

**UNC Workgroup 0734S Minutes**  
**Reporting Valid Confirmed Theft of Gas into Central Systems**  
**Thursday 25 March 2021**  
**via Microsoft Teams**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
David Addison	(DA)	Xoserve
David Morley	(DM)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Hilary Chapman	(HC)	SGN
Jason Salmon	(JS)	Utility Warehouse
Kate Lancaster	(KL)	Xoserve
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Mark Tolladay	(MT)	Correla on behalf of Xoserve
Oorlagh Chapman	(OC)	Centrica
Owen Mason	(OM)	Bulb Energy
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at [www.gasgovernance.co.uk/0734/250221](http://www.gasgovernance.co.uk/0734/250221)

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 April 2021.

## 1.0 Introduction

Alan Raper (AR) welcomed all to the meeting.

### 1.1. Approval of Minutes

The minutes from 25 February 2021 were approved.

### 1.2. Approval of Late Papers

AR advised that an amendment to the modification was submitted late and Workgroup agreed to accept it.

### 1.3. Review of Outstanding Actions

**Action 0201:** DA to liaise with SM/FM in order to provide wording for suggested Business Rule to cover how the consumption adjustment process needs to work in this scenario.

**Update:** FM confirmed this is in the latest version of the modification. **Closed**

**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:** Hilary Chapman advised this is in progress. **Carried Forward**

## 2.0 Consideration of amended Modification

Referring to the amended modification submitted for Workgroup to review, which will be v4.0, FM advised Workgroup that the modification has been updated to reflect Workgroup discussions held on 25 February 2021 and proceeded to walkthrough the changes, the following areas were discussed:

### What?

The sentence relating to carrying out AQ corrections was removed as this had not ultimately been specified in the business rule, but may be an area parties wish to consider in relation to confirmed theft in future.

### Solution

**Business Rule 3**, the group were advised the Shipper objection window was changed to from 20 to 15 Supply Point System Business Days, following agreement at the February Distribution Workgroup that 15 days which was felt to balance the need for Shippers to have an opportunity to object while working within the anticipated monthly output from TRAS/REC.

**Business Rule 4** which relates to reporting outputs to the PAC, it was decided at the February Distribution Workgroup that the relevant PARR report would not be specified in the legal text so as to maintain some flexibility in terms of what goes into the PARR. FM noted the PAFA had provided a draft specification for a PARR report which was published with the meeting papers.

FM advised that some high-level wording would be required in Business Rule 4 to ensure an output can be provided to PAC, and suggested the following wording:

*'Relevant data shall be retained by the CDSP and made available to the PAC according to the PARR report specification as agreed and as may be amended from time to time by the PAC'.*

Workgroup agreed with this wording.

### Business Rule 5

FM noted this Business Rule is the core of the modification as its intention is to ensure confirmed theft volumes are entered into Settlement. FM advised the Business Rule was updated to specify that theft energy volumes would be entered into Settlement via a Consumption Adjustment (CA), following a suggestion from Xoserve that this would be the most workable method, but noted that Xoserve had taken an action to investigate and confirm if this was the preferred method, and if not to propose alternative wording for the Business Rule.

DA highlighted several complexities that may arise with use of the CA process to enter theft volumes into Settlement, as this process currently relies on the provision of meter readings to enable the CA to be calculated. DA advised that options are currently being investigated including assessing whether the existing CA process can be enhanced in a way that is not overly costly to enable theft to be input this way, or whether a process specific to theft may be required that can attribute a theft volume in Settlement but remain separate to meter reading and validation processes.

Workgroup discussed at length the difficulties that may arise in trying to use the existing CA process in order to process confirmed theft volumes into Settlement, particularly given that systems require incremental meter readings and these are unlikely to be available from the Supplier.

SM suggested the solution to this may be similar to the solution for meter bypasses, as these also involve the processing of consumption where incremental meter readings are not available. DA proposed that Suppliers could be given information on the existing readings in Central Systems to enable them to choose start/end reads to enable the CA. FM and SM believed that requiring Suppliers to do this may not be optimal as it may create an unmanageable level of sending and receiving information between TRAS/Suppliers and Central Systems.

KD suggested that Suppliers are already using a similar principle to bill these sites, if Suppliers are invoicing for a particular period, they would need a start and end point. FM confirmed the Supplier would need to provide a start and end date and an estimated consumption.

SM went on to say that if Xoserve already have the readings to choose from, why could they not choose an appropriate reading to base the CA on, rather than passing this to the Supplier?

FM suggested two potential ways forward for the purpose of enabling the production of legal text:

1. Theft consumption could have a specific carve-out in code to stipulate that it will not be subject to normal validations or require incremental meter readings.
2. Code could remain silent on this subject with the relevant system requirements being agreed through the development of the DSC solution, or code could remain high level and not stipulate a precise method but simply state 'the volume will be addressed in Settlement through an appropriate process', or similar wording.

AR considered the Workgroup may be becoming lost in the detail of the DSC process, and whilst this is relevant to the production of legal text, the points being discussed are not new.

SM agreed and suggested the question at hand could be summarised as 'is CA the right method'. AR requested that Xoserve take an action to confirm this and the group noted the progression of Modification 0734S now largely relies on this question being answered.

**New Action 0301:** *Business Rule 5 - Xoserve (DA) to consider if consumption adjustment (CA) is the right method to apply for theft energy volumes to be entered into Settlement.*

### **Business Rule 7**

KD highlighted that **Business Rule 7** seeks to create new obligations in regard to suspected theft reporting and questioned why the title of the modification refers only to confirmed theft reporting. SM agreed to update the title of the modification to include reference to suspected theft.

**New Action 0302:** *Business Rule 7 - SPAA (FM) to amend the modification accordingly and change the title so that it matches the intent of the modification.*

## **3.0 Issues and Questions from Panel**

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

It was confirmed this is referenced in the amended Modification.

## **4.0 Review of Business Rules**

Please refer to agenda item 2.0 where a review of the updated Business Rules was undertaken.

## **5.0 Consideration of Draft Legal Text**

Legal text has not yet been provided. It was confirmed by the legal text provider, SGN, that once the modification is stable, the legal text would be provided.

## 6.0 Development of Workgroup Report

AR confirmed he will annotate what has been discussed so far in the Workgroup Report.

## 7.0 Next Steps

AR summarised as follows:

- A new version of the modification is expected.
- The Legal Text will be provided once the modification stabilises.
- The Workgroup Report will start to be developed once the modification stabilises.

## 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 April 2021	Teleconference	Distribution Workgroup standard Agenda
Thursday 10:00 27 May 2021	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 25 March 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0201	25/02/21	2.0 (BR5)	DA to liaise with SM/FM in order to provide wording for suggested Business Rule to cover how the consumption adjustment process needs to work in this scenario	March 2021	CDSP (DA)	Closed
0202	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..	March April 2021	SGN (DM)	Carried Forward
0301	25/03/21	2.0	<i>Business Rule 5 - Xoserve (DA)</i> to consider if consumption adjustment (CA) is the right method to apply for theft energy volumes to be entered into Settlement	April 2021	CDSP (DA)	Pending
0302	25/03/21	2.0	<i>Business Rule 7 - SPAA (FM)</i> to amend the modification accordingly and change the title so that it matches the intent of the modification	April 2021	SPAA (FM)	Pending