TGP Response to Draft AUGE 21/22:

Overview:

We appreciate the effort and work that has gone into producing the able and are glad to see the steps being taken to continually improve and address the challenges defining many of these hard items needed in the statement. We do not yet believe that the process is without issues but hope it continually moves forward. As this time many areas are carried forward many areas are not for comment as there has been no change to the results.

One of our key concerns is how areas that stand out so considerably can be put into the data and significantly affect the rates in the table with such ease. The DM isolated site which is mentioned in more detail later is an example of this.

We are also still concerned that the SPC4 AQ band 1 Non Domestic sites seem to flag up as having high rates in a growing number of areas. This is having direct consequences to customer bills and our concern on how challenged or robust this is as well as how much validation this has undertaken, we see extra as needed for such an extreme. As an industry we really need to fully understand why this market sector is performing in this way if this is in fact valid. Where you are in a position of saying the almost 17% is missing from this group when other areas are much more likely to be under 2% we need more information to substantiate and provide to those who have to pay for it. We should never forget that this has to be paid for and although not the fault or a consideration for the AUGE this increase in rate was compounded for these customers by significant market rises. UIG is not a cost they just pay but one customers query and expect to understand. The complexity of the industry makes it hard from them already, the AUGE should have all details to make it as easy as possible for explaining the matrix values, and changes to them. Previously they had a rate of 14.75% we have increased that to nearly 17%, although theft as reduced this is again an overall increase for these customers who in 20-21 were on 4.1%.

Theft:

It is good to see that the investigations of the impact of AMR on theft. As discussed, it will be good to see if the anomalies in AQ band 8 can be addressed.

Getting to the bottom of the ARM rates in AQ bands 1 and 2 for non domestic would be helpful as I am a bit concerned that these bands consistently flag up with outlier rates based on the data. If it is all to be fully trusted, then there could be something very fundamental that needs to be done to these bands to address all issues.

As a general note although we appreciate the note on AQ band 1 theft records and can understand the minimal impact of outliers which is good. We are not yet satisfied we can adequately explain this to customers as we feel we are not yet fully behind the logic. This boils down to not fully understanding why or how this band is so different to any other matrix positions.

Final Rates:

Looking at the UIG associated to the matrix positions and the associated volume reported you can create the table on the left hand side. The right hand side is what you get if you are to used the table of factors, the expected consumption and the UIG expected:

Theft as % of AUGE consumption from AUG break down				
	1	2	3	4
1ND			1.35%	1.92%
1PD			3.35%	7.92%
1NI			1.99%	16.83%
1PI			0.00%	21.62%
2ND			1.94%	3.25%
2PD			0.00%	3.11%
2NI		0.00%	1.45%	4.20%
2PI			0.00%	0.00%
3		0.00%	0.91%	1.43%
4		2.27%	1.29%	1.91%
5	0.00%	1.32%	0.90%	1.39%
6	0.00%	1.54%	0.93%	1.97%
7	0.22%	1.23%	0.55%	1.46%
8	0.14%	0.98%	1.63%	1.07%
9	0.36%	0.29%	0.00%	0.20%

Theft as % of AUGE consumption from AUG table				
	1	2	3	4
1ND			1.36%	1.94%
1PD			3.37%	7.97%
1NI			2.06%	16.98%
1PI			2.06%	16.98%
2ND			2.18%	3.26%
2PD			2.18%	3.26%
2NI		0.18%	1.46%	4.23%
2PI			1.46%	4.23%
3		1.63%	1.31%	1.41%
4		1.66%	1.41%	1.55%
5	0.35%	1.50%	1.24%	1.40%
6	0.35%	1.28%	1.14%	1.52%
7	0.35%	1.18%	0.97%	1.36%
8	0.35%	0.89%	1.19%	0.96%
9	0.35%	0.59%	0.56%	0.62%

Generally, these two tables are highly aligned and therefore difference could be explained by rounding difference in volumes but that is not the case for SPC1 sites in non AQ band 9 (highlighted blue). Which can be a legitimate scenario based on network sensitive sites.

There are also some bigger discrepancies for mid range SPC 3 sites (highlighted Orange) with allocated UIG again being higher than assessed. Please let us know which of the methodologies mentioned on slide 45 as generated these impacts and if you feel it is correct.

No meter read at Line in the sand:

Improvements in calculation are always welcomed but we are concerned that a table has been presented with such a significant change in associated UIG volume flowing into a standout rate in one matrix position. This change is all showing in AQ band 1 SPC4 non prepayment non domestic. To have a rate over 12 times higher than the next rate down and 150% what was there last year is very concerning. I can understand the comments about sites getting trapped in this band if reads are rejected and not worked but to impact by 3% is very significant.

Is it possible to better demonstrate where in the calculation this is flagged as an anomaly? Do they have more instances of read errors or is there something as/well instead on the AQ potentials? Customers will again be asking for details on this particularly if they see how this relates to other matrix positions.

Isolated site:

As discussed in the meeting the SPC1 site within this data set stands out. It had already concerned us and were glad to hear it had flagged up to others when seeing the data as well. We can understand how these situations can happen temporarily but look forward to the updated rates with this

adjusted for in the new table as by all accounts it sounds to be an unusual event and unlikely to persist until line in the sand without resolution. Large meters can be complex is updating and agreeing adjustments. We would like to understand if you feel it is right to have had it in the data or if you feel there is a better way to address/manage these types of sites between data cut and discussions.

For other bands in future could be good to see if there is anything better than AQ for volume impact as AQ's might not be reflective depending on reasons.