GNI Response

Debt Flagging Review

Consultation Paper

CRU Ref 18255

January 2019
1. Introduction

Gas Networks Ireland (GNI) welcomes the opportunity to respond the Debt Flagging Review consultation published by Commission for Regulation of Utilities (CRU).

GNI is a fully owned subsidiary of Ervia (formerly known as Bord Gáis Éireann). It owns, operates, builds and maintains the gas network in Ireland and ensures the safe and reliable delivery of gas to its customers. The network consists of over 11,000 km of distribution pipelines and almost 2,500 km of transmission pipeline. It supplies energy to 14 power stations, more than 23,000 multi-nationals and businesses and over 654,000 homes. Gas Networks Ireland believes that the gas network is integral to Ireland’s energy system.

Gas Networks Ireland’s priority is the safety of the public. Tampering with a gas meter is illegal and a serious public safety concern. By tampering with a meter, people are not just putting their own safety at risk, but the safety of their families, neighbours and the public.

The primary role of the Revenue Protection Department is to identify and investigate cases of alleged unauthorised interference with GNI equipment and refer, where deemed appropriate, for prosecution under the Energy (Miscellaneous Provisions) Act 2012.

Within GNI, both the Revenue Protection and GPRO departments have reviewed the consultation paper and our joint response is outlined below, in summary GNI supports the introduction of a revenue protection flag as a new and separate mechanism in the determent of meter tampering.

2. GNI response to consultation questions

| Question 1 |
| Do you have any comments on the CRU’s proposed changes to the monetary thresholds for raising a debt flag? |

Response Q1:

GNI do not have any comments.

| Question 2 |
| Do you have any comments on the CRU’s proposal to maintain the current timings for raising a Debt Flag? |

Response Q2:

If the timeline gets too short we could see many more debt flags raised just for a routine final bill – due consideration needs to be given to the possible impact on Debt Flags on Change of Supplier actions. At present, approx. 1% of Change of Supplier actions receive a debt flag, about 40% of those are subsequently cancelled. The flag itself is low impact for GNI, the follow-up afterwards may impact on GNI workloads.

| Question 3 |
| Do you have any comments on the CRU’s proposal to set the debt-flagging threshold for unmetered supply to that of DG5? |

Response Q3:

GNI do not have any comments.

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Question 4
Do you have any other general comments on the CRU’s proposed structure or values associated with debt flagging?

Response Q4:

GNI do not have any further comments on this.

Question 5
Do you have any comments on the CRU’s proposal to introduce an RP Flag to both the electricity and gas market?

Response Q5:

In principle, GNI can appreciate that for the purposes of consistency across the market that it would be preferable to have the RP flag introduced across both sectors, however, sometimes for varying reasons this may not be achievable at the same time, therefore GNI would support the introduction of the flag separately if required.

GNI supports the introduction of an RP Flag for the gas market. An RP Flag would address a gap in the market that enables customers to change supplier and avoid their RP related debt. Without such a flag, the consequences of intervention is reduced and therefore the disincentive for meter interference is diluted significantly.

GNI would like it noted that the introduction of a new RP flag would require an IT schema change to the market messaging system. This enduring solution would need to follow the market processes including design, development and testing, all of which would need to be agreed in consultation with industry.

The development of a new Market Process Definition would also be required.

Further industry discussions would be required in terms of timelines for both interim and enduring processes prior to implementation.

Question 6
Do you have any comments on the CRU’s proposal to align the minim threshold value to raise an RP flag with that of a debt flag?

Response Q6:

GNI support the supplier’s views on this matter.

Question 7
Do you have any comments on the CRU’s proposal to have no minimum time threshold for a supplier to be able to raise an RP Flag on a customer?

Response Q7:

GNI support the supplier’s views on this matter.

To clarify, for GNI, the RP flag is only evident on GNI IT systems via a change of supplier request.

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Question 8
Do you have any comments on the CRU’s proposal to have a time limit of one year for a supplier to be able to raise an RP Flag on a customer?

Response Q8:
GNI have a view that the time limit of one year may not be sufficient in terms of recouping the debt associated with the RP read. For example on a prepayment meter, the debt is recouped on 25% per vend, this would mean that it will take more than one year for the RP debt to be recovered by suppliers.

Question 9
Do you have any comments upon the suitability of maintaining the Debt Flag as a suitable deterrent to meter tampering?

Response Q9:
Following discussion with suppliers, GNI would support suppliers in their view that a separate RP flag would act as a more effective deterrent to meter tampering.

Question 10
Do you have any other proposals upon measures that could be introduced to reduce the levels of meter tampering?

Response Q10:
The GNI Revenue Protection Department have various streams of work ongoing with various stakeholders with the aim to reduce the levels of meter tampering.

- **Safety campaigns** – GNI is committed to using safety campaigns as a way of highlighting the safety risks to customers of meter tampering.
- **Money and Budgeting Agencies** – GNI will look to work in the coming year with organisations such as MABS, we would see this as another avenue to promote safety and awareness on meter tampering.
- **Introduction of the RP read** – In August 2018, GNI and suppliers agreed on the introduction of a RP read, whereby a customer receives a charge via their supplier for gas consumed but not paid for during the period of tampering.
- **Development of the Revenue Protection Code of Practice** – Implementation date 28th January 2019
- **Energy (Miscellaneous Provisions) 2012** – GNI may initiate criminal investigations against an individual that is found to be tampering with their gas supply.
• **Non-Criminal RP siteworks & cost recovery** – GNI/Suppliers and the CRU have worked together to develop market processes to support the identification of a gas meter that is tampered with, the interactions with the customer and also the recovery of costs, these are outlined in (currently with CRU for approval);
  
  o MPD 24 ‘Revenue Protection – Identification of Unauthorised Interference’;
  
  o MPD 25 ‘Revenue Protection – Recovery of Siteworks costs’; and
  
  o MPD 26 ‘Revenue Protection – Recovery of Energy Costs’