



**Modification 0734 - Reporting Valid Confirmed
Theft of Gas into Central Systems and Reporting
Suspected Theft to Suppliers**

Proposed PARR Report

PAC Meeting – 15th February

Background

- [Modification 0734](#) intends to introduce a new process to help ensure that valid confirmed theft data (Confirmed Energy Theft Notifications) received from Suppliers via the Retail Energy Code (REC), are appropriately reported into central systems (settlement).
- The Modification was raised based on work conducted by [UNC Request 0677R group](#) which reviewed and looked into discrepancies identified in Shipper and Supplier theft of gas reporting arrangements.
- Modification 0734 has been developed at Distribution Workgroup and the Final Modification Report (FMR) is due to be considered by Panel at the February meeting.
- Under Modification 0734, RECCo (on behalf of Suppliers), will submit Confirmed Energy Theft Notifications to the CDSP which Shippers will have the opportunity to object to, in order to prevent this being reflected in settlement. The Confirmed Energy Theft Notifications which can be submitted by the Supplier via RECCo include:
 - Confirmed Energy Theft Claims
This is a confirmed theft which the Supplier requires to be reflected in settlement.
 - Confirmed Energy Theft Withdrawal
This relates to a confirmed theft which has been submitted but subsequently needs to be withdrawn and 'removed' from settlement.

Proposed new PAC report for the PARR

- A draft PARR report has been proposed following the implementation of Modification 0734. At a high-level, the principle of this report is to:
 - provide a view, both count and energy values submitted by Suppliers within a Confirmed Energy Theft Notification and the instances where Shippers have objected to Confirmed Energy Theft Notifications being updated in settlement.
- The purpose of this is to:
 - understand to what extent Suppliers' Confirmed Energy Theft Notifications are objected to and therefore not reflected within settlement, by comparing across Shippers and against the industry totals
- Attached is the draft PARR report which includes a few proposed changes for PAC to consider.
- The Modification has not been voted on by Panel yet therefore the proposed report is for consideration and comment from PAC at this stage.



Modification 0734 Legal text

- The requirements to report to PAC proposed in the Modification 0734 legal text are available [here](#).
- Extract from Section V TPD proposed legal text below:

14.1.7 When the CDSP receives a notification of Confirmed Energy Theft Objection compliant with the requirements of paragraph 14.1.6 the CDSP shall:

- (a) make reference to the Confirmed Energy Theft Notification having been rejected by the CET Registered User(s), along with the reason(s) for such rejection, in the CDSP's reporting on the same to each of RECCo and PAC;
- (b) retain such information relating to the rejected Confirmed Energy Theft Notification as necessary to properly prepare its report to PAC; and
- (c) take no further action with respect to the Confirmed Energy Theft Notification subject to the Confirmed Energy Theft Objection

Next Steps

- PAC to consider the proposed PARR report for Modification 0734.
 - Based on PAC comments, we may need to update the proposed report.
- The Consultation period for Modification 0734 has now closed, no comments were raised directly about the PARR report but depending on Panel discussions, any amendments as a result of the consultation period will be accommodated.
- Once Modification 0734 is approved, update the PARR with the new reports for this Modification and seek agreement from PAC before it is taken to UNCC.
- Seek PARR approval with new report at UNCC.
- Await confirmation on Modification 0734 implementation date before creating the new reports.