RETAIL ENERGY CODE

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NON-CONFIDENTIAL CONSOLIDATED INFORMATION REQUEST RESPONSES

I0265 - THEFT ASSESSMENT CALCULATOR USAGE AND SUITABILITY ASSESSMENT

On 01 May 2026, the Code Manager issued an information request to industry to seek feedback on the Issue I0265.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

DOCUMENT VERSION	V1.0
RESPONSE TYPE	Non-Confidential
DATE ISSUED	04 June 2026
RESPONSIBLE COMMITTEE	Change Panel
LEAD ANALYST	Francine Peyroux-Sissoko

DATE INFORMATION REQUEST ISSUED	01/05/2026
RESPONSE DEADLINE	26/05/2026

Question 1:	How do you currently calculate the value of energy illegally taken?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
UK Power Networks (Distribution Network Operator)	The assessment of electricity previously consumed utilises a range of approaches which could include, but is not limited to: • **Post-Resolution Consumption** – monitoring consumption reported by the newly appointed Supplier or, where the Supplier leaves the MPAN in reportedly 'de-energised' status with no reads forthcoming, having our own agent return to site in order to calculate a meter advance. Such calculations to have due consideration of anticipated seasonality aspects, where applicable, which may necessitate a longer period of 'actual' data to be collated. • **Ofgem Typical Domestic Consumption Value (TDCV)** – these are reviewed by Ofgem each year taking into account whether single-rate or two-rate (e.g. electric heating) and Low / Medium / High users. • **Clamp Meter / Tong Test (Amperage Readings)** – working best for consistent, predictable loads (e.g. mobile network transmission masts) but occasionally employed in other contexts. UK Power Networks has its own template equivalent to the 'Clamp Meter Readings' tab within the existing Calculator	Thank you for your response.

	but with additional facilities around Opening Hours (commercial premises) and 'baseload' assumptions. • **Other Premises (e.g. Chain Stores)** – branches of any particular chain are usually fitted out in a similar manner with similar consumption patterns; where floor space varies this can be taken from Business Rates listing and factored into the calculation. UK Power Networks may consider multiple approaches from this list in arriving at the most appropriate assessment and may combine aspects together – e.g. trading hours consumption via a tong-test with the reduction factor applicable to non-trading periods referenced via other branches so determining the actual typical 'baseload' for that business.	
Northern Powergrid (Distribution Network Operator)	Currently, we assess the value based on the period of energy usage, specific site set up and the MPAN profile. We calculate the theft value by evaluating the market price per unit / day multiplied by the period of unbilled consumption for the MPAN profile. The calculation is completed for the individual MPAN and property type / usage, rather than via a bespoke tool.	Thank you for your response.
SP Energy Networks (Distribution Network Operator)	Currently we attend site on a theft investigation, where a meter is in situ but there is no registered MPAN, we carry out a safety inspection and a TONG test. We would where possible return to carry out another tong test. The results of the tong test are extrapolated to cover the period of usage. Cases where there is no meter in situ are rare (direct to mains) and we have difficulty in carrying out these calculations. We review the existing	Thank you for your response.

	tool and follow guidance in the schedule; however it is extremely complicated, we usually look at previous results and apply a general usage.	
National Grid Electricity Distribution (Distribution Network Operator)	We have found that the time and resources needed to calculate the value of illegally extracted electricity, when compared with the unlikelihood of sufficient recovery of funding, makes the calculation process unproductive and inefficient. This is not just in relation to carrying out the calculation itself, but the gathering of information (such as number, specification and likely usage of individual appliances) needed to do so.	Thank you for your response.
Cadent (Gas Transporter)	Where gas has been taken in the *'course of being conveyed'* (stolen), we have a Licence obligation (SC7), and a Gas Act right, to recover from the consumer the *'value of gas'* taken. We also have a Gas Act obligation under schedule 2b para 9(3) to *"make, and from time to time revise, a scheme providing for the manner in which, and the persons by whom, the number of therms or kilowatt hours…….is to be determined……."* Our 'Taking of Gas Scheme' discharges this Gas Act obligation and outlines how we calculate the volume of gas taken which is by a variety of ways such as: • Meter reads • Meter removal dates • Type and usage of gas appliance (REC calculator) • Any site works information • Information on change of owner/occupier	Thank you for your response.

	• Date premises became unregistered/shipperless • Comparable site AQ • Details of property type Once the volume is calculated we need to convert the volume into a monetary position. The problem DNs have at this point is we are not a supplier and therefore don't have default 'tariffs' which we can use. We therefore utilise a spreadsheet, created by Xoserve, which uses either default supplier tariffs, price cap information (domestic only) or gas prices published by DSNZ (commercial) to convert volume into £££. The Xoserve spreadsheet has been jointly funded and is change controlled by the four DNs.	
SGN (Gas Transporter)	SGN has a Licence obligation (SC7) and a Gas Act Obligation Under Schedule 2b para 9 (3) the right to recover the value of gas taken (stolen whilst being conveyed) paragraph (3) states the following: "Each **[**gas transporter**]** shall make, and from time-to-time revise, a scheme providing for the manner in which, and the persons by whom, the number of therms or kilowatt hours represented by a supply of gas taken…… In order to discharge our obligations, we calculate the volume of gas taken using several sources of information: • Meter Read (Volume of gas taken from two different dates if available). • Size of property using comparable site consumption data. • Meter Size and volume of gas that it's able to pass in a given period.	Thank you for your response.

	• Date that the occupier took ownership of the premise. • Date when the Supply Meter Point became unregistered / Shipperless • Installation date of the gas supply. Using the most accurate means of data available to us we calculate the kWh amount of gas taken at the Supply Meter Point and then convert this into a monetary value using the Xoserve Theft of Gas calculator. The Xoserve Theft of Gas Calculator has been populated with both default supplier tariffs, price cap information or the gas prices published by the authority. The Xoserve Theft of Gas Calculator is used by all the DN's and has been jointly developed and improved over many years, it has been used as a means to defend legal challenges from parties found to have stolen gas from the network as well as being scrutinised by the ombudsmen.	

Question 2:	**Would you be supportive of a tool being part of the updated REC Theft Calculator – as part of Issue I0265 – to help Network Parties with the calculation of the value of energy illegally taken?**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
UK Power Networks (Distribution Network Operator)	We would be supportive of any effective tool that aids parties in deriving appropriate assessments of the volume (and thus value) of electricity illegally taken. In particular we note that some parties report little or no financial recoveries and such a tool may encourage improved cost recovery and avoid socialisation of the costs associated with theft of electricity. We are not supportive of the view that the tool be the prescribed method for all assessments where alternative, valid approaches are available.	Thank you for your response.
Northern Powergrid (Distribution Network Operator)	We would be supportive of a tool being introduced to assist theft calculation, but we would not support it to be the mandated approach for all parties to use that tool.	Thank you for your response.
SP Energy Networks (Distribution Network Operator)	We would be supportive of a tool being implemented to assist Networks with the calculation of the value of theft, however we would need understanding of the remit of this tool. There may be complex DNO set ups that may not be covered by the tool (possibly CVA sites) and that the DNO would not be mandated to use the tool. We also have an obligation to submit Theft figures direct to Ofgem, we would have a concern that there may be an overlap and that there would need to be further consideration given should a tool be available the applications of the tool.	Thank you for your response.
National Grid Electricity Distribution	Given our answer to Q1, we are dubious of how much help the tool would be, given that presumably we would still need to gather the	Thank you for your response.

(Distribution Network Operator)	information needed for the tool to carry out the calculation. The calculation itself is not necessarily what takes the time, as we have ways of automating this part of the process ourselves. The gathering of information needed to make the calculation is time consuming, and would require us to enter properties that we may not need to in situations where we can make safe from outside the property, potentially putting our operatives in dangerous situations.	

Question 3:	**Do you have any other comments, feedback, or suggestions on this REC Issue that you would like to submit to the Code Manager?**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
UK Power Networks (Distribution Network Operator)	UK Power Networks has an active programme of invoicing the value of electricity taken via unregistered/unauthorised supplies typically reporting recoveries of £1.5-2.0m annually. Fair, robust assessments are important in securing settlement. Our past experience with the Theft Calculator has not been especially positive and we found it providing unexpected results. Neither could we see how those results were arrived at in order to rationalise the outcome or explain to counterparties when challenged. We would urge simplicity, both for improved uptake across users and in order to support discussions with customers. Notwithstanding the recognised requirement that any 'Calculator' tool must be the REC-procured and published Calculator it would require substantive improvements in order for UK Power Networks to utilise in preference to the established and proven practices outlined under Q1. We would also observe that, in distinct contrast to suppliers, DNOs are not required to submit estimations of abstracted energy into industry settlement systems. This lessens the criticality with assessments only pertinent to instances where a demand for financial compensation is levied.	Thank you for your response.
Northern Powergrid (Distribution Network Operator)	N/A	Thank you for your response.

SP Energy Networks (Distribution Network Operator)	We are of the view that our current process of applying a tong test over a period of time is the best measure, however this does result in return visits having to be scheduled and is more resource intensive. This does provide a truer and fairer reflection of costs. (appreciate that this process may differ from that of other DNO's). We do not believe that any REC theft calculator should be mandatory for DNO use, however would appreciate a usable calculator for instances where we are unable to access, or use our own preferred calculation. (e.g. Demolished property). We would also like to raise the issue of the registration of the MPAN when we have created it, we experience significant delays in the Supplier arranging the registration of the MPAN and in ensuring that the MPAN is fully traded (agents appointed). This affects the customer experience, which is particularly relevant for 2 reasons: 1/ we cannot issue an invoice to the customer for energy used until the MPAN is fully registered. 2/ where this has come to light through the notification of a new customer moving into the premises, this means that they are not able to be billed by the Supplier for a lengthy period, resulting in the customer accruing debt through no fault of their own.	Thank you for your response.
National Grid Electricity Distribution (Distribution Network Operator)	No further comments.	Thank you for your response.
Cadent (Gas Transporter)	As the 'taking of gas scheme' is a Gas Act obligation, we would not be supportive of a REC change which prioritised the REC calculator as the predominant or only tool available for use by DNs to calculate volume of gas taken.	Thank you for your response.

	DNs should have flexibility in how to calculate the volume of gas as per our existing schemes, which do include use of the REC calculator when it is required. For instance, if we have good meter reads (which we often do as most of our theft is for shipperless/unregistered sites where a meter is fitted and operating) or an accurate robust AQ, then these should take precedence in our calculations.	