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Asset Optimisation

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**ICoSS Response to Consultation on supplier Guaranteed and Overall Standards of Performance (GOSP)**

The Industrial and Commercial Shippers and Suppliers (ICoSS) group represents the major non-domestic industrial and commercial (I&C) suppliers in the GB energy market, supplying 70% of the gas needs of the non-domestic sector; a number of our members also supply electricity to their customers[[1]](#footnote-1).

We have commissioned Phidex Consulting to assess the data underpinning the latest AUGE statement; please see the attached document. We would like to emphasise the following points that the report highlights. :

* There is a disparity between the LSP volumes provided in the latest dataset by Xoserve to the AUGE and those volumes charged to shippers through the established Xoserve invoicing and reconciliation process. Comparing individual shipper data against AUGE calculations, for the same site and identical period, a shipper has received charges for different energy quantities than those contained in the AUGS 2014/15 calculations. The degree of variation on a meter by meter basis in the sample analysed is circa 10%.
* Because a sizeable proportion of data provided to the AUGE did not pass its own validation exercise, consumption quantities to apply to the AUGS Tables have been estimated. Analysis of MPRS which failed validation has shown the estimated value applied to the AUGS varies significantly from actual consumption. In the two LDZs analysed, the AUGE had understated energy by circa 127million kWh. With a SAP price of 2.36p/kWh, this demonstrates an erroneous increase in the Unidentified Gas value by approximately £18 million.
* In the 12 months since the AUGS Table for 2013/14 was published in Feb 2013 the total Unidentified Gas values have swung enormously, firstly decreasing 45% between Feb 2013 and Oct 2013 and then increasing 36% between Oct 2013 and Jan 2014. Together with known errors identified from Phidex and others, there is a strong case for this process to be independently audited.

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Further to this report, we note that DNV GL has undertaken some additional analysis on the DM sector, which seems to confirm the initial view that the amount of Unidentified Gas originating from that sector is negligible. It would of course be a significant change from previous methodologies if the DM sector were to attract any Unidentified Gas. Were this to be proposed we would expect that the industry is given sufficient time to verify the robustness of the data and methodology underlying this fundamental shift.

Yours sincerely



Gareth Evans

Chair ICoSS

1. *Current Membership: Co-Operative Energy (associate), Corona Energy, Crown Energy, ENI, First Utility (associate), Hudson Energy (associate), Gazprom Energy, GDF Suez Energy UK, Statoil UK, Total Gas & Power, Wingas UK.*  [↑](#footnote-ref-1)