

Draft Modification Report	At what stage is this document in the process?
<h1>IGT133: Transition of IGT Theft reporting Into the IGT UNC</h1>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="border: 1px solid green; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;">01 Modification</div> <div style="border: 1px solid blue; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;">02 Workgroup Report</div> <div style="border: 1px solid purple; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;">04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b> Introduction of reporting obligations on Pipeline Operators regarding Theft activities which have previously been held under the SPAA (Supply Point Administration Agreement).</p>	
	<p>The close-out date for responses is 20<sup>th</sup> May 2020, which should be sent to <a href="mailto:IGTUNC@Gemserv.com">IGTUNC@Gemserv.com</a>. A response template, which you may wish to use, is at the <a href="#">IGT UNC website</a>.</p> <p>The Proposer recommends that this modification should:</p> <ul style="list-style-type: none"> <li>• be subject to Authority Decision</li> <li>• be assessed by a Workgroup</li> </ul>
	<p>High Impact: N/A</p>
	<p>Medium Impact: Pipeline Operators</p>
	<p>Low Impact: N/A</p>

Contents	
1	Summary 3
2	Governance 4
3	Why Change? 4
4	Code Specific Matters 4
5	Solution 5
6	Impacts & Other Considerations 5
7	Relevant Objectives 6
8	Implementation 7
9	Legal Text 7
10	Recommendations 7

 **Any questions?**

Contact:  
**Code Administrator**

 [iGTUNC@gemser.v.com](mailto:iGTUNC@gemser.v.com)

 **020 7090 1044**

Proposer:  
**BUUK**  
**Chris Barker**

 [chris.barker@buuk.co.uk](mailto:chris.barker@buuk.co.uk)

 **01359 245705**

## Timetable

**The Proposer recommends the following timetable:**

Initial consideration by Workgroup	5 <sup>th</sup> November 2019
Amended Modification considered by Workgroup	14 <sup>th</sup> February 2020
Workgroup Report presented to Panel	24 <sup>th</sup> April 2020
Draft Modification Report issued for consultation	27 <sup>th</sup> April 2020
Consultation Close-out for representations	20 <sup>th</sup> May 2020
Variation Request presented to Panel	
Final Modification Report available for Panel	21 <sup>st</sup> May 2020
Modification Panel decision	29 <sup>th</sup> May 2020

## Comments

**The Panel agreed to send this modification to consultation.**

## 1 Summary

### What

Following discussions during the Joint Theft Reporting Review Working Group (hosted by the UNC and chaired by SPAA) the decision was made to remove the theft reporting obligations within Schedule 33 of the SPAA (located in SCP480 documentation) , for both Suppliers and Transporters. This change therefore allows similar theft reporting in the IGT UNC when the SPAA obligations are removed.

This workgroup, originating from the UNC request 0677R - Shipper and Supplier Theft of Gas Reporting Arrangements, was designed to look into the Shipper and Supplier theft of gas reporting arrangements. While Shippers and Suppliers were the focus, Transporter arrangements were considered based on their involvement in the process.

### Why

The UNC workgroup recommended removing Schedule 33 reporting obligations from the SPAA. Industry analysis determined that similar data is being provided through other means of governance. For Transporters this was coming from the '0399 (UNC0399 - Transparency of Theft Detection Performance) report' as well as price control related reporting. While the best approach for the GDNs (Gas Distribution Networks) was determined to be an update to the '0399 report,' to maintain IGT theft data, a similar mechanism will be required under the IGT UNC.

While the current SPAA schedule requires a report on an annual basis, this change proposal is for IGTs to provide a report on an ad hoc basis, at the request from Ofgem. This requirement is due to the SPAA schedule being the IGTs only theft reporting route. The Joint Theft Reporting Review also noted in their closure report, provided in meeting eight of the group on the 27th of September 2019, that this information is, and would be, better placed coming from other industry sources which already provide the same information to Ofgem.

### How

Rather than providing a regular report to the authority (presently via the SPAA code administrator), the proposal is instead to allow within code the means for the authority (Ofgem) to request from IGTs the provision of theft related data. The data items to be provided, are to align with the UNC '0399 report' to ensure a standard approach across the industry, an approach which is also being updated in a UNC change (UNC0704S - Review of Transporter Theft Reporting)

## 2 Governance

### Justification for Self-Governance Procedures

While theft reporting has previously been provided to Ofgem, IGT data has not been used for some time. Discussions have taken place in a joint SPAA and UNC workgroup around the future of Transporter reporting. This change is reliant on a SPAA change for implementation, whilst also requiring Authority approval on the proposed process, as ultimately the report will be for their own purposes.

This modification should therefore follow Authority consent procedures.

### Requested Next Steps

This modification:

- Is to be assessed by the workgroup and approved by the Authority.

### Workgroup Comments

The Workgroup supported the recommendation that this modification be subject to authority decision.

## 3 Why Change?

Following discussions during the Joint Theft Reporting Review Working Group (hosted by the UNC and chaired by SPAA) the decision was made to remove the theft reporting obligations within Schedule 33 of the SPAA (located in SCP480 documentation) , for both Suppliers and Transporters. This change therefore allows similar theft reporting in the IGT UNC when the SPAA obligations are removed. This workgroup, originating from the UNC request 0677R - Shipper and Supplier Theft of Gas Reporting Arrangements, was designed to look into the Shipper and Supplier theft of gas reporting arrangements. While Shippers and Suppliers were the focus, Transporter arrangements were considered based on their involvement in the process

## 4 Code Specific Matters

### Technical Skillsets

N/A

### Reference Documents

- [SCP480](#) - Amendments to Schedule 33 Theft Reporting
- [UNC704S](#) - Transporter Theft of Gas Reporting

## 5 Solution

Presently theft reporting data is provided to the SPAA code administrator on an annual basis. With the raising of an associated SPAA change (SCP480) to remove the SPAA Schedule 33 reporting obligations, these need to be transferred to the IGT UNC, so as not to lose IGT theft data in the market completely.

Therefore, the proposal is to outline within code a standard approach for IGT's to provide theft related data to Ofgem. The data items provided are to align with the UNC '0399 report' to ensure a standard approach across the industry, as amended by the associated, currently being considered, UNC change.

The key data items of the new report will include the following (as proposed by the UNC change, 0704):

- The number of suspected/reported incidences of theft
- The number of successful cases
- Estimation of the volume of gas theft by Consumers (kWh)
- Money recovered from successful cases

It's proposed that a template is assembled, either being new or similar to the existing/ previous SPAA Schedule 33 report, for an easy transition of processes for Pipeline Operators. With an updated list of data items as highlighted above.

The proposed process is following an Ofgem/ Authority request, a report will be created and returned by IGT parties around theft related activities. Presently with the majority of theft obligations held under the DCUSA for Electricity, and SPAA for Gas. Parties must respond within Ofgem's timeframes and guidelines, but when none is provided, this change offers a backstop and standardised approach.

### Workgroup Comments

- Shippers queried why this reporting was not being placed within the remit of the Retail Energy Code (REC), However it was acknowledged that the reporting had already been removed from SPAA and therefore would not be captured as part of the code consolidation within the REC. The Workgroup acknowledged that this will still have the same data required as the original SPAA report.
- Shippers indicated that the data being collected through IGT133 could be valuable to Unidentified Gas (UIG). However, the Workgroup acknowledged that the Allocation of Unidentified Gas Expert (AUGE) will receive theft data via the Theft Risk Assessment Service (TRAS) and not through this reporting.
- The Workgroup discussed the linkage in reporting from the UNC Modification and although this is now an 'on request' report the report format will remain the same as those required of the transporters in the UNC.

## 6 Impacts & Other Considerations

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

N/A

### Consumer Impacts

N/A

## Environmental Impacts

N/A

## Workgroup Comments

The equivalent UNC mod (UNC0704S) does not exactly mirror this modification, however it is connected through the same design of the report.

## 7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	Positive
(B) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	None
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

While IGT Theft reporting data is not currently utilised by Ofgem or the industry, if there were to be a requirement (as this change allows) then it would help support the management of the pipeline system in providing information around theft on the system. This would therefore better achieve Relevant Objective A.

## Workgroup Comments

The Workgroup challenged whether modification solution would support relevant objective A - *Efficient and economic operation of the pipe-line system*, however supported the positive impact on objective F - *Promotion of efficiency in the implementation and administration of the Code*, as it improves the clarity around the reporting required.

## 8 Implementation

The implementation date of this change should follow UNC change 0704, in the subsequent release of the IGT UNC. Dependency is required on UNC 704 legal text, but implementation can follow rather than being aligned due to the nature of this change.

### Workgroup Comments

The Workgroup acknowledged that although the UNC equivalent Modification 0704 has progressed forward, it is not time critical as the reporting structure has not been completed and confirmed in the modification. Also this modification solution is at the request of the Authority as well as the modification being subject to an Authority decision.

## 9 Legal Text

The legal text will be a new clause to be placed within Section K of the IGT UNC. It is meant to meet the purpose of the change proposal, will be in line with the developed business rules and will allow ad hoc reports to be run.

### 45.1 Reporting

- 45.1.1 Pipeline Operators shall be able to produce a report (at the end of each reporting month) on theft of gas detection performance for Pipeline Operators containing the information in Annex V-7 of the UNC in respect of each Pipeline Operator (on an attributable basis) (“Independent Gas Transporter TOG Report”).
- 45.1.2 For the purposes of this paragraph 45, “**reporting month**” shall mean each calendar month for which any report pursuant to paragraph 45.1.1 shall be published.
- 45.1.3 Pipeline Operators shall produce the report for the time interval specified (in reporting months) at the request of the Authority, within 1 month of the request being made.

### Workgroup Comments

- The Workgroup agreed that the legal text reflected the intent of the modification.

## 10 Recommendations

### Panel’s Recommendation to Interested Parties

The Panel have recommended that this modification should proceed to consultation.