RETAIL ENERGY CODE

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PAB DEROGATION REPORT – UTILITA FIELD SERVICES AND MORRISON ENERGY SERVICES TRANSFERS

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FOR DECISION 	This paper sets out a report to the Performance Assurance Board (PAB) on two Derogation Applications received on 06 March 2025 and 14 February 2025 from Utilita Field Services Limited and Morrison Energy Services Limited respectively. The Derogations relate to permitting the transfer of the existing sealing pliers (and Qualification in the case of Morrison Energy Services). This is due to organisations undergoing restructuring. The Code Manager requests the PAB to: • **APPROVE** the two Derogation Applications as set out below, including the timescales and recommended conditions.

1 BACKGROUND

Sealing pliers are used to seal a meter after works have been carried out. This supports prompt identification of meter tampering. The pliers have dies within them that stamp a reference on the seal, which identifies the operative who completed the work. This traceability back to an individual is important for safety and counter-Theft activities.

Organisations are required to qualify under the REC to gain access to sealing pliers, with a register maintained by the Code Manager of individuals who are responsible for each set of pliers. Consolidated Metering Code of Practice (CoMCoP) Appendix 19 Paragraph 25 states that, "Dies shall not be transferred between CoMCoP Parties".

1.1 UTILITA FIELD SERVICES DEROGATION APPLICATION

Utilita Field Services Limited submitted a Derogation Application on 06 March 2025 following discussions with the REC Qualification Team regarding their access to sealing pliers.

The organisation was required to accommodate a Transfer of Undertakings (Protection of Employment) Regulations (TUPE) arrangement concerning their contract metering business (Bespoke Metering Services Limited) much quicker than originally planned. They received five-days notification to complete this task and needed to have the engineers operational by 01 March 2025.

As this is a transfer of beneficial ownership, the Code Manager considers it necessary for new sealing pliers and dies to be procured.

Utilita Field Services informed the sealing plier manufacturer, Maun, and were advised there would be a two-month lead time on the supply of new sealing pliers assigned officially in their name. Therefore, to allow them to provide continuation of service to their customers, Utilita Field Services is applying for a temporary Derogation to permit the engineers from Bespoke Metering Services (which operates under its own CoMCoP Registration Number) working under Utilita Field Services to use their original sealing pliers over this period.

1.2 RETROSPECTIVE APPROVAL DUE TO LATE ENGAGEMENT WITH THE CODE MANAGER

This Derogation seeks retrospective approval, as the Code Manager was notified without sufficient time to seek a Derogation without an Ex-Committee PAB. The Code Manager, working with the Retail Energy Code Company (RECCo), informed Utilita Field Services that it could continue operations until the PAB could review their Derogation request, as long as they maintained the chain of ownership of sealing pliers for individual operatives.

The Code Manager will remind Utilita Field Services of the importance of timely engagement with and official disclosure to the Code Manager on critical areas such as changes to business structures, to avoid such issues reoccurring.

1.3 MORRISON ENERGY SERVICES REORGANISATION

Morrison Energy Services Limited, Morrison Data Services Limited and Callisto Data Limited are individual REC Parties acceded under different Company Registration Numbers, however, belong to the same umbrella group (M Group Services Limited).

M Group Services Limited is restructuring its businesses, dissolving Morrison Energy Services Limited and absorbing all personnel and systems into Morrison Data Services Limited. The restructure is intended to take place on 01 April 2025, and other activities have commenced to support this, including the novation of the contract with E.ON Next and the transfer of Market Participant Identifiers (MPIDs) and Short Codes which are currently assigned to Morrison Energy Services Limited (‘MORR’ and ‘MOR’) to Morrison Data Services under the Balancing and Settlement Code (BSC).

Morrison Energy Services Limited is a CoMCoP accredited Gas Meter Asset Manager (MAM), Approved Meter Installer (AMI), Electricity Meter Operator Agent (MOA), Electricity Metering Operator (EMO) and Safe Isolation Provider (SIP). As part of the restructure, all seals and dies (sealing pliers) will also be transferred into the Morrison Data Services entity.

As this is corporate restructuring, with no change of ownership or business processes, we do not consider it necessary for new sealing pliers and dies to be procured.

We will confirm with Morrison Data Services Limited that they will continue to be responsible for any consumer or data issues associated with these MPIDs and Short Codes that arose within Morrison Energy Services Limited.

1.4 MORRISON ENERGY SERVICES DEROGATION APPLICATION

Morrison Energy Services Limited submitted a Derogation on 14 February 2025 following discussions with the REC Performance Assurance Qualification Team regarding the company restructuring and transfer of seals and dies (sealing pliers) due to the planned TUPE of Morrison Energy Services Limited taking place on 01 April 2025. This will involve the same personnel and systems carrying out the same activities, however, under a different entity.

A Derogation is therefore requested to enable Morrison Energy Services to transfer ownership of its sealing pliers, to Morrison Data Services, to take effect from 01 April 2025, without the need for a requalification exercise having to take place. This would allow all activities to continue as they are, including use of the same sealing pliers, however, under the ownership of Morrison Data Services Limited.

If approved, the Derogation would avoid any impact to metering activities during the current (and final) year of the smart mandate, during which both M Group Services Limited and E.ON Next Energy Limited have mandated targets of smart meter installations to be completed.

A summary of the Derogation and recommendations for the PAB to consider are set out in the sections below.

1.5 DEROGATION SUMMARY

The below information has been compiled by the Code Manager in relation to the Derogation Application:

	DEROGATION DETAILS
Summary of the issue	Derogations are required to permit the transfer of the respective Qualification and sealing pliers for Utilita Field Services and Morrison Energy Services, to enable ongoing activities with clients to continue and allow the business restructures to be completed. Specifically, these intend to: • Permit Utilita Field Services Limited's engineers working within its contract metering business (Bespoke Metering Services Limited, which operates under its own CoMCoP Registration Number) to use their existing sealing pliers whilst Utilita Field Services awaits provision of new sealing pliers. • Permit Morrison Energy Services to transfer its sealing pliers to Morrison Data Services as of 01 April 2025 due to TUPE arrangements.

Summary of the proposed Derogation and impacted REC obligations	CoMCoP Appendix 19 Paragraph 25 states that, "Dies shall not be transferred between CoMCoP parties".
Related Derogations or applications	N/A
Impacted REC Parties and Service Providers	This impacts Utilita Field Services and Morrison Energy Services Limited any Suppliers that they contract with to perform metering services.
Impacts on Retail Risks	Retail Risk II has metering processes as a relevant scope area. The risk determination in this area is very high, hence the CoMCoP accreditation processes in place, including around sealing plier registration and management.
Legal advice obtained in relation to the application	N/A
Technical advice obtained in relation to the application	• There are no identified REC System impacts or Enquiry Services impacts; • There is no identified need for a technical Impact Assessment from any REC Service Providers; • There is no identified need for any system monitoring or reporting to help inform future REC Changes.
Length of the Derogation	• Two-month Derogation whilst awaiting a two-month lead time for Maun to supply Utilita Field Services with their new sealing pliers order. • One-off Derogation to permit the transfer detailed above to take place for Morrison Energy Services.
Conditions to any Derogation	• Whilst the Bespoke Metering Services operatives continue to utilise their existing sealing pliers, Utilita will be responsible for maintaining and documenting the chain of ownership. These sealing pliers should not be exchanged between operatives during this time. Once they are issued with new Utilita Field Services sealing pliers, the operatives' old ones will be destroyed. • Morrison Data Services Limited will confirm to REC PAB within six months that TUPE has been completed and that all personnel and systems continue to operate in accordance with REC qualification and accreditation standards. Morrison Data Services will be responsible for maintaining and documenting the chain of ownership of sealing pliers being transferred. These should not be exchanged between operatives.
Ofgem consent	N/A

2 PAB ACTIONS

PAB DECISION



The Code Manager recommends the PAB to **APPROVE** the two Derogation Applications as set out above, including the timescales and recommended conditions.