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Dear Harpal

Tackling Gas Theft: The Way Forward

Thank you for the opportunity to respond to Ofgem's proposals in respect of arrangements for tackling gas theft. We are responding in our capacity as the principal Gas Transporters' common Agent ("the GT Agent"), responsible for discharging Gas Transporters' Licence and Uniform Network Code ("UNC") obligations in respect of transportation transactional services. We refer to these services collectively as "Agency Services", which include services to support the Gas Transporters in the identification of gas theft.

Our response is concerned with the draft Direction to give effect to the proposals for the introduction of a Theft Risk Assessment Service ("TRAS"), as set out in Appendix 4 to the consultation document. We note that Section 28 of the draft Direction proposes to place a number of limitations upon the appointment of the provider of TRAS services, and on the relationship between this party and both Gas Transporters and Gas Suppliers. We consider that the application of these limitations would be likely to put at risk the ability of Gas Suppliers to run a tender process that would attract potential TRAS service providers of the highest calibre. We would therefore suggest that the terms of the draft Direction should be modified so as to afford greater discretion to Gas Suppliers in the determination of criteria for the identification and appointment of the provider of TRAS services.

If you would like to discuss further any aspect of our response, please contact Martin Baker, External Affairs Manager on 0121 623 2692 or e-mail martin.baker@xoserve.com.

Yours sincerely

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