

Representation - Draft Modification Report UNC 0734S

Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers

Responses invited by: **5pm on 18 January 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

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|-------------------------------------------------|-------------------------------|
| Representative: | Alex Cebo |
| Organisation: | EDF |
| Date of Representation: | 18 th January 2022 |
| Support or oppose implementation? | Qualified Support |
| Relevant Objective: | d) Positive |
| Relevant Charging Methodology Objective: | Not Applicable |

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

EDF agrees with the overall principles of the proposal to place the obligations on Shipper parties to ensure that valid confirmed theft of gas data into central systems for the purposes of Settlement because we believe this modification would:

1. Improve the view of the impact of theft of gas on Unidentified Gas (UIG) and UIG calculations.
2. Recognise further the efforts Suppliers put in in investigating and detecting theft of gas.

The modification seeks to introduce new Business Rules and changes to the process whereby the Supplier informs REC of the confirmed thefts through their monthly submission, at what point, REC shares this information with CDSP for an automatic upload. This information is validated by the Shipper users.

We agree with the majority of Business Rules outline in the modification with the exception of Business Rule (BN) 1, Guidance 2 Termination - which directs Suppliers to withdraw the Supplier Investigation ID case where a correction is required (i.e. consumption or period of time changes) and raise a new investigation against the correct details.

In EDF's view, the proposed rule has a cross-code impact on processes such as GTDIS and the future implementation of TRAS 2 model.

As outlined in the theft of gas process defined under REC, Suppliers are required to allocate a unique Supplier Investigation ID Number which is used to identify the theft

investigation. One property can have many investigations, and each has a unique number allocated to it. If Supplier requires to withdraw the existing case and re-raise it with the correct values, this would mean that the Supplier would also have to withdraw the unique Supplier Investigation ID number used for tracking the unique case. When they re-raise the new case, the unique Supplier Investigation ID number would also change.

Supplier Investigation ID Number is used as a reference to recognise the unique theft investigation in the theft industry processes. If this unique ID is withdrawn, and replaced by a new ID as proposed by the Business Rule 1, it will result in:

- **Complications in Suppliers Obligations with REC** - the reason why the unique ID is allocated to a theft case is to ensure that the relevant parties are aligned and aware with the full history of the theft investigation case. If this case is withdrawn and a new case is raised to correct information, the tracking of the unique case would be replaced with the new Supplier Investigation ID number. This would create a duplicate record for the investigation with only the assessment differing. Once would now how the outcome of No Theft (needed to withdraw it) and the updated Supplier ID with an outcome of Confirmed Theft with the new assessment. There would then be two investigations on record for the same customer, address and dates with two differing outcomes. Under the rules of the Scheme this is not permitted.

- **Reporting issues and data quality** – the purpose of the unique Supplier Investigation ID Number is to allow Suppliers to report uniquely on the theft investigation and prevent data duplication. If the unique theft case is withdrawn to correct it, so will be withdrawn the Supplier Investigation ID Number. This would mean that the Supplier would have to raise a new theft investigation with a new unique Supplier Investigation ID. This could prevent Suppliers from accurately reporting on their theft figures and could result in the duplications which as a result could impact the theft reporting processes under REC. It would also prevent accurate data modelling and inhibit the success of machine learning as this duplication of records would cause inaccuracies in the analysis of theft data to predict future thefts. Consideration should be given on how this duplication of records will impact the ability of Suppliers to carry out data analysis to meet their obligations under Licence Condition 12A and future impacts for TRAS2. This would also bring about a difference to how electricity and gas records are impacted as this would only occur for gas and not electricity.

We believe that in order to resolve this issue, a change is required to Business Rule 1, Guidance 2, where:

Option 1: The Supplier doesn't terminate the theft notification but amend the details.

Where the Supplier wants to amend part of the information for a particular theft investigation, they are able to amend this information, but the Supplier Investigation ID Number doesn't change. This would enable Suppliers and industry to track the unique cases without impacting theft industry processes and Supplier's investigation. This would also reduce the likelihood of data duplication and incorrect figures.

Option 2: A change to theft of gas processes in REC and new data item which allows tracking of the unique cases and termination of the claim where changes required.

The Suppliers and industry would be required to maintain 2 data items:

- a) the Supplier Investigation ID Number which is unique to the theft investigation, and

- b) a Loss Assessment ID Number which is unique to that assessment.

The Loss Assessment ID Number would be submitted to REC in addition to the Supplier Investigation ID to raise and withdraw a loss assessment if a correction is required. This change would require cross code changes and development, and we consider it more complex than Option 1.

We support the principles of the modification; however, we strongly disagree with the Business Rule 1 as it could negatively impact theft industry processes and the data quality reported by the Suppliers.

We recommend that an amendment is introduced to this principle in alignment with our proposed Option 1 which would enable Suppliers to correct the investigation case without impact the unique attributes of the investigation.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

Agree with the proposer.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

If the changes to modification recommended by us in Option 1 are considered we agree with the recommended timelines, i.e. 16 days from the decision.

If the modification is approved without any changes, we believe that it will require further development and review of REC processes to reduce impact on the Suppliers and data accuracy. We disagree with the proposed date as in order to carry out the necessary impact assessment, the industry would require development time which would also require changes to reporting and Supplier systems.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

We do not have a solution to meet the requirements of this change whilst also meeting the Theft reporting requirements under REC if Business Rule (BN) 1, Guidance 2 Termination remains when an assessment needs to be amended.

If the suggested Option 1 is implemented, we will have minimal implementation and development costs.

If the suggested Option 2 is implemented, we will require system development and reporting development

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

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Modification Panel Members have requested that the following questions are addressed:

Q1: In relation to Modification 0734S and Business Rule 8, do parties have any comments in relation to data protection? If so, please set out the specific nature of these below.

No comments.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

As mentioned above, we believe that the impact of REC industry processes should be carried out to reduce risks of data duplication.

Please provide below any additional analysis or information to support your representation

As above.