

Representation - Draft Modification Report UNC 0758

Temporary extension of AUG Statement creation process

Responses invited by: 5pm on 04 June 2021

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Alex Cebo
Organisation:	EDF Energy
Date of Representation:	4 th June
Support or oppose implementation?	Oppose
Relevant Objective:	d) Negative f) Negative

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Level of support for the 2020/21 UIG factors

This mod suggests carrying forward the 2020/21 UIG factors calculated by DNV GL (who are no longer the AUGE). During the 20/21 consultation concerns were raised by some industry members about the theft methodology used. The AUGE, as the appointed expert, went ahead with its proposed methodology. This brings into question mod 758's perception of the 2020/21 UIG factor's theft methodology as being more reliable than the new draft.

Weakness of 2020/21 Undetected theft methodology

The top down method used in the calculation of the 2020/21 factors first quantified UIG for all sources apart from undetected theft and then assumed that the balance of total UIG was due to undetected theft. In 2020/21 two new sources were added to the set of non-theft UIG sources. Given that, as shown by these new sources, there is the potential for developments which identify more sources of UIG, which in our view makes more sense to calculate the volume of theft directly. This has been done in the new draft AUGE statement. This is important due to the different proportions with which theft is shared between gas end users compared to other UIG sources.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

1-3 Month lead time, with the implementation date of 1st October.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

See above comments.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No further response

Modification Panel Members have requested that the following questions are addressed:

Q1: Please provide your views on whether the 2021/22 AUG Statement production process has been robust.

Yes, the Statement has been produced as per the established processes

Q2: Please provide your views on whether the 2021/22 AUG Statement production process has delivered a robust result and provide an explanation to support your response.

A robust result has been delivered. Its noted that UIG is hard to measure, however the methods employed to measure it and the reason for their choice has been sufficiently explained.

Q3: With reference to the existing governance arrangements, please provide your views regarding the effectiveness of the governance of the AUG Statement approval process, including, (but not limited to), the UNC and CDSP contracting arrangements, and the application of the Framework Document, including the UNC Committee stages.

No further response

Q4: Please provide a reasoned opinion as to whether the request for a direction on this Modification could be seen as placing a validation role of the AUG Statement on the Authority.

The modification is seeking more time rather than a validation

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No further comments.

Please provide below any additional analysis or information to support your representation

No further comments.