

**UNCC AUG Sub-Committee Minutes**  
**Friday 29 September 2023**  
**via Microsoft Teams**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Ian Coates (Secretary Stand-In)	(IC)	Joint Office
David Morley	(DM)	OVO Energy
David Speake	(DS)	Engage Consulting (AUGE)
Deborah Sherlock	(DSH)	CDSP
Fiona Cottam	(FC)	CDSP
James Hill	(JH)	Engage Consulting (AUGE)
Jennifer Byrne	(JB)	SEFE Energy
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Neil Cole	(NC)	CDSP
Sallyann Blackett	(SB)	EON Next
Stephen Huang	(SH)	CCI

*Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/AUG/290923>*

**1. Introduction and Status Review**

Bob Fletcher (BF) welcomed everyone to the meeting.

**1.1. Approval of Minutes (23 June 2023)**

The minutes from the previous meeting were approved.

**1.2. Approval of Late Papers**

No objections to approving the presentation submitted and published late on the website.

**1.3. Review of Outstanding Actions**

No outstanding actions from the previous meeting.

**2. AUGE Approach and Considerations for 2024/2025**

The presentation covered the following main topics and discussion points. Full detail of the presentation can be found at <https://www.gasgovernance.co.uk/AUG/290923>

**2.1. Welcome**

David Speake (DS) provided an introduction to the topics identified in the presentation and agenda highlighting that the presentation aimed to give an overview of the initial assessment process and initial outputs for the Gas Year 2024/2025.

DS also raised that this would be the last meeting before the draft AUG Statement is provided in December and the process offered the opportunity to meet again early next year.

## **2.2. Initial Assessment Results Recap**

DS reminded the Committee of the process for assessing topics each year and introduced the four areas covered in the presentation: Unfound and Shrinkage as new contributors, plus Theft of Gas and No Read at Line in the Sand. The first three have been undertaken at a principles level of investigation as the data does not change too much.

## **2.3. Investigations**

### **180 Unfound Contributor: Initial Analysis – Slide 8**

James Hill (JH) reiterated that the thinking around UIG is that it the existing contributors do not identify everything that makes up total UIG.

When looking at the latest view of the 22/23 UIG, the expectation is that the 8.3TWh so far in 22/23 will increase to above the 10.7TWh previously predicted as has been the case in 21/22.

David Morley (DM) raised the observation that UIG was decreasing year on year and questioned whether it was known why this was the case and whether there were contributors, such as gas mains replacement, that are known. JH mentioned that the reason there is a decrease in the final UIG year on year could be down to improvements in data and that it could be possible that there are as-yet unknown contributors, but it is difficult to determine each of these at a granular level.

DM asked if there was a way to correlate the data to determine why there has been a year on year decrease. JH stated that this would be taken away and considered but reiterated the difficulty in this, given that there is still a portion of 22/33 Gas Year to take place which would provide additional data and may be available too late to influence the analysis.

### **180 Unfound Contributor: Considerations – Slide 9**

Three options for calculating the volume of the Unfound Contributor were presented.

Louise Hellyer (LH) raised the possibility of an Option 4 of introducing it as a placeholder for now rather than ignoring it and it could be stated as 'nothing' for now until such time as this project develops a justifiable number / principle.

### **210 Shrinkage Error – Slide 10 &11**

JH introduced the slide and stated that doing a technical study on what the shrinkage error might be and its discussion is no longer out of AUGEs scope and so the focus is on what information is currently available to provide a view.

The dearth of data available to be able to develop a robust methodology around shrinkage was raised, although options are being considered.

### **210 Shrinkage Error: Considerations – Slide 12**

Two options for tackling Shrinkage error were presented by JH for consideration.

DM raised that the 500GWh is the same as the previous AUGGE introduced and then removed and asked whether this rationale had been investigated as part of the considerations. JH stated that this was the same study (the Energy UK Gas Retail Group Study) that had been used to develop the 20% error demonstrated in the graph on slide 11.

**010 Theft: Continued Investigation – Slide 13**

DS presented the slide and raised that an all-encompassing approach to theft this year would be undertaken rather than just focussing on the allocation methodology. DS continued, mentioning that the research is not yet at a point where there are any conclusions as this is not as straight forward topic to change but there are several areas worth considering and are being looked into.

DS offered offline discussions with the Committee attendees if they would like to discuss further.

**090 No Read at the Line in the Sand: Recap – Slide 14**

JH introduced that the approach to Line in the Sand is to take actual data rather than any forecasts as per the previous methodology.

**090 No Read at the Line in the Sand: Process – Slide 15**

JH gave brief overview of the process slide stating that data from a year earlier is being used to determine some percentages based on actual data rather than a forecast.

**090 No Read at the Line in the Sand: Progress – Slide 16**

JH gave an update on progress as per points on slide 16. Analysis is ongoing, although it is too early to provide a robust view until the October data is provided.

**2.4. Repeat Contributors and General Progress**

**Repeat analysis for 2024/2025 Gas Year**

JH provided a brief overview of slides 18, 19, 20 and 21, stating that the project is now moving from the first phase to the second phase which is on track as per plan shown on slide 19. When giving an overview of slide 21 on Consumption Forecasts, JH mentioned now that actual data is being used rather than some assumptions there is a small reduction of a percent or two on the forecasts but no large impact.

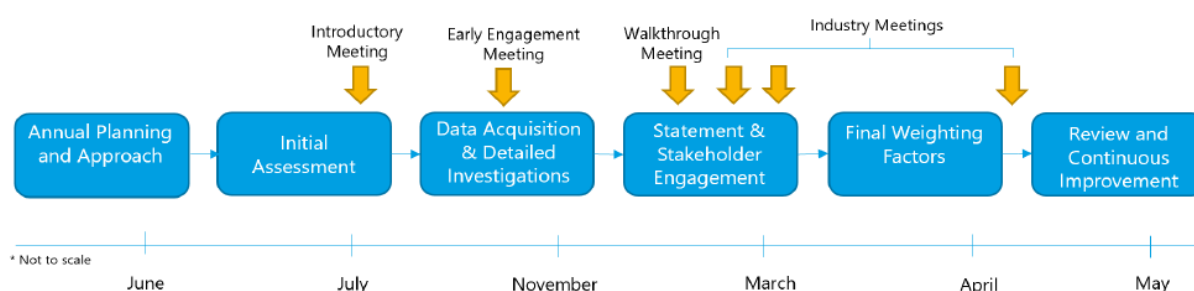
JH noted that Project Nexus go-live data has been removed by using the baseline from October 2019. This also aligns with changes to End User Categories introduced at that time.

**2.5. Next Steps and Feedback**

**Next Steps – Slide 23**

DS mentioned that there is a gap between the current stage of sharing initial thoughts and the delivery of the draft AUG Statement in December and reiterated that an additional meeting can be scheduled if the Committee requires an update or discussion in the interim.

No further discussion points or questions were raised from the Committee.



### 3. Next Steps

BF stated the next AUG Sub Committee meeting was scheduled for the 12<sup>th</sup> January 2024 where the draft AUG Statement is to be reviewed.

### 4. Any Other Business

No other business was raised.

### 5. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Paper Publication Deadline	Venue	AUG Sub-Committee Agenda
10:00 Friday 12 January 2024	5pm Wednesday 03 January 2024	Microsoft Teams	Walkthrough Meeting
10:00 Friday 09 February 2024	5pm Wednesday 31 January 2024	Microsoft Teams	Review Feedback Meeting
10:00 Friday 15 March 2024	5pm Wednesday 06 March 2024	Microsoft Teams	Review Modified AUGS Meeting
10:00 Friday 12 April 2024	5pm Wednesday 03 April 2024	Microsoft Teams	Final AUGS Meeting