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Reference: Response to 1st draft AUGS

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Dear Tim

Thank you very much for your letter dated 2nd September containing feedback with regard the first draft AUGS. You would have been unaware of the delay in the publication of the 2nd draft AUGS at the time which was subsequently published at the end of September. As part of the 2nd draft consultation we have examined and considered the points you raised and respond to each of them in turn below.

1) Reliance on Xoserve data

Indeed there have been issues obtaining data to the level of detail we require for the Unidentified Gas analysis leading to delays in the publication of the 2nd draft and we have carried out further validation and clarification of data received to ensure that what we have is fit for purpose and that assumptions about the data are understood. Xoserve is a central part of the gas industry and therefore the primary source of data that we need as part of this project. In addition, to maintain confidentiality Xoserve anonymise certain data items before providing to us.

An alternative source would be to approach each shipper/network for data direct (which may still need to be sourced from Xoserve anyway). This could, in our experience, raise even more issues as we would need each party to provide consistent data in a timely manner in the right format with the correct assumptions and ensure every party provided data to ensure full coverage. In addition, as customers move from Shipper to Shipper we would have potential double accounting and gap issues to deal with which, given data would be anonymous would be impossible to track.

Nonetheless, if you know of any data sources, or providers that are more reliable and more readily available than what Xoserve can provide we would appreciate it if you could bring those sources to our attention so that we can assess whether they would be of benefit or not.

2) "Unknown" supplies and that there are a significant number of LSPs which are unknown to the networks.

We assume you meant unknown supply points? If there are supply points that are unknown to the Networks, Xoserve and the Shippers then indeed they are unknown and will not feature in any of the unregistered/shipperless site reports that we receive from Xoserve on a regular basis. The revised method of estimating Unidentified Gas as described in the 2nd draft AUGS will catch these sites as part of the balancing factor and although it's not necessarily theft it's a permanent loss of gas that cannot be assigned to a particular market sector.

If you are aware of such “unknown” sites, then I would recommend that you bring these sites to the attention of the relevant Networks/Xoserve as soon as possible (as they are not really unknown if you know about them) to ensure that they are included in the relevant unregistered/shipperless sites report and picked up accordingly. Note that in the case of unregistered LSPs we understand that depending on how they manifested, consumption can be backbilled in which case there is no Unidentified Gas component. We are looking at this issue with Xoserve as it only became apparent during the 2nd consultation.

3) Daily Metered sites with incorrect meter indexes

We have queried this with Xoserve and believe that providing the corrections occur within 4yrs a correction is applied through RbD. Our revised method incorporates the effect of RbD in estimating Unidentified Gas (see 2nd draft AUGS for details).

The issue that could occur and act as both a positive or negative effect on Unidentified Gas are situations where the correction has been identified after the 4 yr limit. As you say you have been involved in negotiations of these with clients, if you are aware of any of these exceeding this limit please provide details (including site AQ, LDZ, EUC if possible, amount of the correction identified that could not be applied)?

4) Non Domestic meters and meter errors

With regard metering error of LSPs please refer to the 2nd draft AUGS which examines the problem of over sized meters and potential meter error and now incorporates this effect in the estimation of UG. This also includes the opposite effect of meters operating at the top end of their calibration curves. Overall the effect is quite small compared to some of the other causes of UG.

Yours sincerely

Clive Whitehand
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