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Dear Margaret

### **Tackling Gas Theft**

Thank you for the opportunity to respond to Ofgem's consultation and draft impact assessment on tackling gas theft. We are responding in our capacity as the Gas Transporters' Agent with responsibility for delivering on behalf of the large Gas Transporters ("GTs") a range of centralised gas transportation services as defined in the GTs' Uniform Network Code ("UNC") and licence, and have limited our response accordingly.

### **Supplier Energy Theft Scheme ("SETS")**

We have previously provided a "Rough Order of Magnitude" report to Ofgem and to the industry that sets out indicative forecast costs and timescales for the implementation of a solution for the determination of each Shipper's market share as defined in UNC Modification Proposal 277 "Creation of Incentives for the Detection of Theft of Gas (Supplier Energy Theft Scheme)". We consider that the forecast costs and timescales for the implementation of a similar solution in respect of UNC Modification Proposal 346 "An Alternative to the Supplier Energy Theft Scheme Based on Throughput" would be of the same order of magnitude. We are satisfied that the information that we have previously provided has been fairly reflected in the draft impact assessment.

### **Enhanced SETS**

We have also noted the alternative option that is set out in the consultation document and draft impact assessment for an Enhanced Supplier Energy Theft Scheme ("Enhanced SETS"), and have carried out an initial review of the supporting document "The Creation of a Revenue Protection Activity Co-ordination Agent ("RPACA") and a Central Revenue Protection Unit ("CRPU)". In particular, we have noted that the Scheme proposer is expressing a preference that Xoserve

should be appointed as the RPACA, and that the Scheme proposer is putting forward a view that the RPACA (and CRPU) would provide services under a contract with SPAA Limited.

To date, we have had only very limited discussions with the Scheme proposer regarding this potential role and the responsibilities that it would place upon the RPACA. We are therefore unable to comment at this stage on the estimated costs and timescales for the development of Enhanced SETS and the RPACA role as set out in the draft impact assessment, but would welcome the opportunity to engage further on this matter in the future.

If you would like to discuss further any aspect of our response, please contact Alison Jennings on 0121 623 2569 or e-mail [alison.j.jennings@xoserve.com](mailto:alison.j.jennings@xoserve.com).

Yours sincerely

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