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15th December 2017

Re Ofgem Consultation on Protecting consumers who receive backbills

Dear Dennis,

Wales & West Utilities is a licensed Gas Distribution Network (GDN) providing gas transportation services for all major shippers in the UK. We cover 1/6th of the UK land mass and transport gas to over 2.5 million supply points.

As a gas transporter we are required to investigate and recover money under our 'Theft of Gas' Obligations. To date, WWU has recovered £1.6m (including VAT) in such cases. A high proportion of this recovery arises from unregistered supplies rather than deliberate illegal connection to the network.

The consultation makes two points on which we would like to comment:

Page 3 – “The 12 month back billing limit will apply in all cases, **except when there is clear evidence that the fault lies with the consumer**”

Page 18 – “**There is sufficient evidence that they have stolen electricity or gas**”

Both these statements refer to the sufficiency of evidence; either fault or theft. Whilst this consultation seeks to provide guidance on whether the consumer or supplier is at fault, we believe greater clarity is still required to:

1. Confirm what activities would typically demonstrate that the consumer has made reasonable attempts to register their supply;
2. Reiterate to suppliers that they are not permitted to back bill unregistered supplies for the period prior to registration

The first point of clarification/guidance is to address the scenario where a consumer makes initial attempts to register their supply and then makes no further, nor periodic requests for registration. This guidance should remind consumers of the role of both the supplier, and supporting registration agents, such as Xoserve to help resolve their issue. It is our view that it is currently not clear whether in these cases the evidence of fault resides with the consumer or the supplier.

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The second point seeks to ensure that the current consumers benefit from subsequent registration in preference to the bottom line of the supply company. Ultimately when a supply point is not registered the supplier will not receive any of the associated costs for that supply point, either transportation costs or the relevant share of energy balancing. It is for this reason that transporters are best placed to recover such money as they can more appropriately share the benefits across the current consumer group who will have borne a larger proportion of energy balancing and transportation costs throughout the period of the unregistered consumption.

These points extend more widely to ensuring that suppliers make reasonable attempts to both register supplies and also update relevant information, such as switching dead supplies to live in a timely fashion. Failure to do so impacts the current consumers through higher charges. Within the Gas Sector, Unidentified Gas (UiG) is currently a hot topic. Considering mechanisms to highlight where poor supplier behaviour is preventing the timely and accurate allocation of unallocated gas is currently under consideration within UNC and to an extent seeks to address some of the issues we have raised in relation to point 2.

We would be happy to work with yourselves and the wider industry should clarity be considered appropriate for what constitutes reasonable attempts to register a supply; and any incentives that could be used to ensure poor supplier performance does not result in increases to the bills of those already registered.

Yours sincerely,



Steve Edwards
Director of Regulation and Commercial
Wales & West Utilities

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