



Andrew Wallace
Ofgem
9 Millbank
London
SW1P 3GE
Andrew.wallace@ofgem.gov.uk

Wales & West House
Spooner Close
Celtic Springs
Coedkernew
Newport NP10 8FZ
T. 029 2027 8500
F. 0870 1450076
www.wwutilities.co.uk

Tŷ Wales & West
Spooner Close
Celtic Springs
Coedcernyw
Casnewydd NP10 8FZ

23rd April 2012

Wales & West Utilities response to Tackling Gas theft: the way forward (35/12)

WWU are supportive of the general principles set out in the 'Tackling gas theft: the way forward' consultation. Whilst we recognise that the majority of the consultation is focused on suppliers, we are satisfied that the proposals capture the requirement to advance current arrangements so as to improve governance of this area, ultimately acting positively to address sites where gas is being illegally taken.

With regards to those areas specifically targeted at Gas Transporters we offer the following comments.

WWU are satisfied that the progress of the SPAA code of practice (cop) will ensure its adoption by all relevant parties by the end of 2012. GTs and suppliers continue to work towards a comprehensive arrangement that provides clarity and consistency. We are confident that this cop can be issued (through SPAA) for formal industry consideration in quarter 2 of 2012.

We note that the Ofgem consultation makes reference to a concern that insufficient efforts are being made to address root causes of unregistered sites and to resolve these once identified. WWU are keen to reach concrete proposals in this area, and point to three examples of dedicated industry workgroups/UNC proposals, initiated and/or supported by GTs, which are proactively seeking to remedy these issues with enduring solutions. A brief synopsis of each of these areas follows, illustrating the recent and ongoing efforts by GTs in this regard.

0369 Re-establishment of Supply Meter Points – measures to address shipperless sites

Modification proposal 0369 was raised following lengthy industry discussions regarding shipperless sites, unregistered sites and theft of gas. This proposal sought to address the situation where a Shipper had notified that a meter was no longer capable of flowing gas, and/or had been removed, but was subsequently found to be incorrect (i.e. the meter was found in-situ and capable of flowing gas). The initial proposal was rejected by Ofgem; however, an amended version is likely to be raised by a GT in May 2012.

It is accepted that there will be occasions when a site may be a (legitimate) unregistered or shipperless site, and while we agree that there is a requirement to decrease the number of shipperless sites, there is no direct, one-one correlation between theft of gas and the number shipperless sites.

0410 Responsibility for gas offtaken at Unregistered Sites following Network Connections

This modification proposes that Transporters should be responsible for, investigate and resolve Unregistered Sites following a new network connection where the Transporter has created the Meter Point Reference Number (MPRN) for any party other than a Shipper. This modification also proposes to require that where Transporters become aware of a contracted supplier to an unregistered site, they will make reasonable efforts to inform the contracted supplier so that they may arrange for a shipper to register the site.

The GT's are similarly assessing the specifics of this proposal and a separate UNC proposal may be proposed further advancing this issue.

Shipperless and Unregistered Sites Working Group

Purpose and Objectives

1. Collectively establish and execute activities to correct the current unregistered and shipperless datasets recorded within the central systems;
2. Identify the root causes and fix process deficiencies;
3. Review the outcome of field visits and agree next steps, inclusive of unregistered and shipperless sites that are not recorded on central systems.

Linked to this progress (above), we believe that it would be appropriate for our GT Licence to be amended to ensure this increased workload is matched by allowing for recovery of costs reasonably incurred by gas transporters in instances where an investigation to investigate suspected theft of gas [or illegal connections] but the investigation does not lead to a successful prosecution.

Should you wish to discuss this matter further please do not hesitate to contact me.

Yours sincerely,
Robert Cameron-Higgs
Robert.cameron-higgs@wwutilities.co.uk