

**UNC Workgroup 0734S Minutes**  
**Reporting Valid Confirmed Theft of Gas into Central Systems**  
**Thursday 24 June 2021**  
**via Microsoft Teams**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Rebecca Hailes	(RHa)	Joint Office ( <i>Observer</i> )
Andy Clasper	(AC)	Cadent
Claire Manning	(CM)	E.ON Energy
Dan Simons	(DS)	Gemserv
Dave Mitchell	(DMi)	SGN
David Addison	(DA)	Xoserve
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink ( <i>0734S Workgroup only</i> )
Guv Dosanjh	(GD)	Cadent
Jennifer Randall	(JR)	National Grid
Jenny Rawlinson	(JW)	BU UK
Kate Lancaster	(KL)	Xoserve
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	British Gas
Steve Mulinganie	(SM)	Gazprom Energy
Tom Faulkner	(TF)	Cornwall Insight
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/240621>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 August 2021.

## 1.0 Introduction

Alan Raper (AR) welcomed all to the meeting.

### 1.1. Approval of Minutes

The minutes from 27 May 2021 were approved.

### 1.2. Approval of Late Papers

No late papers recorded.

### 1.3. Review of Outstanding Actions

**Action 0202:** DM to request that their lawyer have a provisional look at legal text to see how the new BR could apply to a consumption adjustment when no actual meter readings are available.

**Update:** Dave Mitchell (DMi) confirmed there is no update to provide as the modification is not yet finalised. **Carried Forward**

**Action 0501:** DA and FM and SM to agree a set of rules and solutions where meter readings can be provided and where zero incremental readings will be used.

**Update:** Fraser Mathieson (FM) confirmed an agreed way forward had been discussed which would require an amendment to the business rules, to ensure the right level of energy is entered into settlement. FM confirmed that Guidance notes had been added to the modification to provide clarity.

David Addison (DA) confirmed the salient points from the discussions in relation to a policy decision for meter exchanges where theft had taken place because of the potential tampering with the asset.

FM provided an overview of some theft scenarios, explaining that there are three main scenarios:

- 1 – Meter exchanged with consumption recorded with new meter,
- 2 – Theft of actual meter, and
- 3 – Theft via pre-payment fraud.

FM explained there are scenarios where meter reads are available and there is a clean slate with a new meter to record consumption. In support of this there is a need to keep business rule 5, in that the relevant energy should be processed into settlement via a consumption adjustment. In support of this, two new guidance notes had been added, with an instruction to enter the relevant energy into Settlement, and this would be treated as an instruction to enter the relevant energy.

Rebecca Hailes (RH) enquired about the Performance Assurance Reports, the potential need to update the Performance Assurance Report Register (PARR) and if there will be a mechanism for flagging Theft related consumption adjustments to the Performance Assurance Committee (PAC).

SM clarified, for the avoidance of doubt statement that the “Relevant Energy” is the value of energy contained in the claim, that is, the volume of energy that will be put into settlement and the metered energy should be disregarded. A zero value in the claim is allowable as it may be relevant for the Shipper to validate such a claim although the Performance Assurance Committee should be made aware of it.

SM enquired if there was a new separate report required as zero settlement would have relevance to settlement performance, and if zero energy claims needed to be reported. It was suggested that all claims should be reported to PAC, and the quantity of energy that has processed into settlement. PAC may also wish to have a report on Shipper behaviour in terms of objecting to energy claims.

It was confirmed that some work had been undertaken with John Welch, from the Performance Assurance Framework Administrator (PAFA) to consider potential reporting. The Modification however is not recommending particulars of report or if PAC should have a new report. It was clarified that the primary focus of the Modification is to ensure energy is entered into settlement.

Dave Mitchell (DMi) asked about the obligations and if the CDSP will update systems. The high-level process was outlined that: Theft will be notified to the CDSP; an opportunity will be provided for the Shipper to object, and then the CDSP will update central systems.

AR enquired if the Schedule of Central Services would need to be updated. DA confirmed that the DSC impacts would need to be considered.

RH asked if the PARR should be attached as an appendix to the Modification. SM confirmed the different elements would be collated together and appended.

The Workgroup considered the communication routes and involvement with the Theft Risk Assessment Service (TRAS) and if this needed to be defined in the UNC, to make it clear the route/source to which communications will take and how best to reference the Theft Reports provided in accordance with the Retail Energy Code (REC).

DMi enquired what would happen if REC sent reports to CDSP, and if the Shipper did not object and an erroneous value was entered. DMi enquired if there was any validation or appeal to allow an erroneous entry to be backed-out. The Workgroup considered the validation aspect and concluded that there was an opportunity to object and the responsibility for parties to check the numbers being proposed. It was noted that there is no obligation on a party to check proposed energy values, but there was a right to object. In terms of CDSP validation, SM was unsure how it could be undertaken for a site that has been stealing gas, as there will be no reference point for the consumption and there may be a lack of history and, even if there was any history, it may not be representative of true consumption.

Rebecca Hailes (RH) asked how Shippers will know about a notification. DA explained that the CDSP will notify parties of the transactions flowing. **Closed.**

## 2.0 Consideration of amended Modification

Following the discussion under Action 0501 the Workgroup considered the remaining Business Rules and the additional guidance notes.

Business Rules 6 was considered. This related to fiscal theft, financial fraud where the meter is registering gas, but a meter pre-payment card has been loaded with a greater financial value than paid for.

The Workgroup also considered where Theft has taken place and there has never been a meter in situ. DA explained further consideration was required on how to manage the scenario of a missing meter when it has never been fitted. When a meter has been in place it is possible to go back to last read, which may indicate the point at which theft may have commenced. DA challenged how to manage the scenario when a meter is missing and there is no record of a meter ever been in situ.

The Workgroup considered how dummy data could be used as a default and having a process to manage such a scenario. DA was keen to make it clear to Suppliers that this should be a rare occurrence, but that the circumstance has to be assessed on the meter volume, and a default consumption based on this, reaffirming this should only be used when a meter has never been in situ. It should not be a default process for use when a meter had been fitted.

It was recognised that there would be a need to ensure the TRAS process is robust, and it was important to make sure that the right claim is submitted. SM provided an overview of the TRAS process, the interactions with the Retail Energy Code (REC) and the feeds into the process. SM explained that if there is a discrepancy, there are a set of rules set by the REC which need to be followed, there will be an end-to-end process, with a need to ensure the process is followed and requests are followed.

DA asked about the risks associated with this process. SM explained that if parties are worried about the controls in place with REC or TRAS this needs to be dealt with separately.

The Workgroup further considered the two main scenarios of theft with an asset and theft without an asset.

When there is an asset, there would be some previous read history. When there has never been an asset associated with a supply point there will be no consumption history. DA reiterated his concerns expressed that Xoserve will not want to use a default process when an asset has been on site.

The process options were considered, these were:

Option 1 – energy submission received, assessment made against past meter assumption, with a judgement made based on site specifics (equipment) to estimate likely consumption.

Option 2 – no meter in situ, and never been in situ, accepting this was a minority of instances and should not be the adopted default scenario.

DA explained that the CDSP will be required to enter default data and suggested that while this may be only 1% of cases, nevertheless a process would need to be created and the circumstances around this clearly defined.

The Workgroup considered warranting the meter asset data and considered monitoring the significance of the concerns being raised and how this needs to be administered. If this could be warranted and it was suggested some form of cross-check could be adopted for extra assurance, and noted that this would need to be considered and addressed within REC.

**New Action 0601:** Xoserve (DA) to outline concerns with using default data and warranting meter asset data for this to be raised with the Retail Energy Code (REC) for further consideration.

DA asked for the Amended Modification to cover zero incrementing reads, explaining that it is important for nil incrementing reads to be covered within the UNC to manage this. SM asked if there was already something in UNC for zero incrementing reads which this Modification can refer to.

**New Action 0602:** Xoserve (DA) to provide narrative to develop the zero-incrementing read issue for considering whether this is covered within Guidance or UNC.

DA provided an overview on the potential solution scenarios. He explained that when a Supplier sends through theft energy which aligns to metering data this would be acceptable. However, there is a second scenario when meter reads may not align. The proposed solution would be to utilise the existing meter reads, but the CDSP may have some data overlapping the theft period, it was envisaged that the CDSP will look at the data and look to match a meter volume.

The Workgroup considered the possibly of overlapping/misaligned data and the theft timeframe being reported differing. DA was keen to make sure before the solution goes to DSC there are no unresolved issues, expressing the need to consider scenarios where data feeding into the process does not align. DA suggested that if there are reads in the system, these should be considered. It was suggested if the relevant energy is submitted for settlement, the process should recognise that there may not be a perfect fit as the relevant period may not be known. The Workgroup was looking for flexibility and not to have a process that was too rigid. SM explained that this Modification is about finding the right balance in the proposal and in the technical solution. DA expressed that if the period of theft needs to be considered as part of the process, the process needs to make sure that suitable reads are referred to and used.

**New Action 0603:** Xoserve (DA) to consider Relevant Periods within the existing Business Rules.

### 3.0 Issues and Questions from Panel

#### 3.1. Workgroup to consider any potential cross-Code impacts and implementation timelines.

Not discussed.

### 4.0 Review of Business Rules

See item 1.3 and item 2.0 above. No further discussion.

## 5.0 Consideration of Draft Legal Text

See action 0202 update. Legal text will be provided once the Business Rules have been finalised.

## 6.0 Development of Workgroup Report

Deferred to July.

## 7.0 Next Steps

AR outlined the anticipated next steps these were:

- Amended Modification to be submitted.
- Provision of a ROM
- Provision of Legal Text (upon finalisation of Modification)
- Workgroup Report production

Based on the remaining work AR believed that concluding the Workgroup in July for submission to the August UNC Modification Panel was not achievable. AR therefore suggested that the Workgroup request a 3-month extension.

SM expressed concern about SPAA closing and was working to a hard deadline which could not go beyond August as there would be a resource issue from 01 September.

AR suggested that once the solution for meter readings and zero incremental readings is finalised, the Workgroup should be able to progress to the Workgroup Report stage and Legal Text can be requested.

## 8.0 Any Other Business

None.

## 9.0 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 10:00 22 July 2021	Teleconference	See next steps above

<b>Action Table (as of 24 June 2021)</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>0202</b>	25/02/21	2.0 (BR5)	DM to request that their lawyer have a provisional look at legal text to see how the new BR could apply to a consumption adjustment when no actual meter readings are available.	July 2021	SGN (DM)	<b>Carried Forward</b>
<b>0501</b>	27/05/21	2.0	DA and FM and SM to agree a set of rules and solutions where meter readings can be provided and where zero incremental readings will be used.	<b>June 2021</b>	Proposer (SM) SPAA (FM) Xoserve (DA)	<b>Closed</b>
<b>0601</b>	24/06/21	2.0	Xoserve (DA) to outline concerns with using default data and warranting meter asset data for this to be raised with the Retail Energy Code (REC) for further consideration.	July 2021	Xoserve (DA)	<b>Pending</b>
<b>0602</b>	24/06/21	2.0	Xoserve (DA) to provide narrative to develop the zero-incrementing read issue for considering whether this is covered within Guidance or UNC.	July 2021	Xoserve (DA)	<b>Pending</b>
<b>0601</b>	24/06/21	2.0	Xoserve (DA) to consider Relevant Periods within the existing Business Rules	July 2021	Xoserve (DA)	<b>Pending</b>