

**UNC Workgroup 0734S Minutes**  
**Reporting Valid Confirmed Theft of Gas into Central Systems**  
**Thursday 22 October 2020**  
**via Microsoft Teams**

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/221020>

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

## 1.0 Introduction

### 1.1. Approval of Minutes

The minutes from 24 September 2020 were approved.

### 1.2. Approval of Late Papers

There were no late papers for approval.

### 1.3. Review of Outstanding Actions

**Action 0901:** KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC

**Update:** This action update is covered within the agenda for this meeting. **Closed**

**Action 0902:** CDSP (DA) 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 is easy to implement; and

What is considered more a fundamental change.

**Update:** ER provided a presentation in response to this action which raised further questions. It was agreed that Fraser Mathieson (FM) will discuss with the proposer Steve Mulinganie.

**Closed**

**Action 0903:** SPAA (FM) to provide more clarity to cover the requirements for SPAA

**Update:** This action update is covered within the agenda for this meeting. **Closed**

**Action 0904:** SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.

**Update:** This action update is covered within the agenda for this meeting. **Closed**

## 2.0 Consideration of Modification

FM provided a summary of the modification and circumstances under which it was raised and advised that he was seeking agreement of the Business Rules at this meeting which will then in turn drive the Legal Text for this modification to be requested. He advised that the Business Rules were agreed in principle at last meeting held in September and that there is only one Workgroup meeting left before submission of the Workgroup Report to UNC Panel in December 2020. When asked, KE confirmed the next Workgroup meetings will be Thursday 26 November and then Monday 14 December 2020.

FM went on to recap that the key finding from the Joint Theft Reporting Review Group (JTRR) identified that 30% of all confirmed theft did not appear in CMS and therefore does not appear in Settlement.

DA raised a concern that the development of this modification appears rely heavily on the outcome of the JTRR and that this modification needs to be able to stand and progress on its own. He was concerned that when questions are raised, the answer seems to refer to discussions that occurred during the JTRR Group meetings rather than the answers being included in the modification. Secondly, DA advised that he is concerned certain questions that have been raised over the course of the previous Workgroup meetings, regarding the solution, have not yet been addressed but understands they will be covered in the presentation due to be given by FM.

KE confirmed that the meeting was the opportunity to capture conversations and document concerns into the Workgroup Report and agreed that the modification needs to stand on its own and that any answers that were identified in the JTRR Group need to be reflected in the modification.

FM agreed the modification should stand on its own and asked Workgroup to consider that the Proposer sees this as a high-level solution.

Kirsty Dudley (KD) advised that she understands the high-level obligation but that there are some complexities that need to be drawn into the modification and asked if there is a high-level XRN that runs alongside it. She also advised there is a potential that the solution could be being over-engineered, there is a possibility it could be a lot simpler.

KE clarified that she would not want the level of detail to hold up the development of the modification and that the solution needs to be implementable.

ER added that the obligations in Code are quite high-level but there are inconsistencies between SPAA and UNC and highlighted the need to make sure the intention of the modification is relayed into the solution.

KD questioned if this is the right solution if the purpose is to make sure the right quantities of theft are in CMS.

FM went on to provide an overview of the Draft Solution Overview which shows the route that confirmed theft data takes, this route covers 4 separate Codes and Contracts:

SPAA

Theft Reporting Advisory Service (TRAS)

Data Service Contract (DSC)

Uniform Network Code (UNC)

The diagram shown specifies the proposed process, with a monthly confirmed theft output file being provided by TRAS to CMS which automatically updates CMS with confirmed theft volume. Shippers would have the opportunity to review before final reconciliation. Suspected theft records in CMS would be closed once the Shipper has entered the 'Supplier Investigation ID', as evidence the report has been passed to the Supplier.

FM explained the proposed obligation on Shippers to enable a monthly confirmed theft output report to be fed from TRAS to CMS during the review/objection window.

It was mentioned that there are a lot of interactions throughout the different Codes/Contracts which make this suggested solution complicated.

When KD challenged the additional step/obligation that is now a requirement for the Shipper to have the ability to challenge what the Supplier has provided, FM clarified it should be seen more of an opportunity to review what a 3<sup>rd</sup> party is submitting.

DA added his concern that there are a lot of different Codes and responsibilities that are trying to interface properly and that he suggests Workgroup need to be work through each of the areas to identify the responsible party.

KD suggested this modification may potentially need dual governance.

When asked, KD confirmed the current process is that the Supplier calculates the energy and the Shipper updates CMS.

David Mitchell (DM) added a point of consideration that if there is a Change of Tenancy (COT) event mid-way, that transaction would be going into the settlement process.

### **Slide 3 – Discussion Points**

When discussing the points listed on slide 3 of the presentation provided by FM, KD confirmed that any agreements between Shipper and Supplier needs to be clearly articulated in Code.

KE reminded Workgroup of the main issue the solution is trying to rectify, Shippers failing to enter Theft information into CMS, and asked what was the root cause, JTRR identified as to why that was not happening.

FM clarified it is the Supplier obligation to report all known theft in to TRAS, input to CMS is very manual and is considered to be a significant administrative burden with no functionality to bulk upload.

Workgroup considered 2 options:

1. Is the obligation in Code insufficient and would a revision of the legal text, providing more clarity around the consequences, resolve the issue?

Or

2. Is the obligation clear in Code, including consequences, and therefore would a simplified system resolve the issue?

KE suggested the solution could be to do nothing with Systems and improve obligation in Code.

DA informed Workgroup that the CMS system is currently entering in to a rebuild phase.

KE summarised the discussions:

There will be a rebuild of CMS at some point and asked Workgroup to consider if that would solve this issue but timing needs to be considered? DA advised that, in parallel to this, he will make sure the build team are aware of this issue and added that if this modification is implemented, there will be a requirement to have other parties able to input theft data which would be a large scale development.

The general feeling from Workgroup was that there are too many issues to consider in order to progress the modification within the current timescales.

KE if a Shipper is not doing something they should be doing, then UNC needs to be tightened up and reporting needs to be put in place.

KE advised that she recognises there could be other solutions that could still deliver the intended outcome, but if the solution progresses as suggested, this Workgroup will require more time to deliver as there are too many issues left to work through which means December reporting is not achievable.

For now, FM is to discuss with Steve Mulinganie the options to consider which are:

- A Code change and firm up the reporting
- Raise an XRN only
- A combination of the two

KD raised a question in that, if the data looked at in the JTRR meetings was dated pre-2019, has there been an improvement since the JTTR Group closed? Is there still an issue?

KE also asked if some of the changes already implemented have had any impact and questioned if the issue is still the same?

FM agreed to try to quantify in order to answer the questions raised.

## **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**

This will be discussed at the next Workgroup.

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

This will be discussed at the next Workgroup.

## **3.0 Review of Business Rules**

These were discussed as part of the conversation above and will be discussed further at the next Workgroup.

## **4.0 Consideration of Draft Legal Text**

This will be discussed at the next Workgroup.

## **5.0 Development of Workgroup Report**

This will be discussed at the next Workgroup.

## **6.0 Next Steps**

KE summarised the next steps:

- FM is to discuss with Steve Mulinganie the options to consider which are:
  - A Code change and firm up the reporting
  - Raise an XRN only
  - A combination of the two
- FM agreed to try to quantify in order to answer the questions raised
  - KD raised a question in that, if the data looked at in the JTTR meetings was dated pre-2019, has there been an improvement since the JTTR Group closed?
  - KE also asked if some of the changes already implemented have had any impact and questioned if the issue is still the same?

## 7.0 Any Other Business

None.

## 8.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Thursday 26 November 2020	Teleconference	Distribution Workgroup standard Agenda
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

### Action Table (as at 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/20	2.0	KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC.	E.ON (KD) and SPAA (FM)	Closed
0902	24/09/20		CDSP (DA) 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 is easy to implement; and What is considered more a fundamental change	CDSP (DA)	Closed
0903	24/09/20	2.0	SPAA (FM) to provide more clarity to cover the requirements for SPAA	SPAA (FM)	Closed
0904	24/09/20	2.0	SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.	SPAA (FM)	Closed