RETAIL ENERGY CODE

ENERGY THEFT TRAINING

MODULE SEVEN –
TDIS, REPORTING AND SETTLEMENTS

THEFT REPORTING REQUIREMENTS

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REC Schedules 7 and 8 detail Energy Theft reporting requirements for Suppliers.
Additional reporting requirements for both Suppliers and Network Operators exist under other codes or due to licence conditions.

Theft Detection Incentive Scheme (TDIS)

- Applies to **all Suppliers and all meter points** (gas and electricity).
- Every investigation (including desktop investigations) must be submitted to TDIS at the point the investigation begins.
- Updates/ submitted in line with Performance Assurance Reporting Catalogue (PARC) & TDIS Reporting Timeframe (REC Sch 7 Annex 3).

Supplier Reporting to DNOs/Shippers (REC Sch 8, Section 15)

- Electricity Suppliers must provide each Network Operator with information on all Confirmed Energy Theft cases.
- Gas Suppliers must provide confirmed theft details to the relevant Shipper.

Electricity Network Operators and Gas Transporters (GTs)

- Under **RIIO-ED2 Regulatory Instructions and Guidance**, electricity Network Operators must report losses and theft recovery data to Ofgem.
- The Uniform Network Code (UNC) sets out what GTs must report to the Joint Office regarding Theft in Conveyance.

Settlement Requirements (REC Sch 8, Para 3.2)

- Suppliers must ensure theft is entered into Settlement where possible.
- Mechanisms sit within the UNC and Balancing & Settlement Code (BSC).

Police Notification

- **Meter Removal Under the Electricity Act 1989**, Suppliers must have Ofgem authorisation before disposing of meters removed due to theft.
- Ofgem grants general authorisation if conditions are met, including notifying police when a relevant meter is removed.

Internal Reporting Expectations

- REC Schedule 8 sets a principle that theft investigation data, trends, and insights should be gathered and shared across industry.
- Mandated reporting is limited, but Suppliers should consider their own reporting, trends, and theft detection/prevention performance.

Ofgem Social Obligations Reporting (SLC 32)

- Domestic suppliers must report the number of disconnections due to theft.

THEFT DETECTION INCENTIVE SCHEME

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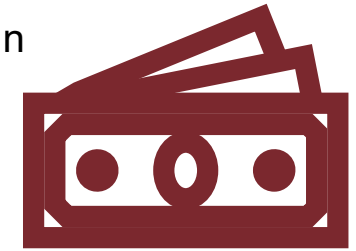
The **Theft Detection Incentive Scheme (TDIS)**

Set out in REC Schedule 7 Annex 3, TDIS incentivises suppliers to investigate, detect and report Confirmed Energy Theft and other theft investigation outcomes for gas and electricity. TDIS applies to all Energy Suppliers and relevant meter points. Even if a Supplier has no target, they must still report all investigations (including ETTOS leads and desktop investigations) and can still receive credits.



Targets and Methodology

- Theft Targets are set annually per consumer segment.
- They are allocated based on market share using the yearly Theft Target Methodology (TTM).
- Targets are issued before 01 March for the TDIS Reporting Year (01 April – 31 March).
- Targets can change mid-year if supply portfolios move between Suppliers, but only in certain instances



Incentive Values

- Each segment has a **Theft Detection Value (TDV),** representing the net cost incurred for activity to detect theft.
- Completed but Unconfirmed Theft Investigations can also qualify for an incentive payment.
- Energy Theft Site Visit Investigations that do not result in a Confirmed Energy Theft currently qualify for 50% of TDV.
- Energy Theft Desktop Investigations made in response to an ETTOS tip-off currently qualify for 20% of TDV.

THEFT DETECTION INCENTIVE SCHEME CONT.

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Calculations & Reporting

- A segment's incentive pot = **Theft Target × TDV**.
- Final credits/debts depend on the incentive pot, supplier market share, TDV, number of confirmed thefts, and qualifying investigations.
- Data must be submitted via the **REC Portal** (PARC tabs 1342-Commercial and 1342-Residential).
- Reporting deadlines and query windows are detailed in the TDIS Reporting Timeframe document.
- Further information on TDIS and submitting theft files onto the REC Portal can be found in the Energy Theft Reduction User Guide and on file validation here.

Results & Dashboards

- Monthly Supplier results are published on the REC Portal **Performance Assurance Dashboard**. Detailed information and instructions for the TDIS dashboard can be found here with slides 54-56 and 64-67 being most relevant to theft.
- Suppliers should check results each month and raise discrepancies within query windows.
- MPxN-level warnings/rejections and anonymised industry views are available.
- Final annual credits/debits are published within **144 days** after year end.

The **REC Performance Assurance Board (PAB)** may audit evidence relating to Confirmed Energy Thefts or Completed but Unconfirmed Theft investigations, including ETTOS-triggered investigations.

Suppliers **must** ensure that all instances of Confirmed Energy Theft result in appropriate action to stop the theft.

SUPPLIER REPORTS TO DNOS/SHIPPERS

REC Schedule 8 and Schedule 7 provide information on Supplier Reporting.

In accordance with Schedule 8 Paragraph 15:	• Electricity Suppliers must send each electricity Network Operator a monthly report listing all Energy Theft cases they have investigated, clearly identifying which were Confirmed Energy Thefts and the volume of units associated with each case. • Gas Suppliers must send the Shipper a minimum set of details for every Confirmed Energy Theft so the Shipper can report consistently under the UNC. This includes **the Investigation ID**, **MPRN**, **confirmation of gas theft**, the **start and end dates** of the unrecorded-gas period, and the **volume** of unrecorded gas.
In accordance with Schedule 7 Annex 3: Theft Detection Incentive Scheme paragraph 6.4:	• The Code Manager must ensure there is a process to share Confirmed Energy Theft data with the Central Data Service Provider (CDSP), Network Operators, and the Balancing and Settlement Code (BSC) so that the associated energy volumes are correctly recognised in settlement, in line with the intent of the Unbilled Energy Code of Practice • Submitting Energy Theft investigations including Confirmed Energy Thefts, through TDIS enables the data to be shared with the relevant industry parties and helps suppliers meet their Schedule 8 reporting obligations.

GAS TRANSPORTERS AND DNO REPORTING

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Gas Transporters don't have REC reporting duties for Theft in Conveyance, but they do have obligations under the UNC Transportation Principal Document Section V.

They must publish a monthly report for each DNO showing gas-theft detection performance, including: their unique identifier, the number of suspected theft cases received, those they must investigate, cases they have resolved, the estimated kWh stolen, and the associated financial value. These reports are published by the **Joint Office of Gas Transporters**. Independent Gas Transporters (IGTs) have similar obligations under the IGT UNC (Paragraph 45) but only need to provide the report upon Ofgem's request, within one month.



Electricity Network Operators don't have REC reporting duties for Theft in Conveyance, but under Electricity Distribution Licence Condition (SLC) 49 Part D they must report their actions to manage distribution losses and tackle Relevant Theft of Electricity in line with Ofgem's RIGs and publish this information on their website.

Under **SLC 46 and the RIIO-ED2 Regulatory Instructions and Guidance**, DNOs must report specific data on theft recovery. Annex B – Costs, Volume and Revenue (section I5) requires reporting on:

- recovery of the value of stolen electricity,
- recovery of costs, and
- total costs incurred in dealing with relevant theft (e.g., labour and material costs).

SETTLEMENTS - ELECTRICITY

REC Schedule 8 requires Suppliers to arrange, where possible, for stolen electricity or gas to be entered into Settlement, but the settlement processes themselves sit outside the REC. Electricity settlement is governed by the **Balancing and Settlement Code (BSC**), with processes changing under the Marketwide Half-Hourly Settlement Programme (MHHS). Guidance notes on this can be found on the Elexon website.

Under the BSC procedures:

BSCP 504 (Non-Half-Hourly) When the Revenue Protection Service (RPS) confirms tampering, the meter advance must be adjusted using estimated unrecorded units, followed by issuing a revised EAC/AA via a D0019 (MM00399).

BSCP 502 (Half-Hourly) Provides rules for estimated data, including where RPS advises on adjustments, covering both non-DCC and DCC-enrolled systems.

BSCP 709 (MHHS Metering Systems) Suppliers must determine the SNAC period of theft or meter faults using the best information available, publish SNAC on the DIP when required, and follow dispute processes where consumption cannot be corrected simply by replacing a meter read.

BSCP701 (New MHHS provisions for the Smart Data Service Market Role) This includes the requirement for the SDS to amend and record changes to settlement data due to theft when notified by the Supplier.

There will be situations where stolen energy **cannot be placed into settlement**, for example due to the time period of the theft, materiality thresholds, no meter on record, or the meter point not being live or energised

SETTLEMENTS - GAS

Gas settlement is governed by the **Uniform Network Code (UNC)**, with settlement data processed by the Central Data Services Provider (CDSP). Under UNC Section V (Chapter 14), Supplier Confirmed Energy Theft information flows from TDIS into gas settlement. How the process works:

After a gas Confirmed Energy Theft, Suppliers should also check whether the site's AQ (Annual Quantity) needs updating to reflect accurate consumption.

1. The **REC Code Manager** submits Confirmed Energy Theft Notifications to the **CDSP**, who then passes them to the relevant Shipper.
2. The **Shipper** has 15 Business Days to object to any MPRN, but only if there is a manifest error or if permitting a withdrawal would be inappropriate.
3. If the **CDSP** receives an objection, it issues a report with reasons to the **REC Code Manager** (who informs the Supplier) and the PAC, and no settlement action is taken for that MPRN.
4. If no objection is received, the **CDSP** uses the Theft Energy Value (kWh) in the notification to perform an Offtake Reconciliation—either by applying it to an existing reconciliation (UNC E1.3.1(c)(iv)) or by creating a nil-incrementing meter reading to trigger one.
5. If the **REC Code Manager** later issues a Confirmed Energy Theft Withdrawal (e.g., Supplier revises the case to No Theft), the **CDSP** reverses any reconciliations previously completed.

OFGEM DISCONNECTION REPORT

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Both the **gas and electricity Supply Licence Condition (SLC) 32** require Suppliers to provide Ofgem with information it deems relevant to how they deal with Domestic Consumers, including where this involves disconnections.

This forms part of Ofgem's Social Obligation Reporting (SOR), which Suppliers must submit quarterly.



Under the SOR guidance, Suppliers must report data item A7.2 – "disconnection on the grounds of theft", which counts customers disconnected using statutory powers (or equivalent contractual terms) due to meter damage, interference, or tampering under:

- Electricity Act 1986 – Schedule 6, paragraph 6(3)
- Electricity Act 1989 – Schedule 7, paragraph 11(3)
- Gas Act 1986 – Schedule 2B, paragraph 10(2)



NOTIFICATION OF RELEVANT METER REMOVAL

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Suppliers are legally allowed under the Electricity Act 1989 to disconnect the supply and remove meters that have been damaged or tampered with. However, any such meter must be kept safely until Ofgem authorises its disposal. Because this process proved impractical, in 2012 Ofgem and the National Measurement Office (now the Office for Product Safety and Standards) issued a general authorisation **allowing Suppliers to destroy or dispose of these meters without individual approval, provided specific conditions are met.**

These conditions include:

- **Notifying the relevant police force** when a relevant meter is removed.
- The meter may only be disposed of once:
  a) The police have **taken possession**, or
  b) Six months have passed since notification without the police indicating they intend to take it.
- Suppliers must also:
  a) Report the removal of such meters to the police (either individually or periodically).
  b) Submit **an annual signed statement** to Ofgem and the Office for Product Safety and Standards confirming compliance.



There are no fixed reporting timescales, but disposal must not occur before the six-month police notification period ends. Low volumes can be reported case-by-case; higher volumes are typically reported monthly by police force area. There is no equivalent statutory reporting requirement for gas meters, but they should still be retained as evidence where appropriate.

USING INVESTIGATION DATA FOR INTERNAL REPORTING

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Investigations generate a wealth of additional operational data beyond what must be formally reported to REC or other bodies. Even when no Energy Theft or Theft in Conveyance is confirmed, this information can be used to strengthen internal reporting, decision-making, and performance management.

Service provider performance

Cost per investigation, overall effectiveness, and SLA compliance

Compliance performance

Adherence to investigation timescales within REC Schedule 8

Operational learning

Identifying improvements to targeting, processes, and investigation outcomes.

Lead conversion rates

How well analytics and different lead sources translate into confirmed cases

Trends and insights

Patterns such as cannabis grows, EV-related misuse, theft typologies, and geographic/demographic hotspots

Warrant activity

Access without a warrant, with/without notice warrants, failed attempts, court rejections, and hearing attendance requests

Consumer outcomes

Vulnerabilities identified, debt support provided, or referrals to social services.

TDIS performance

Monitoring both internal and industry results, including debits and credits.

Financial performance

Investigation costs versus recovered value and prevented losses.

Safety outcomes

Dangerous installations found, risks removed, and any injuries or fatalities (with full HSE/RIDDOR compliance).

Using this investigation data helps improve detection, enhance operational performance, and flag emerging risks and trends in energy theft.

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KNOWLEDGE CHECK

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Congratulations, you have completed Module 7!

Please complete the Knowledge Check to ensure you have understood the key messages from this module.

