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British Gas comments on the First Draft 2022/23 Allocation of Unidentified Gas Statement (AUGS)

We appreciate this opportunity to provide feedback on the work being undertaken by the Allocation of Unidentified Gas Expert.

Please find attached our recommendations based on the draft AUG Statement.

Yours sincerely



Rhys Kealley
Industry Development & Design Manager
Centrica Business Solutions

**Response to Consultation Questions for the Draft 2022/23 Allocation of Unidentified Gas Statement
January 2022**

1. Our overarching methodology is detailed within Section 4 (“Overarching Methodology”) of the draft AUG Statement. This methodology is based on the following principles:

- Polluter Pays we interpreted “fair and equitable” to mean that UIG should be allocated in the same proportions as it is created;
- Line in the Sand – we only considered UIG that will exist at the Line in the Sand (the final Settlement position) and not UIG that exists temporarily prior to this; and
- Bottom-up Determination – we quantified UIG for each identified contributor and added these together, rather than estimating the overall UIG and apportioning it or using it as a means of differencing.

Please highlight any aspect of this methodology with which you disagree and which you believe materially affects the Weighting Factors contained within the AUG Table, providing your rationale and, wherever possible, supporting evidence.

Centrica response:

Overall methodology

- We agree with the overarching methodology, in that it builds upon the approach the AUGE has previously put forward, and it is based on the available data and AUGE’s independent expertise. As per our comments last year, we are of the opinion that given the range of challenges inherent in the task, that the AUGE are performing their duties with due skill, care and diligence.

2. Our results for the two new contributors and two refinement investigations are contained within Section 5 (“Detailed Investigations”) of the draft AUG Statement. For each of these contributors, please highlight any assumptions, methodology aspects, calculations, and results which you disagree with and which you believe materially affect the Weighting Factors contained within the AUG Table. Where possible, please provide your rationale, suggestions for improvement and supporting evidence:

2.1 140 – Meters with a By-Pass Fitted (NEW);

2.2 160 – Isolated Sites (NEW);

2.3 010 – Theft (AMR only) (REFINEMENT); and

2.4 090 – No Read at the Line in the Sand (REFINEMENT).

Centrica response:

2.3 010 - Theft of Gas (AMR only)

- We support the changes to the methodology in this area. The only question we raise is whether there is a category of meter that has been missed while assessing the theft data (perhaps of the data-logger variety) – the stand-out factors for Product Class 2 in general, and Product Class 3, EUC band 8 are suggests that this might be the case.

3. Our results for the six contributors not under detailed investigation are contained within Section 6 (“Other Contributors”) of the draft AUG Statement. For each of these contributors, please highlight any assumptions, methodology aspects, calculations and results with which you disagree and which you believe materially affect the Weighting Factors contained within the AUG Table, providing your rationale and, wherever possible, supporting evidence:

3.1 020 - Unregistered Sites;

3.2 025 - Shipperless Sites;

3.3 040 – Consumption Meter Errors – Inherent Bias;
3.4 050 – LDZ Meter Errors;
3.5 060 - IGT Shrinkage;
3.6 070 - Average Pressure Assumption;
3.7 080 - Average Temperature Assumption; and
3.8 100 - Incorrect Correction Factors.

Centrica response:

- No further comment

4. If there is any other relevant matter in relation to this consultation that you would like to raise which you believe materially affects the Weighting Factors contained within the AUG Table, please explain this and provide your rationale and, wherever possible, supporting evidence.

Centrica response:

UIG by matrix position

We have a comment on the table of the bottom-up assessment of UIG by matrix position on page 109 of the statement. The total of the bottom-up assessments of UIG in this table is 10,957 GWh.

This table is a useful resource for parties seeking to understand the distribution of UIG by EUC and Product Class, however given that the bottom-up method only captures ~83% of UIG it can lead to an under-appreciation of the expected levels of UIG.

It would be useful for the AUG to include a canonical version of this table scaled up to the reference levels of UIG (i.e. the calculated benchmark UIG for the target Gas Year of 13,090 GWh), and all analysis (e.g. UIG as a % of throughput for each matrix position) be derived accordingly.

We propose one of two possibilities for the scaling:

- assume that current methodology correctly splits UIG between sources but each is slightly under-allocated in its share of UIG, and therefore scale the volumes of UIG up consistent with the AUG factors; or
- assume that there is an unknown cause of UIG, which is best split evenly across EUCs and PCs. If this approach was preferred by the AUG Expert, it would suggest itself as an additional step in the derivation of the final AUG factors.