

UNC Workgroup 0734S Minutes
Reporting Valid Confirmed Theft of Gas into Central Systems
Thursday 27 August 2020
via Microsoft Teams

Attendees

Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0734/270820>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.

1.0 Outline of Modification

Steve Mulinganie (SM) introduced the Modification explaining that the driver of this change is significant evidence that confirmed theft of gas data from Suppliers is not entering Settlement. This is likely to be a product of there being no obligations in code for Shippers and Suppliers to report confirmed theft to one and other. The effect of not implementing this change would be to perpetuate a historic loophole in theft reporting arrangements that directly contributes to UIG, through there being insufficient provision in code for confirmed theft consumption data to be entered into Settlement. This is evidenced by the significant discrepancy in the number of confirmed thefts entered into Theft Risk Assessment Service (TRAS) by Suppliers and the number of confirmed thefts entered into CMS by Shipper – with 30% of all confirmed thefts in TRAS not appearing in CMS.

He explained that the Modification therefore aims to place obligations on Shipper parties to ensure that valid confirmed theft of gas data received from Suppliers, such as consumption volumes, are appropriately entered into central systems for the purposes of Settlement. He

added that the Modification also seeks to ensure corrections to Annual Quantities (AQ) that are required as a result of theft of gas are undertaken as required.

He added that the changes proposed are as a result of the recommendation developed by the cross-code Workgroup (0667R) - Joint Theft Reporting Review Group (JTTR) and a significant amount of development work has been undertaken by that group already.

In terms of the solution he added that there is an acknowledgement that there may be some differences between UNC and SPAA that need to be worked through for example volume is measured in m3 for Suppliers and kWh for Shippers.

2.0 Initial Discussion

Workgroup discussion took place on the validity of information and what would be deemed 'not valid' or 'invalid'.

Kirsty Dudley (KD) suggested that could be three different situations in relation to data on energy values:

- Missing data
- Data differences between SPAA and UNC
- Data readings that are higher than expected.

SM suggested using the concept of 'manifest error' and asked Workgroup to consider if this could work.

Fraser Mathieson (FM) stated that the JTTR group did discuss criteria to allow Shippers to challenge data but did not develop the reasons that could form the basis of a Shipper challenge. JTTR recommended that Shippers and Suppliers work together to develop the criteria.

KD suggested that there may be different interpretations if the different error scenarios were included in DSC systems and said UNC should be the basis.

SM agreed that adding 'manifest error' to the UNC would provide the legal basis.

Ellie Rogers (ER) raised a concern in relation to the recording of theft of gas under the proposed new process as it could result in duplicate entries being created as Shippers as per current logic can raise theft directly in CMS and under this change, Supplier theft will also be submitted into CMS. It is not clear which entry should be taken through the process. SM suggested that it should be a Shipper obligation to cross-check duplications.

FM recommended that Supplier confirmed theft of gas data should be regarded as the accurate data. He explained that this is why the JTTR group have suggested automation of the process.

KD suggested that the issue of read sequencing is a TRAS reporting issue and the process needs to be made clearer.

SM reiterated that a cross-check of the duplicates is needed and suggested the responsibility to quality assure the data should be with Shippers.

Reporting

KD asked if the reporting would be in SPAA or if it would be a new requirement.

FM confirmed that a high-level obligation would be included in SPAA which would be discharged through TRAS and the output of TRAS would be via CMS (CDSP).

Business Rule 2

In relation to this BR, SM emphasised that Shippers want to receive notifications of relevant Supplier(s) Confirmed Theft Data (SCTD) to avoid the need for checking.

Errors in relation to theft data

KD asked how the system would recognise and deal with a change made by a Supplier, for example if theft data is corrected by the Supplier six months later. FM agreed to check how replacement data is handled.

SM asked how erroneous settlement data is dealt with.

FM indicated that in the TRAS, Suppliers can withdraw a confirmation of theft and re-submit it. He suggested that an equivalent CDSP process is also needed.

2.1. Issues and Questions from Panel

KE advised that the UNC Modification Panel has asked the Workgroup to consider two specific questions:

2.1.1. Workgroup to consider whether self-governance status is/remains applicable

Deferred to the September meeting.

2.1.2. Workgroup to consider any potential cross Code impacts and implementation timelines

Deferred to the September meeting.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <https://www.gasgovernance.co.uk/0734>

3.0 Next Steps

KE summarised the initial discussion, stating that the Workgroup has three months development time. The key areas discussed and agreed by Workgroup include the need to:

1. Review the Business rules within the Modification to determine whether the definition of 'Not Valid' needs to be expanded or included.
2. CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification – what is already in place, what's easy to implement and what is considered more fundamental change?
3. Consideration of what needs to be included in UNC and what goes into the DSC.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
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Thursday 24 September	5pm Tuesday 15 September 2020	Microsoft Teams Meeting	<p>Detail planned agenda items.</p> <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Review of Impacts and Costs • Review of Relevant Objectives • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
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Action Table (as at 27 August 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No outstanding Actions		