

UNC 0734:

Mod Title: Reporting Valid Confirmed Theft of Gas
into Central Systems



Proposer: Steve Mulliganie

Panel Date: 20 August 2020

Why change?



- The cross code Joint Theft Reporting Review group* (JTRR) identified that 30% of all theft volumes confirmed by Suppliers do not appear in Settlement
- The largest single instance involved 85GWh of energy – or £2.5m at SAP of 3p per kWh
- The JTRR concluded there is not currently sufficient provision in code to ensure confirmed theft data is shared and input into Settlement
- Two highly undesirable effects emanate from this:
 1. Large amount of consumption data related to theft is not used in Settlement:
 - Inaccurate cost allocation
 - Direct contribution to volatility of Unidentified Gas (UIG)
 2. Significant effort of Suppliers in detecting and investigating theft (in accordance with Supply Licence Conditions) is, unfairly, not recognised in settlement

*Joint SPAA and UNC Working Group (including [UNC 0677R](#) Shipper and Supplier Theft of Gas Reporting Arrangements)

Options



- The JTRR made 33 improvement recommendations spanning across UNC, SPAA and DSC provisions/processes
- The JTRR analysed existing reporting channels for Suppliers and Shippers and, at a high level, recommended that a process is created to automate the sending of confirmed theft data from Suppliers to central systems
- The JTRR recommended this is achieved by placing obligations on Shippers and Suppliers in the UNC and SPAA respectively, to require confirmed theft data is shared and input to Settlement
- SPAA Change Proposal (SCP) 492 was implemented in June 2020 and obligates Suppliers to share data with Shippers
- Commensurate change now required in the UNC to obligate Shippers to ensure this data is input into Settlement
- The JTRR considered options and recommended an automated CDSP process is created that receives confirmed theft data from Suppliers and provides Shippers with an opportunity to review prior to being entered into Settlement

Solution



- Following extensive review of the options, the JTRR recommended that:
 - Clear obligations are placed on Shippers in code to enter confirmed theft data into Settlement (UNC Mod)
 - A process is created to enable the automated transfer of confirmed theft data from Suppliers (via TRAS) to CDSP systems, with the Shipper being able to review and object to any volume data that may be entered into Settlement (DSC Change)
- The prospective solution has been discussed between the Proposer, Xoserve and SPAA
- It is proposed that high level obligations are placed on Shippers in UNC TPD Section E
- These obligations are then discharged through a DSC/CDSP process, in the form of a guidance document/process which sits under UNCC ownership
- The JTRR have already undertaken much of the leg work to enable such a solution (e.g. identifying minimum data items, considering kWh/cubic feet conversions, etc.)

Recommended Steps



- The Proposer recommends that this modification should be:
 - Subject to self-governance
 - As it does not materially or adversely affect consumers, competition, the operation or development of the pipeline system, UNC governance procedures, and does not discriminate between classes of party
 - Subject to Workgroup assessment to develop the modification for 1 month
 - As significant review and development has already been undertaken by the JTRR, which consisted of Shippers, Transporters, IGTs, the CDSP, Suppliers, the AUGE, and ElectraLink
 - The new obligations in the UNC are high level and arguably should already exist in code or agreements between Suppliers and Shippers
 - Proceed to consultation