

FAO Xoserve/AUGE,

Please find below OVO Energy's response to the consultation on the draft Allocation of Unidentified Gas (AUG) Statement for the Gas Year 1st October 2022 to 30th September 2023, as requested in the [linked letter](#).

Consultation Questions and Answers

- Question:** *"Please highlight any aspect of the principles [bottom up determination, polluter pays, line in the sand] or our overarching methodology that you disagree with or could be improved upon, providing your rationale and, wherever possible, supporting evidence. Please also make any suggestions for alternative approaches and describe how you think this would improve the Weighting Factors contained in the AUG Table"*

Answer: OVO agrees and supports the principles as noted with the draft Allocation of Unidentified Gas (AUG) Statement for the Gas Year 22/23.

- Question** *"Our results for the two new contributors and two refinement investigations are contained within Section 5 ("Detailed Investigations") of the draft AUG Statement. For each of these contributors, please highlight any assumptions, methodology aspects, calculations, and results which you disagree with and which you believe materially affect the Weighting Factors contained within the AUG Table. Where possible, please provide your rationale, suggestions for improvement and supporting evidence:*
 - 2.1 140 – Meters with a By-Pass Fitted (NEW);*
 - 2.2 160 – Isolated Sites (NEW);*
 - 2.3 010 – Theft (AMR only) (REFINEMENT); and*
 - 2.4 090 – No Read at the Line in the Sand (REFINEMENT)."*

Answer:

140 – Meters with a By-Pass Fitted - OVO Welcomes the investigation by the AUGÉ into this category. There is still a significant volume of Unidentified Gas (UIG) that remains unallocated to an individual contributor subsequent to reconciliation passing the Line in the Sand, and we look forward to reviewing your continued investigations in this space.

160 – Isolated Sites - The AUGÉ here presumes that there's UIG for isolated sites that have not submitted a read, and that UIG for those sites occurs at a rate that is the same as those sites that do submit a read. OVO would argue that, whilst this is a reasonable area of investigation, there is still some development required. We would like to highlight that, whilst isolated sites without reads submitted may be flowing gas, it could be the case that sites which are isolated due to being genuinely vacant make up a good proportion of these, especially given current wider economic factors.

To ascertain if a property is vacant, I would suggest that a sample of sites that are isolated and not submitting a read are visited so that a more accurate proportion can be applied. Failing that, analysis of electricity read data is also an indicator that the property is not vacant.

010 – Theft (AMR only) - As theft is by far the largest contributor to UIG, OVO Energy welcomes the AUGÉ's continued interest in refining this contributor. However, we would argue that the effect that UNC Modification 0664 will have on the volume of theft within Profile Class (PC) 2 and 3 should be more greatly considered. This change will allow Xoserve to automatically 'push' sites with poor read performance out of PC2 and 3 and into PC4.

Whilst it is true a lack of reads is not a reliable indicator of theft, a steady supply of daily reads is an indicator of a lack of theft. As PC3 mandates the steady supply of daily reads, it follows that instances of theft in PC3 will be ejected into PC4 off the back of 0664.

3. No feedback
4. No feedback