

Own Use Gas

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14th December 2005

What is Own Use Gas?

Own Use Gas is the gas that is used by the Transporter to operate their system

- ◆ Almost entirely preheat
 - ◆ Because operational venting is included in AGI leakage and
 - ◆ No gas fired compression in LDZs
- ◆ There is a little holder antifreeze but this is trivial

How is it measured 1?

Own Use Gas isn't measured it is determined by reference to mathematical models, which relate throughput to pre-heat requirement and which, by making use of pre-heat appliance thermal efficiency predict Own Use Gas.

How is it measured 2?

There are two models available...

- ◆ An older – less accurate – model that was used for many years in respect of Shrinkage Factor proposals and which predicts OUG to be 0.06% of consumption.
- ◆ A newer – more accurate – model that predicts OUG to be <0.02%. (The newer model also produces LDZ specific OUG values.)

Last summer's compromise

- ◆ During the Shrinkage Factor negotiations last summer Transporters wanted to introduce the newer more accurate model, however some shippers objected to this.
- ◆ As a result a compromise value of 0.035% was adopted.
- ◆ In addition to agreeing (some shippers never agreed) to a compromise both sides accepted that OUG would be looked at again prior to 06/07 SF negotiations.

Options

- ◆ Abandon modelling and install meters to obtain measurement of consumption
- ◆ Repeat modelling with shipper involvement from the start
- ◆ Need to understand the pros and cons of these options.

Metering OUG – Pros & Cons

- ◆ Pros...
 - ◆ Provides real measurement of use and therefore certainty (within accuracy of meters +/- 2%).
- ◆ Cons...
 - ◆ Cost to install (£500 to £5000 each, £3-4m in respect of National Grid)
 - ◆ Cost to read (£ neg. to £800 pa. each)
 - ◆ Cost to maintain

Modelling OUG – Pros & Cons

- ◆ Pros...
 - ◆ Cheap <£100K
 - ◆ As accurate as other parts of the SF (+/- 20%), which are more significant (OUG is c. 6% of SF).
- ◆ Cons...
 - ◆ Does not provide real measurement of use
 - ◆ Has to be repeated from time to time, 5 years?

Conclusion

- ◆ Modelling use is more cost effective than metering
- ◆ The accuracy of modelling is likely to be similar to the accuracy of other aspects of the SF, which are more significant.
- ◆ **Therefore propose to model OUG**
 - ◆ Using a revised model.

Next Steps

- ◆ Propose that Transporters be allowed to cooperate to hire Advantica to create a detailed work proposal to create a revised OUG model.
 - ◆ Work proposal to be presented to Shippers, for agreement at the next meeting
 - ◆ Work will then proceed on the basis of the proposal, with Shipper involvement to confirm validity.
 - ◆ Objective is to finish in summer 2006