05/2009	2.2	xoserve to provide a breakdown of parties reporting potential theft.	xoserve (AJ)	Pending
RG0245 0012	18/05/2009	2.2	EDF Energy to confirm any contractual arrangements with MAMs in relation to meter interference.	EDF Energy (RM)	Pending
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	Pending
RG0245 0014	18/05/2009	2.2	Ofgem to provide confirmation of the GDNs ability to charge customers for theft under the Gas Code and GT Licence.	Ofgem (AW)	Pending
RG0245 0015	18/05/2009	2.2	Transporters to provide their view of Licence requirements for billing theft.	All Transporters	Pending
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	Pending
RG0245 0017	18/05/2009	2.2	xoserve to provide a further breakdown on the valid, invalid and CCAC statistics.	xoserve (AJ)	Pending
RG0245 0018	18/05/2009	2.2	xoserve to provide estimated theft of gas volumes.	xoserve (AJ)	Pending
RG0245 0019	18/05/2009	2.2	xoserve to provide screen prints to identify what data items are recorded by xoserve.	xoserve (AJ)	Pending

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
RG0245 0020		2.2	Joint Office to publish reasonable endeavours claim table with minutes	Joint Office (HC)	Complete
RG0245 0021	18/05/2009	2.2	xoserve to investigate the availability of data requested by British Gas.	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)	Pending
RG0245 0023	18/05/2009	2.3	SM to provide clarification of the GS(IU)Rs 2 year safety timeframe for service disconnections	SM	Pending
RG0245 0024	18/05/2009	2.3	National Grid to provide a presentation on the network obligations for unregistered sites.	National Grid (PL)	Pending
RG0245 0025	18/05/2009	2.3	xoserve to provide a report identifying if there were any physical disconnections undertaken as part of the previous "three letter" process for managing unregistered sites.	xoserve (AJ)	Action: Pending