RETAIL ENERGY CODE

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VALIDATING ALTERNATIVE ENERGY THEFT CALCULATION METHODS

BY ROSALIND TIMPERLEY, REC TECHNICAL DESIGN AUTHORITY

FOR DECISION

This paper has been produced following application for a derogation regarding use of the Theft Assessment Calculators for assessing unrecorded units. This is due to the raising organisation investing in Android field tablets which do not currently support the REC Theft Assessment Calculators.

The Performance Assurance Board (PAB) approved the derogation and raised an action for validation of alternative calculation methods to be discussed with the TIG. This paper sets out the proposed next steps in relation to this action.

The Code Manager requests the TIG to:

- **NOTE:** the contents of the paper; and
- **AGREE:** that a TIG action should be taken to discuss the approach to validating alternative theft calculation methods once the newly raised REC Issue on the Theft Calculators has further progressed.

1 BACKGROUND

At its meeting on 24 June 2025, the Performance Assurance Board (PAB) considered a derogation application from a Supplier regarding use of the REC Theft Assessment Calculators for assessing unrecorded units. The raising Party has invested in new Android field tablets, however, the REC published calculators are not compatible with Android devices. The derogation application was submitted to enable the Party to use their own versions whilst awaiting updated, compatible versions of Gas and Electricity Theft calculators being provided to all REC Parties.

The PAB approved the derogation application. As part of its approval, the PAB placed an action on the Code Manager to discuss the approach to validating alternative theft calculation methods with the TIG. This paper sets out proposed next steps and invites the TIG to comment.

2 PRPOSED NEXT STEPS

It is noted that RECCo has drafted a REC Issue on “Theft Calculator Usage and Suitability Assessment”, which aims to gain a comprehensive understanding of the Theft Calculators’ current usage and effectiveness. This will include seeking information on how widely the existing REC published Theft Calculators are utilised by Parties, noting that whilst there has only been one derogation request raised, anecdotal feedback indicates that other Parties may also be using alternative.

To ensure fairness across parties, it considered that any validation method(s) should be applied equally to all parties that utilise alternative calculation methods, regardless of whether a derogation has been raised.

It is proposed that, in terms of taking forward the PAB action on discussing with TIG the approach to validating alternative theft calculation methods, this be placed on hold until the REC Issue on theft calculator usage has further progressed. Once information has been gathered under this issue on the extent to which alternative calculation methods are used and what these methods are, the PAB action will be revisited at a future TIG meeting.

3 RECOMMENDATIONS

The TIG is invited to:

- **NOTE:** the contents of the paper; and
- **AGREE:** that a TIG action should be taken to discuss the approach to validating alternative theft calculation methods once the newly raised REC Issue on the Theft Calculators has further progressed.