

# Allocation of Unidentified Gas Statement 2015/16

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20 May 2014

## Areas Covered

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- AUGE Changes
- Timelines
- Data
- Methodology overview
- Analysis & methodology updates in 2014
  - Mod0410A, Mod0425V, Mod0398, Mod0429, Mod0431 and Mod0469S
  - Theft Detection Rates
- Next steps

## AUGE Changes

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- Merger with DNV (Det Norske Veritas)
  - Rebranded
  - AUGE Mailbox: [AUGE.software@dnvgl.com](mailto:AUGE.software@dnvgl.com)
  - Clive Whitehand now Section Head for Asset Optimisation

## Timelines 1

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<b>Key Dates</b>	<b>Description</b>
1st May	First draft AUGS published
20th May	UNCC (AUGE) Meeting DNV GL present AUGS
1st May – 12th June	First consultation period
30th June	Responses to consultation published / discuss at UNCC meeting (telecon)
1st August	Proposed AUGS (2 <sup>nd</sup> Draft) to be published
13th August	Deadline for comments on Proposed AUGS
21st August	UNCC consider proposed AUGS for approval
29th August	Cut-off for data required for Interim table
30th September	Publish Final AUGS

## Timelines 2

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<b>Key Dates</b>	<b>Description</b>
1st October	Interim AUG table provided to GTs
1st November	GTs publish Interim AUG table to industry
28th November	Cut-off for data required for Final Table
1st September 2014 - 28th February 2015	Query process
Early December 2014	Cut-off for inclusion of queries in Final AUG Table
1st January 2015	Final AUG table provided to GTs
1st February 2015	GTs publish Final AUG Table to industry
19 February 2015	UNCC consider Final AUG Table

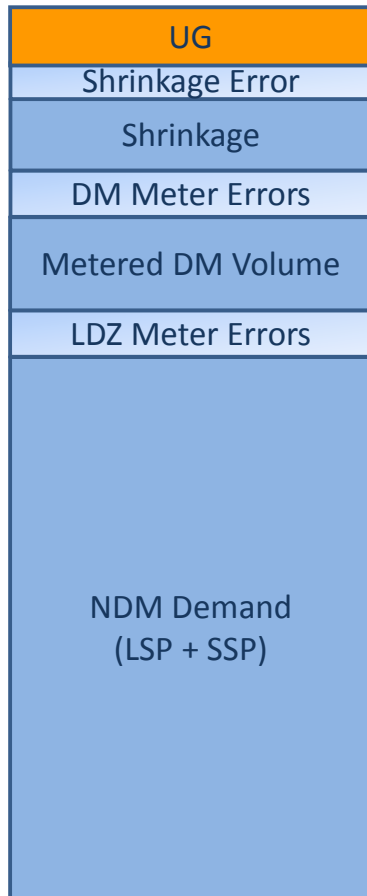
## Data

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- Analysis
  - Based on most recent data with additional fields added by Xoserve where requested
  
- Data Specification provided to Xoserve (Feb 2014)
  
- Interim AUG table will be based on updated data sets from Xoserve including
  - Historic LSP consumptions including updates plus new data up to end March 2014
  - New SSP meter reads, consumptions up to end March 2014
  - Ongoing snapshots of shipperless/unregistered sites
  - Allocations
  - Updated asset information
  - Latest AQs and details of new/lost sites

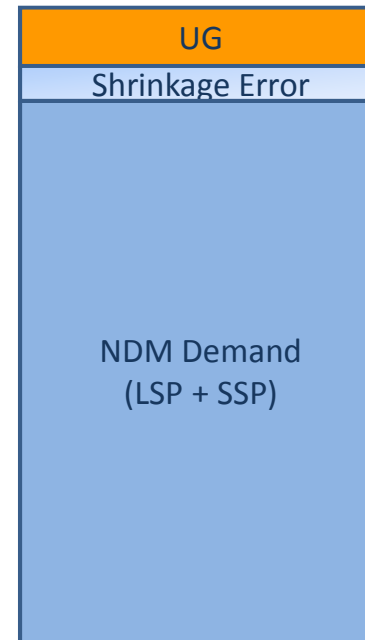
# Methodology Overview – LDZ NDM Consumption

LDZ Metered Demand



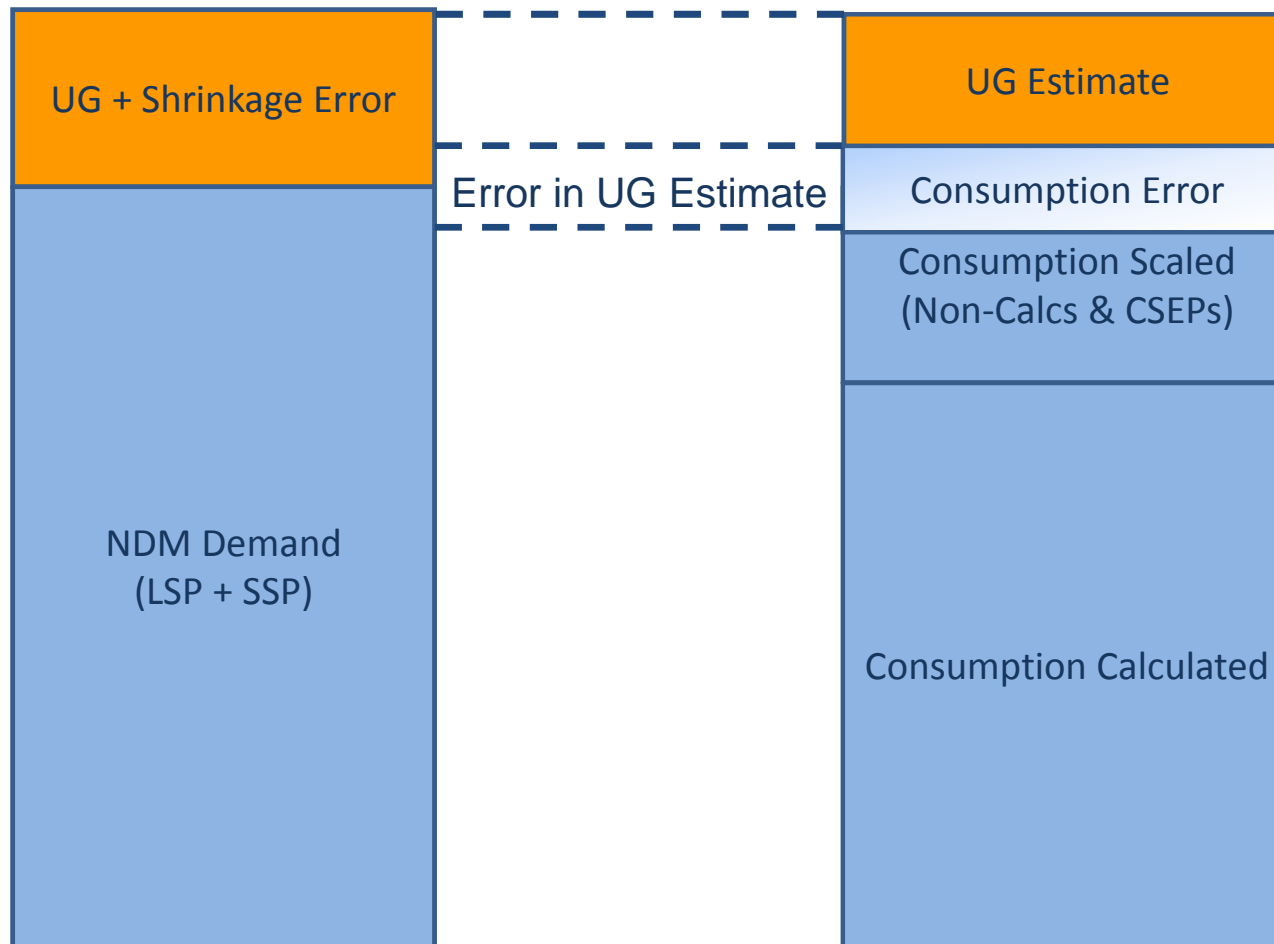
NDM Allocation =  
NDM Demand +  
Shrinkage Error +  
UG

- SUBTRACT
- LDZ Meter Errors
  - Metered DM Volume
  - DM Meter Errors
  - Shrinkage



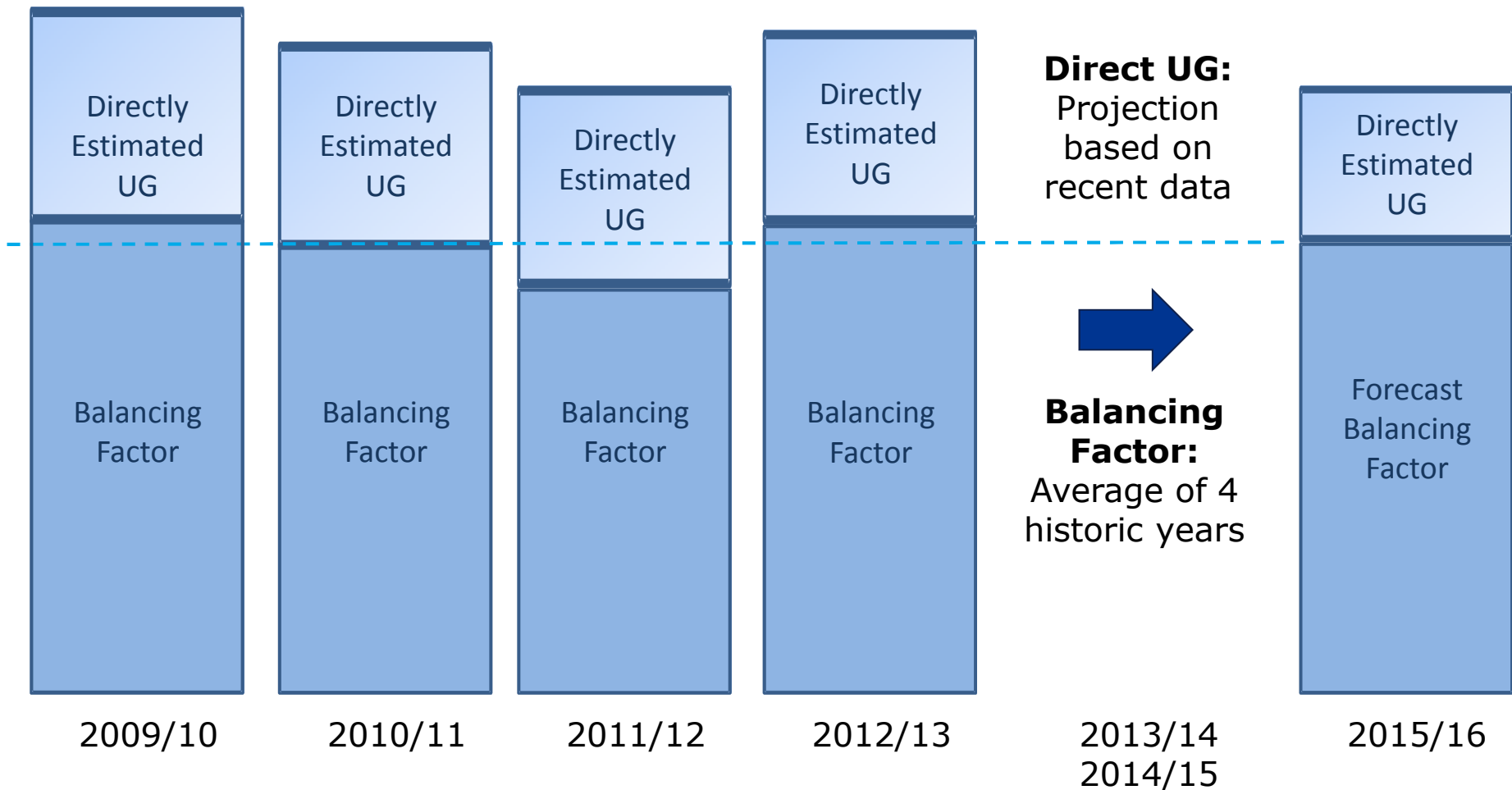
## Methodology Overview – Total UG

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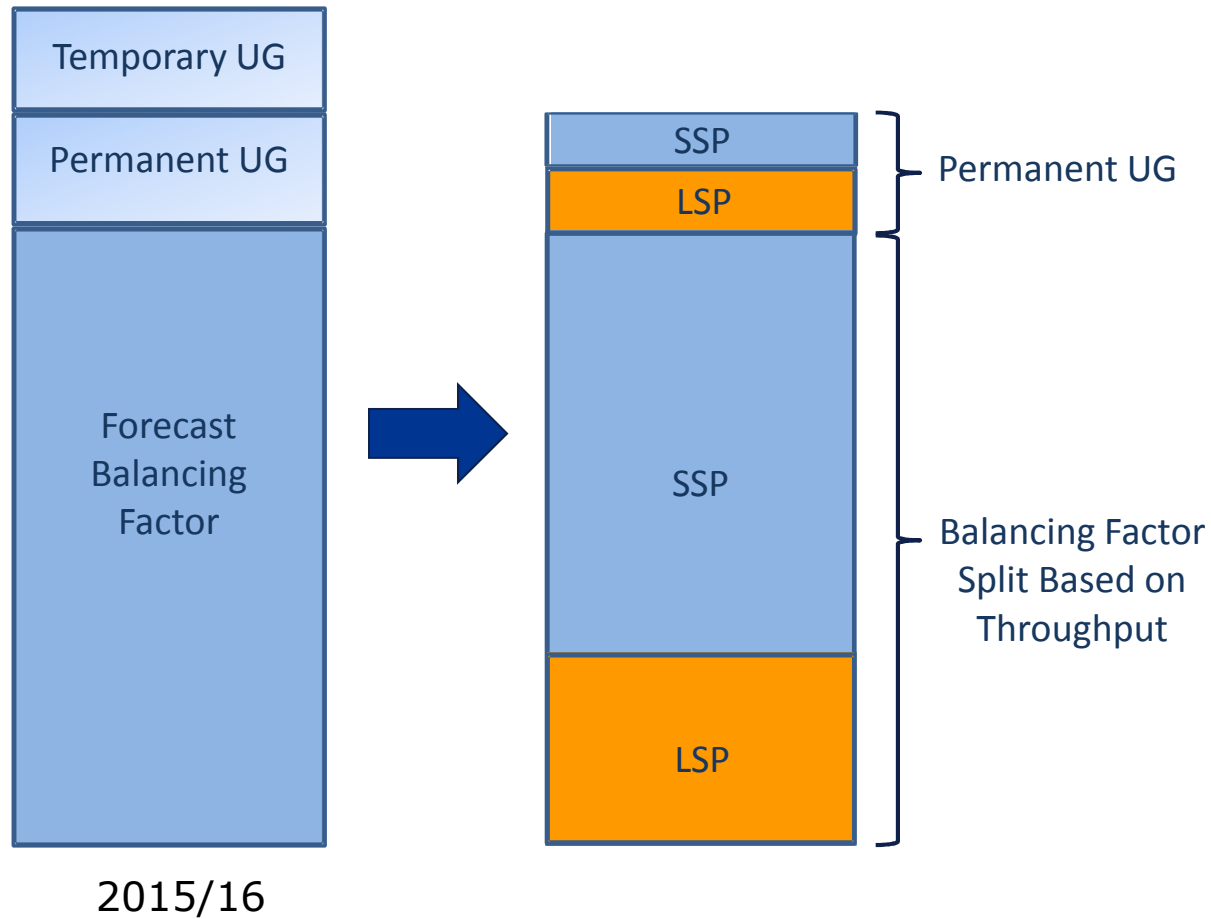




## Methodology Overview – Forecast Total UG



# Methodology Overview – Forecast UG Components



## Analysis Summary

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- Modifications
  - Mod0410A
  - Mod0425V
  - Mod0431
  - Mod0469S
  - Mod0398 and Mod0429
- Theft Detection Rates Update
  - Changes to licence terms

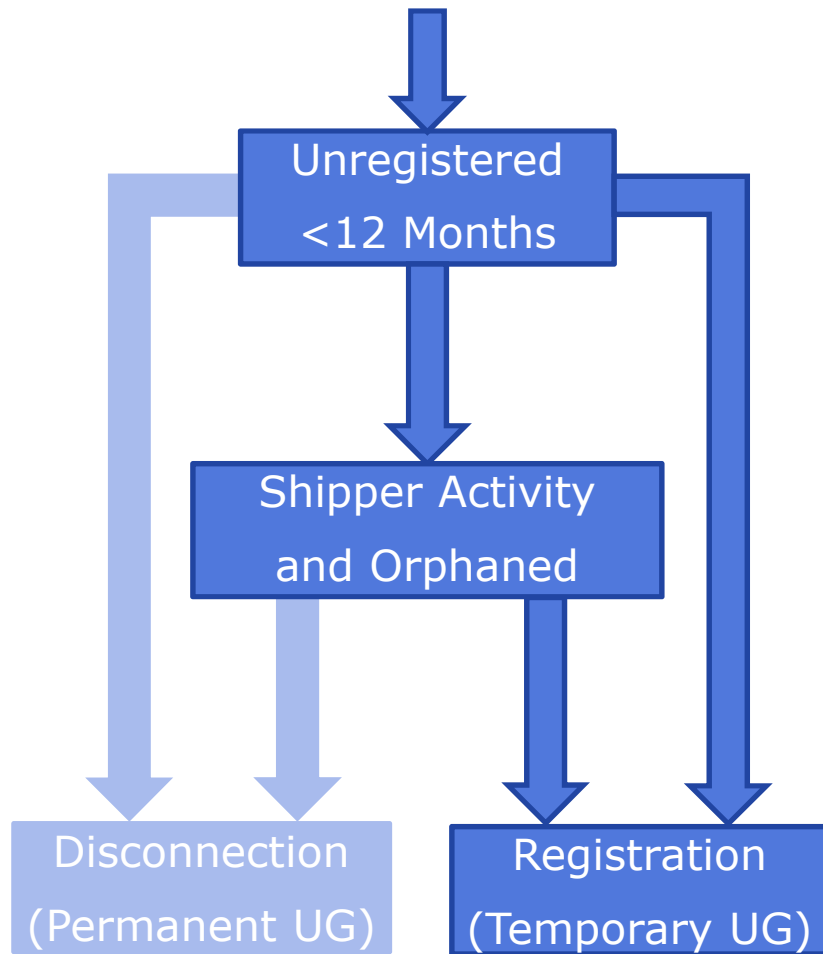
## Mod0410A: Responsibility for gas off-taken at Unregistered Sites following New Network Connections

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- Implemented 1 Sep 2013
  - Shippers to ensure no meter fitted unless supply contract in place
  - Doesn't guarantee registration
  - UG from new unregistered sites is now temporary (unless meter disconnected)
  
- Intended to reduce the quantity of permanent UG from unregistered sites over time
  - Total UG reduces
  - Proportion of temporary UG from this source increases
  - Period of time each site is unregistered reduces
    - Fewer sites enter Shipper Activity or Orphaned categories
  
- New snapshots contain MPRN Creation Date
  - Can identify which sites Mod0410A applies to

# Effect of Mod0410A – Forecast Year

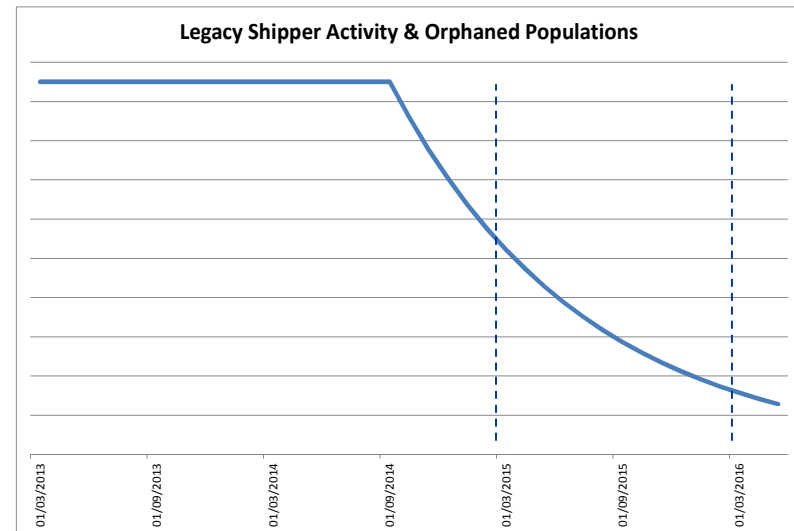
## Post-Mod410A Sites



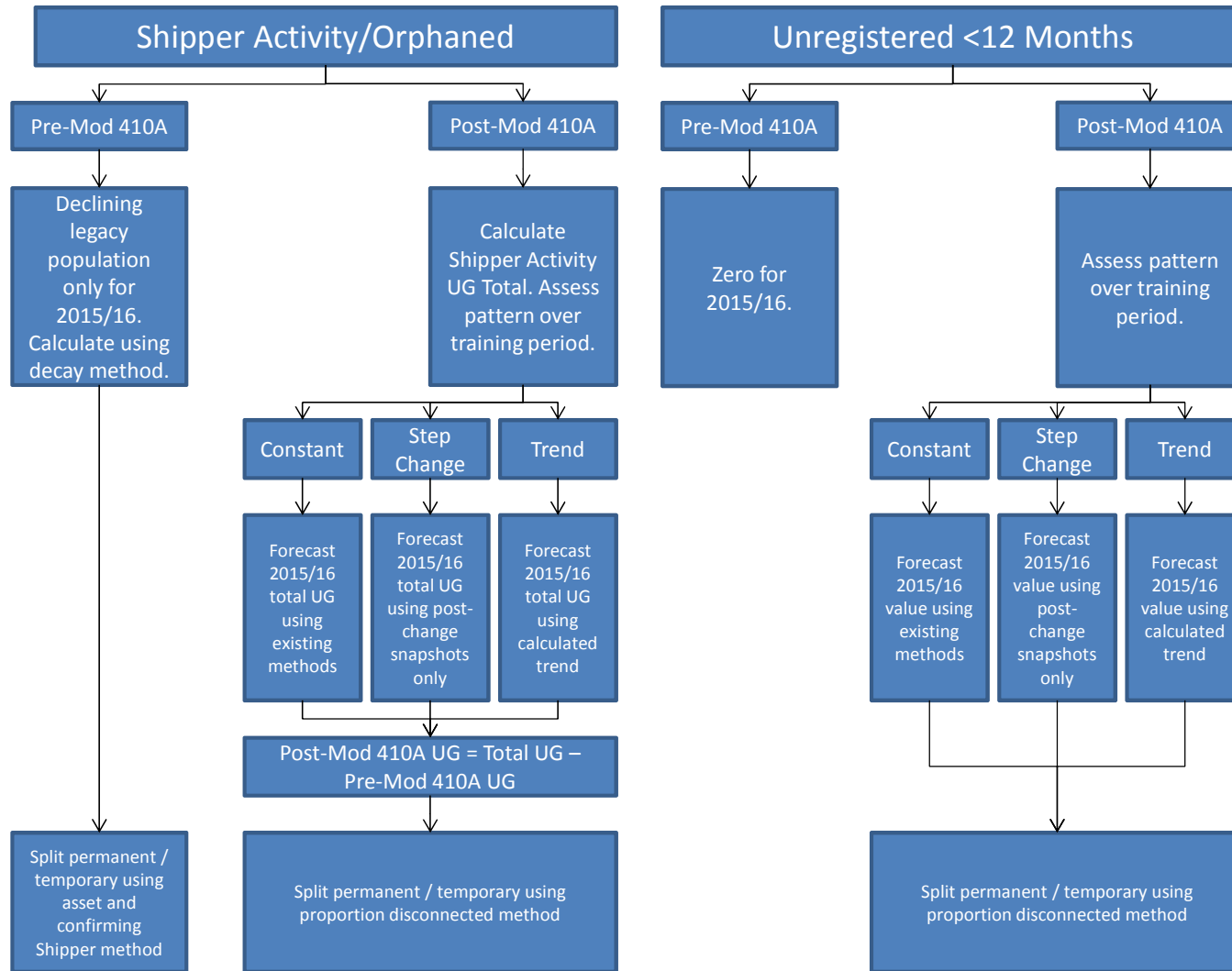
## Pre-Mod410A Sites

Unregistered <12 Months:  
Zero

Shipper Activity and Orphaned:  
Legacy population reduces



# Mod0410A - Proposed Methodology



# Mod0410A: Responsibility for gas off-taken at Unregistered Sites following New Network Connections

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- Summary
  1. Split MPRNs into pre- and post-Mod 0410A
  2. Pre-Mod 0410A Unregistered <12 Months is zero
  3. Pre-Mod 0410A Shipper Activity and Orphaned totals calculated using decay curves
    - Temporary/Permanent split as now
  4. Post-Mod 0410A totals for each category calculated using most appropriate method given data (constant, step or trend)
    - More snapshots required
    - Temporary/Permanent split based on proportion of disconnections

## Mod0425V: Re-establishment of Supply Meter Points

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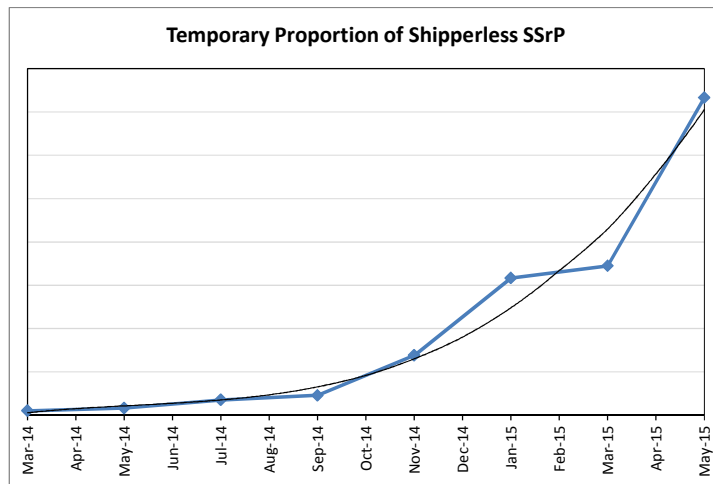
- Shipperless sites found to be flowing gas through a different meter will be previous Shipper's responsibility
- Shipper Specific Report (SSrP) – Temporary UG
- Effective Date – 1 April 2014
  - Applies to sites Isolated after this date
  - Not retrospective
  - Xoserve to provide Isolation date for each site in snapshot files
- Model remaining permanent element of Shipperless SSrP UG for 2015/16 using the same decay technique used for Mod 0424 (Shipperless PTS)



# Mod0425V: Re-establishment of Supply Meter Points

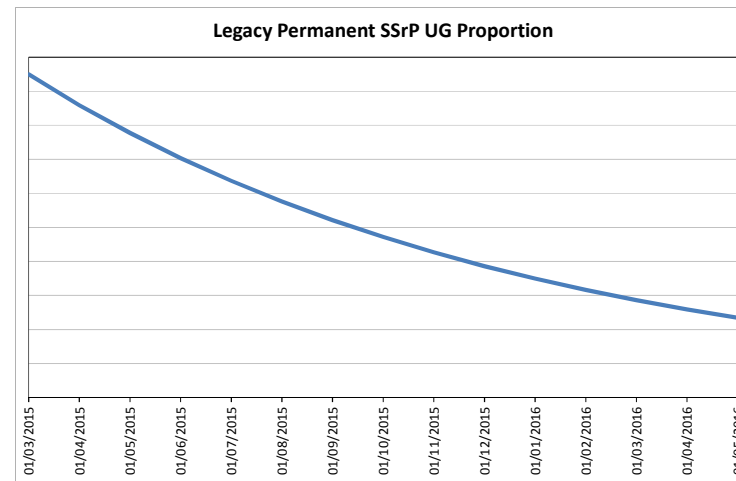
- Decay curve starts in May 2015
  - Sites Isolated before 01/04/2014 can continue to enter SSrP up to this point
- Two step process
  - Estimate May 2015 snapshot contents (including permanent/temporary split)
  - Model decay in permanent UG from this point onwards

## Step 1:



Temporary element increases as sites Isolated after 01/04/2014 enter category. Estimate split for May 2015 snapshot.

## Step 2:



Legacy permanent element decays from May 2015 onwards. Remainder of SSrP UG is Temporary.

## Mod0431: Shipper/Transporter - Meter Point Portfolio Reconciliation

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- Shippers obliged to provide MPRN info from supply business
  - Allows reconciliation with Xoserve held data
  - Reduce number of shipperless and unregistered sites
- Implemented from 1 April 2014
- Xoserve to provide MPRN details from reconciliation
  - Snapshots will be updated based on this data

## Mod0469S: Transporter Gas Safety Visit Reporting

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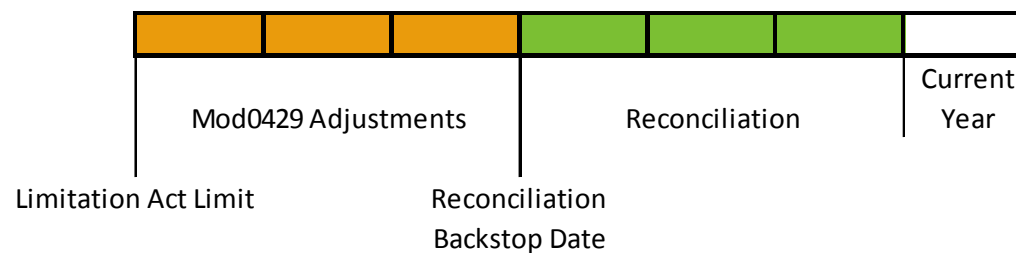
- Transporter to Report to Industry on Gas Safety Visits
  - Overview report to industry
  - Detailed report to each shipper
- Should reduce shipperless and unregistered sites
- Under review with proposed implementation from 1 Oct 2014
  - No action at this stage

## Mod0398: Limitation on Retrospective Invoicing

## Mod0429: Customer Settlement Error Claims Process

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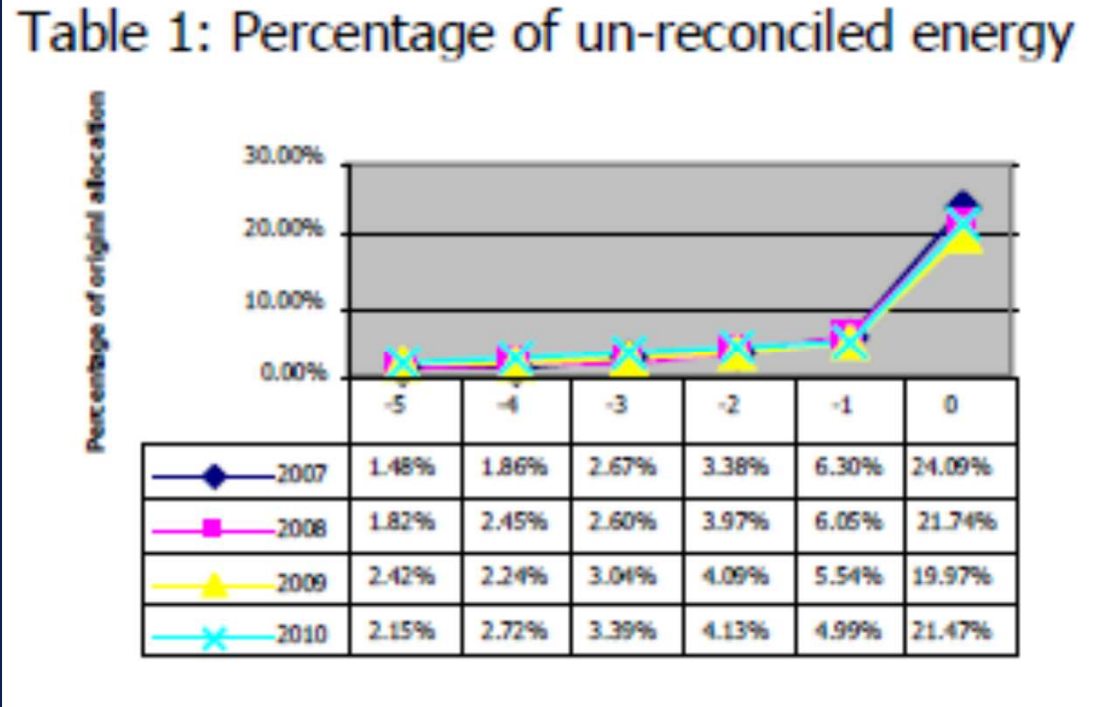
- Mod398 Reconciliation window reduces to 3-4 years from 1 April 2014
  - Some temporary UG may become permanent
    - only energy which would have been reconciled in year 4-5
    - depends on shipper behaviour
- Mod429 Claims process up to Limitation Act (1980) from 1 April 2014
  - Some permanent UG beyond reconciliation window may become temporary
  - Significant errors only >£50k



# Mod0398: Limitation on Retrospective Invoicing

## Mod0429: Customer Settlement Error Claims Process

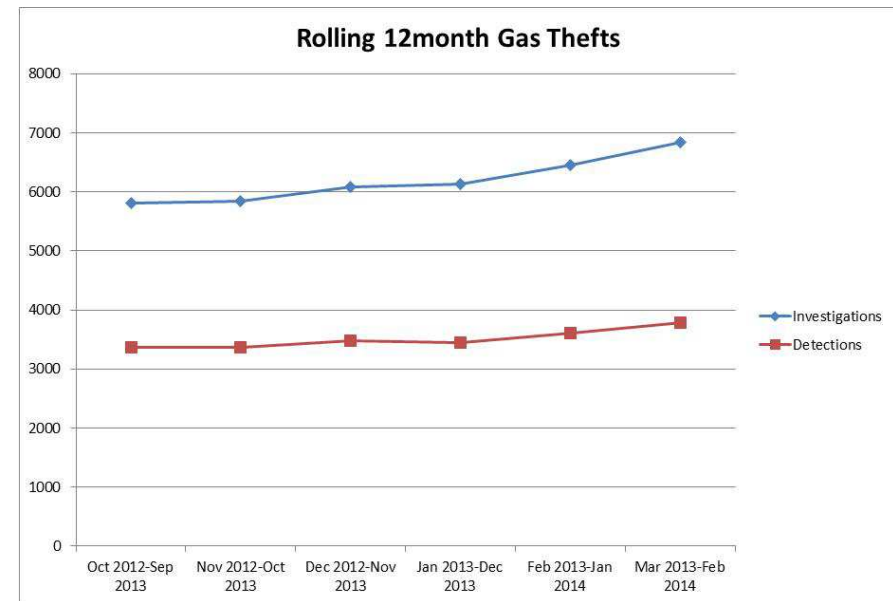
- Impact of Mod398 and Mod429
  - Difference in unreconciled energy between years 3 and 4 is small
  - Shipper behaviour change
  - Mod429 allows any significant errors to be corrected



Source: Mod0398 Final Modification Report V6.0

## Theft Detection Rates Update

- Change to Supplier Licence
  - Aim to increase theft detection rates
  - Effective from 8 Jan 2013 to 7 Jan 2016
  - Theft Risk Assessment Service (TRAS) to generate leads – 31 March 2014
- Should increase detected theft (temporary UG)



Source: Joint Office Website

## Theft Detection Rates Update

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- Increased Detections
  - Some of the stolen gas will be for previous years
  - Balancing Factor will reduce for the relevant years
- Forward Projection
  - Includes some effect due to increased detections
  - No data to support whether detections will continue to increase
  - Materiality is small
    - Current annual detected theft is ~25GWh

## Next Steps

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- Consultation open until 12th June
- DNV GL will prepare responses and Proposed AUGS for 2015/16
- As data received will undergo validation and seek to address any new issues that arise
- Assessment of modifications that are implemented over the summer that impact the 2015/16 year



# Thankyou

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