

Query to the AUGE received by Email

Query: Material Error with the AUGS

Date: 23 January 2013

Organisation:

British Gas

Abstract:

Clive,

I believe that there exists a potential material error with the AUGS which has not been addressed in any prior stage of the AUGS process by any code party or the AUGE. Under section 8 of the guidelines I believe that I am entitled to raise this query on behalf of British Gas (a code party).

As per Guideline 8.3 my contact details are listed below.

Description of the Issue

The rolled over AUGS table values contains a known inaccurate sector allocation of the balancing (Theft + Other) number. This inaccuracy has been corrected by the AUGE in a later version of the AUGS but since this (corrected) version was not completed in time the decision has been taken to roll over the previous AUGS table. Code parties have not had the opportunity to consult on the rolled over values since the decision to roll over was not taken until very late in the process (a publication dated 28th December 2012 and the AUGS table was due to be published by 1st January 2013).

The decision to roll over was taken as there was deemed to be insufficient time by some code parties for the new consumption-based methodology to be reviewed and approved within the appropriate timeframes.

British Gas understands that there has been insufficient time for the AUGE to refresh the RbD Bias methodology AUGS to re-populate the values for Aggregate Quantity of Unidentified Gas/GWh for the 2013/14 formula year.

We believe that it is entirely appropriate for the AUGE to update the Unidentified Gas Quantity/GWh values for the Theft + Other value to accurately reflect the correct apportionment across Larger DM SPCs, Larger NDM SPCs and Smaller SPCs as per the AUGE's own conclusions.

This correction would be simple to implement since the detailed work has already been completed by the AUGE as to the correct apportionment and therefore would not require a

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data refresh but a simple change to the allocation proportions of the Theft + Other value.

Likely Impact

The impact would be material to the fairness of the outcome but would be very low impact in terms of affecting the change. A corrected Theft + Other sector allocation would have the consequence of more fairly and appropriately allocating costs to sector. The magnitude of this change (by my calculation) would be to correctly allocate c700GWh of Unidentified Gas; for indicative purposes (at a price of 2p/KWh) would be mean a corrected allocation of £14,000,000.

We believe that this query should be classified by the AUGS as requiring a change to the Final AUGS, which will have a material impact, and can be implemented in time for the creation of the final Unidentified Gas volumes.

Please can you confirm receipt of this query and confirmation that this will be considered under the Query Process as detailed in the guidelines and an indication as to the next steps in the process.

Should you require any further information or clarification then please do not hesitate to contact me.

Kind regards,

Mike

Mike Bagnall Gas Energy Balancing