

Theft of Gas Review Group (UNC0245) Minutes
Monday 01 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
Alan Dick	AD UK RPA
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
Carol Spinks	CS National Grid Distribution
Chris Hill	CH RWE Npower
Colette Baldwin	CB E.ON UK
David Watson	DW Centrica
Erika Melén	EM Energy Networks Association
Jenny Rawlinson	SW GTC
Keith Stout	KS Fulcrum
Matthew Willis	MWi Consumer Focus
Mark Woodward	MW xoserve
Lorraine McGregor	LM Scottish Power
Phil Lucas	PL National Grid Distribution
Ralph Reekie	RR Envoy Metering
Rosie McGlynn	RM EDF Energy
Sarah Westrup	SW GTC
Simon Trivella	ST Wales and West Utilities
Steve Mulinganie	SM Onshore Consultant
Vanja Munerati	VM Ofgem

Apologies

1. Introduction and Status Review

1.1. Minutes from previous Review Group Meeting

ST requested an amendment within Section 2.3 Page 6.

It was recognised ~~acknowledged~~ that a developer sometimes ~~can~~ fits 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.

ST requested an amendment within Section 2.2 Page 3.

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

tampering with a meter ~~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.

The minutes of the previous meeting were then approved.

1.2. Review of actions from previous Review Group Meetings

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

Action Update: AD provided a presentation 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 British Gas intends to vary the proposal in line with discussions at previous meetings and therefore the draft terms of reference are subject to change. It was agreed to consider and finalise the Terms of Reference at the next meeting. **Carried Forward.**

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

Action Update: RM suggested the recommendations should be revisited in a few meetings time to ensure they are captured. BF suggested that the fifth meeting may be a suitable time for review. **Carried Forward.**

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

Action Update: PL provided a brief presentation on Call Centres Assessment of Safety. This included a process flow diagram giving examples of safety risks and what action will be taken. DW asked if the evidence collected is provided to Shippers, KS asked if engineers are provided with digital cameras. PL confirmed he would confirm if evidence is passed on to Shippers and if photos are routinely collected. RR questioned if meters would be replaced or the control valve simply turned off if safety is deemed to be an issue. SM also questioned if engineers are made aware that the site visit is required due to a theft allegation. ST and BD believed that the engineer would be aware referring to the EM72 procedure. SM asked if EM72 procedure could be provided. ST confirmed that the Transporters will compare procedures and provide an extract. KS asked if an operative finds evidence of interference what is done to secure this evidence. ST believed the procedure will detail the process suggesting a meter may be clamped in place. **Complete.**

New 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.

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

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

Action Update: AJ provided a breakdown between 01/04/08 and 31/03/09. **Complete.**

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

Action Update: AJ provided a breakdown of statistics based on Theft of Gas Allegations logged on conquest. **Complete.**

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

Action Update: RM confirmed that EDF Energy have contractual arrangements in relation to theft and that these are based on Ofgem's guidance notes which sets out what meter readers should do. RM envisaged that other Shippers would have similar arrangements based on Ofgem's published document. **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 0014: Ofgem to provide confirmation of the GDNs ability to charge customers for theft of gas under the Gas Act schedule 2b the Gas Code and GT Licence.

Action Update: AW advised that he did not believe GTs can charge for sites using gas without a supply contract in place except in limited situations such as an illegal reconnection of a meter. **Complete.**

A debate occurred about shipperless sites, the remedies to attract customer supply contracts, and at what point the customer should be served with a notice about what constitutes a breach of the Gas Act.

ST believed the Gas Code provides an entitlement to recover gas costs, however it was open to interpretation. He believed that in a case of domestic theft of gas, the cost of pursuing is likely to be more than the cost of gas used and likely to be recovered. ST also highlighted that it would be difficult to ascertain when a customer had a meter fitted and the actual opening read. He thought customers would need to be given a reasonable period of time after being notified of a potential breach of the Gas Act to obtain a supplier before seeking remedial action.

xoserve reiterated that the previous "three letter" process was not successful in securing a site registration from suppliers.

BF wished to understand the extent of shipperless sites. AJa highlighted that it is evident that customers on new developments are being approached where it has been established that a supplier contract is not in place

New 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 RG0245 0015: Transporters to provide their view of Licence requirements for billing theft of gas.

Action Update: PL confirmed that there is a process for charging for gas though this was usually for instances related to damaged pipes. DW believed that this does not cover shipperless sites burning gas. ST highlighted that any recovery would have to be incorporated into the Shrinkage process. **Complete.**

New Action RG0245 0015b: SGN and NGN to provide their view of Licence requirements for billing theft.

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 Action RG0245 0009b, Transporters to ensure the EM72 extract includes the process for Theft upstream of the ECV. **Carried Forward.**

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

Action Update: Carried Forward

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

Action Update: Carried Forward

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

Action Update: AJ provided a number of screen prints of what information can be populated. **Complete.**

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

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

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

Action Update: AJ referred to the screen prints provided under action 0019. **Complete.**

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

Action Update: Carried Forward

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 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.**

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

Action Update: CS provided a presentation on the UIP Project Lifespan. CS explained a number of anomalies within the process and rejections are made for UIP sites without completion notices. CS highlighted that MPRNs that have not been set to live within D+180 days will be closed down, adding that an MPRNs without a service laid confirmation are closed by xoserve. On further discussion of the process it was acknowledged that a step may be missing. The group questioned what happens if a UIP wished to set an MPRN to dead. AJ explained that this is not an automated process and rely on UIPs to communicate the need to close a MRPN. It was suggested that the ability for UIPs to close down MRPNs needs to be examined. ST believed the group need to understand of the 30,000 sites which have a live service with no meter. KS highlighted the ability for customers to arrange a meter to be fitted with a supplier who then requests an MPRN from xoserve who may not realise the service is on an iGT site. This will cause a duplicate MPRN to be raised which will need to be removed from sites and meters once the error is recognised.

ST provided a scenario of an unregistered meter point where a service pipe is installed and set to live on sites and meters. This can legitimately be done and DW believed that

the status needs to be monitored to manage the service pipe and ensure if a meter is fitted it is registered. ST believed the Transporter does not have the authority under the Gas Act to disconnect a service pipe which has been laid without a meter, he explained that it is a customer's choice not to fix a meter to a service pipe they have requested to be connected. **Complete.**

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.

Action Update: AJ confirmed that no physical disconnections have been undertaken as part of the three letter process. **Complete.**

2. Review Group Process

2.1. Shipperless sites

EM provided a presentation on shipperless/unregistered sites and GDN powers.

It was acknowledged that if a consumer improperly uses gas so as to interfere with the efficient conveyance of gas by the gas transporter, the transporter may disconnect the consumer's premises. (Gas Code, Schedule 2B, para 18). However this was open to interpretation and it was believed the general power may not be deemed appropriate for theft of gas situations only where the gas network is physically compromised.

EM highlighted that the xoserve "no activity" process has not been given sufficient time to yield results. AJ confirmed that xoserve are liaising with relevant parties to identify genuine "no activity". It was anticipated that 90% of the "no activity" scenarios could be assigned to an appropriate category for progression within the next few months. It was again highlighted that a customer has a right to a live service without arranging a meter fix. It was also acknowledged that a customer may directly procure a meter installation from a meter installer.

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

Some concern was expressed about the process whereby xoserve can unknowingly create a new MPRN for a connection located on an iGT site. AJ acknowledged that a process may need to be considered where a customer asks for an MPRN from xoserve and xoserve are unsure if the provided address may be part of an iGT network. It was suggested that xoserve may have to refer some requests to the DNs for confirmation the site is on their network.

2.2. Flow of Information

RR provided a process flow diagram of the pre-build process; he explained what happens if a re-design is required and the incentives the iGT may use.

RM asked about the provision of the meter fit report, she asked if it is problematic getting meter fit reports back. RR explained it can be problematic however, the incentive is that payment will only be made on the completion of a contract. SW explained phases within projects may result in batches of meter fit reports.

JR explained the iGTs are not able to charge for Transportation without a meter fit confirmation as it is an incentive to ensure meter fit reports are captured. JR explained about the window for providing information within the iGT network code and the requirement for new meter fit reports with up to date readings if a rejection has occurred. LM explained that suppliers can only bill back dated charges for 12 months.

AJa challenged if developers should be securing a supplier particularly when using gas themselves as part of the development construction to ensure any used gas is accurately

attributed.

2.3. Best Practise

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 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 DECOP document may wish to be considered. AW suggested that there are three areas which need to be considered; Safety concerns, the cost of theft being covered by the involved party and the collection of information.

BF suggested that a summary of the documents is provided.

AD expressed some concern about the sensitivity of the document and if there were any IPR implications.

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

BF suggested the group needs to establish best practise and discuss further. DW believed the group need to determine the key elements of best practise and how it will be governed.

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

BF suggested that this need to be revisited, RM asked if the best practise should cover detection.

RM asked if a view on the rights and entitlements should be sought from Ofgem on the ability to charge for energy used.

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

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.

Planned Meetings:

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

ST asked about the meter bypass reference discussed at the last meeting. ST asked the extent of improper use of meter bypasses. He questioned if legitimate by-passes should sit within the remit of this group. He suggested that he will produce some information for consideration by the review group for example how many are there and the information flows.

BD asked about contract management and a contract should be signed between the supplier and customer. LM explained that this can be undertaken by the developer. It was recognised that a MAM may fit a meter without the instruction from a supplier i.e. when the customer goes direct to a meter installer. A discussion took place on the commercial payment arrangements for a meter fix in these situations. AJa explained the supplier would need to ensure the meter is suitable before it was adopted by the supplier.

It was challenged if a meter is installed with no legal contract for supply, who is the gas act owner. SM highlighted that the default is the supplier, despite a supplier not been appointed. SM explained that the Gas Act was written pre RGMA and does not recognise MAMs.

The C&D store was discussed; SM explained that the C&D store sits separate to sites and meters.

ACTION LOG – Review Group 0245

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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)	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 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)	Complete
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)	Pending
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)	Complete
RG0245 0011	18/05/2009	2.2	xoserve to provide a breakdown of parties reporting potential theft.	xoserve (AJ)	Complete
RG0245 0012	18/05/2009	2.2	EDF Energy to confirm any contractual arrangements with MAMs in relation to meter interference.	EDF Energy (RM)	Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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 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)	Complete
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)	Pending
RG0245 0015	18/05/2009	2.2	Transporters to provide their view of Licence requirements for billing theft.	All Transporters	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)	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	Carried Forward
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 0019	18/05/2009	2.2	xoserve to provide screen prints to identify what data items are recorded by xoserve.	xoserve (AJ)	Pending
RG0245 0021	18/05/2009	2.2	xoserve to investigate the availability of data requested by British Gas.	xoserve (AJ)	Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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)	Carried Forward
RG0245 0023	18/05/2009	2.3	SM to provide clarification of the GS(IU)Rs GSMR 2 year safety timeframe for service disconnections	SM	Complete
RG0245 0024	18/05/2009	2.3	National Grid to provide a presentation on the network obligations for unregistered sites.	National Grid (PL)	Complete
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)	Complete
RG0245 0026	01/06/2009	2.1	xoserve to report back on the progress made with the MRPN "no activity" report.	X=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

