21 January 2022

By email: analytical.services@xoserve.com
auge@engage-consulting.co.uk

georgemacgregor@utilita.co.uk

Utilita Energy Response to Draft AUG Statement Consultation 2022/23

Utilita believes that the current AUG process does not incentivise positive Shipper behaviour. Complete and accurate industry data is the best way to identify and rectify the actual contributors to UIG and Shippers should be encouraged to deliver that.

Currently, the largest data issue is poor read performance. In electricity, where incentives exist on read performance, read submission is as high as 97% across all sites within 14 months. Gas does not achieve levels anywhere close to this. Utilita believe that accurate and frequent read submission should result in more accurate allocation of gas and would likely significantly reduce the total levels of UIG, whilst simultaneously allowing for more accurate identification of sites which may be contributing to UIG.

Shippers are also disincentivised to correctly classify their sites by EUC sub-bandings (i.e. prepayment and non-prepayment). We believe that the total number of sites assigned to the EUC Prepayment sub-bandings to be lower than the actual number of domestic prepayment gas customers. However, whilst the relative weightings of UIG are so different,[1] Shippers are disincentivised from recategorising their sites. This results in throughput forecast volume being placed in incorrect sub-EUC bands as sites are not correctly classified. This should not be the case - the process must encourage the production of as accurate and complete a data set as possible, otherwise accurate analysis by the AUGE is made far harder.

There are also issues with the method used to allocate UIG across matrix positions. We recognise that Shippers are obliged to take steps to identify and report theft. However, we also note that the current process results in increased UIG allocation for doing so. As theft is identified through TOG/TRAS data, Shippers are indirectly penalised for identifying theft, as doing so increases subsequent years allocation of UIG to the associated matrix position for which any given theft is reported.

We wish to make it clear that none of this is meant as a criticism of the work undertaken by the AUGE. They are dependent upon the quality of data which they are required to use. We believe that fundamental changes are required to improve the quality of the total process.

Utilita intend to review UNC obligations and will consider modification options to implement positive change.

---

[1] Between ND and PD sub-bandings