
Retail Energy Code (REC) R0170: Withdrawal of Service Termination Issue Reporting Guidance (STIRG) from REC Governance

Decision: The Authority¹ has decided to reject² this change proposal³

Target audience: REC Board, REC Parties and other interested parties

Date of publication: 16 November 2024

Background

The Service Termination Issue Reporting Guidance (STIRG) document sets out the processes which should be used to report defects and information that relate to Distribution Network Operator (DNO) owned equipment.⁴ These are generally identified by Metering Equipment Managers (MEMs) while carrying out metering work. While this document is primarily aimed at MEMs it also provides guidance for other parties including meter readers and other supplier agents such as revenue protection staff.

The STIRG previously sat under the Meter Operation Code of Practice Agreement (MOCOPA), however in September 2021 it was moved to the Retail Energy Code (REC) where it now sits and MOCOPA has ceased to exist.⁵

MEMs have a requirement under the Consolidated Metering Code of Practice⁶ (CoMCoP) and REC schedule 14 'Meter Operations'⁷ to report incidents of danger, damage, or interference with the DNO Equipment in accordance with the requirements set out in the STIRG document. However, this document is currently classified as a Category 3 document under the REC. This has caused concern among REC parties as Category 3 documents are non-mandatory

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

³ 'Change' and 'modification' are used interchangeably in this document.

⁴ [Service Termination Issue Reporting Guidance \(STIRG\)](#)

⁵ The provisions previously set out in the MOCOPA have now been incorporated into the REC as the Withdrawal of Service Termination Issue Reporting Guidance (STIRG) which sits under REC governance.

⁶ [Consolidated Metering Code of Practice \(CoMCoP\)](#)

⁷ [Retail Energy Code Schedule 14 Meter Operations](#)

guidance or subsidiary operational documents to the REC which are not legally binding. This has so far been an obstacle to changes to the STIRG document. However, some amendments to the STIRG have been made to date under REC change C3-0077 'Updates to STIR Guidance'.⁸

In August 2023 REC modification R0145 'Service Termination Issue Reporting (Change to Category 2 document)' was raised by the REC Code Manager.⁹ Following development of this change proposal it was rejected by the REC Metering Expert Panel (RECMEP) on 14 February 2024. The RECMEP felt that the REC may not be the appropriate home for this document and that a change to Category 2 which would make the RECMEP the responsible committee for this document and could lead to changes which DNOs do not agree with and would not have been possible under MOCOPA.

The change proposal

R0170 'Withdrawal of Service Termination Issue Reporting Guidance (STIRG) from REC Governance' was raised by the Energy Networks Association (ENA) (the Proposer) on 9 May 2024.

This change proposal would remove the STIRG document from the REC and place it in the ownership of the ENA¹⁰ And published on their website.

REC Schedule 1 'Interpretations and Definitions'¹¹ would require changes to ensure that the STIRG document will be legally binding in the REC following any amendments by the ENA, subject to these have been reviewed by the RECMEP. The RECMEP terms of reference would also be updated to reflect the requirement to review the document.

This requirement to review changes to the STIRG under ENA ownership does not give the RECMEP the power to approve or reject any changes, only to review. This would ensure that DNOs who are the primary members of the ENA retain ownership of the document and control

⁸ [REC Change C3-0077 'Updates to STIR Guidance'](#)

⁹ [R0145 Service Termination Issue Reporting \(Change to Category 2 document\)](#)

¹⁰ [Energy Networks Association](#)

¹¹ [REC schedule 1 – Interpretations and Definitions](#)

over its content All future changes to the document would be proposed directly by DNOs with any other party having to use a DNO as a sponsor to raise a change on their behalf.

REC Change Panel¹² recommendation

At the REC Change Panel meeting on 17 September 2024, a majority of the REC Change Panel considered that R0170 would not better facilitate the REC objectives and did not recommend its approval. The Code Manager has explained that this change has no direct links to any specific REC objective which includes the achievement of the mission statement, guaranteeing the protection of consumers' interests and data, and promoting ongoing efficiency and improvements within the operation of the REC.

Our decision

We have considered the issues raised by the REC0170 and the Final Change Report (FCR) dated 17 September 2024. We have considered the responses to the industry consultation which are attached to the FCR.¹³

We have concluded that the implementation of this change proposal will not better facilitate the achievement of the REC objectives.¹⁴

Reasons for our decision

The Proposer believes that this change will ensure that DNOs have control over the STIRG document which relates to work on their assets and will ensure that DNOs do not face the risk of having asset management policy determined by suppliers and MEMs.. Under the RECMEP terms of reference, DNOs are currently not guaranteed a vote on this document while suppliers and MEMs collectively hold four votes with DNOs having the ability to acquire a maximum of two votes. This is because the terms of reference make provisions for two voting

¹² The REC Change Panel is established and constituted pursuant to and in accordance with [Standard Condition 11B.8\(a\) of the Electricity Supply Licence](#) and [Standard Condition 11.8\(a\) of the Gas Supply Licence](#).

¹³ REC change proposals, change reports and representations can be viewed on the [REC Portal](#).

¹⁴ As set out in [Standard Condition 11B.6 of the Electricity Supply Licence](#) and [Standard Condition 11.6 of the Gas Supply Licence](#).

members to be nominated by Gas Transporters and/or DNOs. Therefore, in theory, these two votes could be held by Gas Transporters' representatives, with no DNO representation.

During the impact assessment and consultation phase, DNO parties further expressed their concerns that changes required to the document for them to remain compliant with their wider obligations could be rejected by supplier and MEM votes. The same would apply for changes which DNOs reject but could be approved by supplier and MEM majority.

The Proposer also considers that the move to ENA governance would still allow the same level of collaboration on this document; however, DNOs would be in control of these changes and could progress them at a faster pace than under REC governance.

However, both suppliers and MEMs raised concerns that the move from the REC to ENA governance could discriminate against them by removing their ability to directly raise changes to the document, to vote on any proposed changes and by removing the right of appeal against any changes made to the document.

Responses to the consultation and impact assessment also highlighted that for any changes made by the ENA to be binding under the REC, they would need to be reviewed by RECMEP. Some respondents felt this represented a risk whereby changes to the document may become out of sync between REC and REC obligations.

DNO responses to the consultation felt that allowing the RECMEP to review this document would provide an appropriate level of scrutiny and ensure the protection of all parties' interests. Conversely, other respondents felt that the RECMEP should have the ability to vote on accepting changes to the STIRG proposed through the ENA.

Our assessment against the relevant REC objectives is set out below:

(a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement

We do not consider that relevant objective (a) will be better facilitated. While moving this document from the REC to ENA governance will ensure that management of the DNOs' asset

management strategy remains with them. We believe that it will likely remove elements of collaboration which existed between MEMs and DNOs as part of MOCOPA prior to the document moving to the REC. In addition to this, the collaboration including that of Suppliers via the RECMEP and its subgroups may not be replicated under ENA governance.

(b) to ensure customers interests and data is protected in the operation of the REC

We do not consider that this change will better facilitate relevant objective (b). The STIRG document has existed for over 20 years under both MOCOPA and the REC where it has been developed in collaboration between DNOs and MEMs to deliver the best outcome for consumers. The relationship between MEMs and DNOs, which ultimately impacts consumers through the timely resolution to faults and defects, is at risk with MEMs losing the ability to independently raise changes to the STIRG which they have gained under the REC. We are concerned that under this proposal any changes to the STIRG would need to be raised by DNO's who could act as a gate keeper to any changes being considered by the ENA.

(c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs

We consider that this change will not better facilitate relevant objective (c) as moving the STIRG from the REC to ENA governance is unlikely to result in any improvements to the operation of the REC. Removal of the document from REC governance is also likely, in our view, to cause disruption to the operation of the REC by potentially creating inefficiencies in the review of the STIRG document by the RECMEP. As the modification only allows the RECMEP a review, this does not require the ENA to implement any suggestions by the RECMEP. There is a risk that, even where the RECMEP may believe a change should be rejected, the ENA would still implement it.

The RECCo, ENA and industry parties have attempted to reach a resolution to this issue through both R0170 and its predecessor, R0145, which proposed to reclassify the document to allow changes to be progressed through the RECMEP. However, in both cases it is apparent that parties feel these changes result in an imbalance within the governance arrangements of the document.

This impasse is ultimately leading to the prevention of any meaningful development of this document and risks impacting the close working relationship that MEMs and DNOs developed while the document was under MOCOPA. This has the potential to result in poor consumer outcomes which may be avoided through updates to the STIRG or the close working relationship that already exists.

The STIRG document plays a crucial role in ensuring that issues with DNO assets are reported and addressed efficiently and would likely continue to do so if the document was to be moved to the ENA. However, we consider that moving this document to ENA governance is likely to significantly exclude suppliers and MEMs compared to the current process and creates a further risk through a lack of defined appeals process.

The ability of RECMEP to review changes or, as has been suggested by some parties, to vote to accept or reject changes, in our view does not give suitable reassurance that it would prevent a divergence between the STIRG under the ENA and REC obligations.

While we are sympathetic to the views of suppliers, and we consider that it is important that all parties are able to participate fully in the development of the STIRG document, the STIRG has been developed between DNOs and MEMs for over 20 years without supplier input and has delivered positive outcomes for consumers.

We would encourage all parties including the Retail Energy Code Company (RECCo) and the ENA to continue to collaborate on a solution with the interests of consumers as the ultimate goal.

For the reasons set out above we do not consider that R0170 will better facilitate REC objectives (a), (b) or (c).

Decision notice

In accordance with Standard Condition 11B of the Electricity Supply Licence and Standard Condition 11 of the Gas Supply Licence, the Authority has decided not to approve REC Change

Proposal R0170: Withdrawal of Service Termination Issue Reporting Guidance (STIRG) from REC Governance.

Michael Walls

Head of Retail Market Operations and Smart Metering

Signed on behalf of the Authority and authorised for that purpose