

Thursday, the 20th of January 2022

To: Analytical Services, Xoserve, analytical.services@xoserve.com
Engage Consulting, auge@engage-consulting.co.uk

Consultation response: Draft AUG Statement

UW welcomes the opportunity to respond to the draft AUG Statement and appreciate the effort and focus on improving the methodology from the previous year's calculations. We are broadly supportive of the methodology changes, though we would like to emphasise that our internal statistics suggest that there should be a greater differential between theft attributed to traditional gas meters compared with smart gas meters.

Overarching methodology

We are supportive of the principles in this year's methodology by investigating the two new potential contributors to UIG, meters with a by-pass fitted and isolated sites, and refining the methodologies for the existing contributors.

Contributors and refinements

We support the research completed to include the 'Isolated Sites' and the refinements made to 'Theft (AMR only)' and 'No Read at the Line in the Sand' alongside the improvements that they bring.

UW believes that smart metering should be a game-changer in deterring consumer theft, with easy identification of unusual changes in customers consumption. We continue to believe that customers with smart meters are more engaged and less likely to commit energy theft.

Smart meters provide real-time alerts to indicate if the meter has been tampered with by an unauthorised party and with the increased level of information coming from the meters, alongside regular meter readings, it allows suppliers to identify and stop energy theft significantly sooner which should be reflected in less UIG allocated to smart meters.

We'd like to see a clearer differentiation between smart meters and traditional meters and welcome further detail and explanation of the assumptions used for these, and how these impact the draft AUG table.

Other contributors

We appreciate the time spent on improvements for other contributors and look forward to the AUG working more closely with REC Co and its subcontractors over 2022. We would urge the AUG to look for new sources which help further understand true levels of theft across the gas and electricity network and support any incentives to reduce such levels of theft.

We are monitoring closely the effects of the wider energy crisis and expect that as the cost of energy rises, the theft element of UIG may increase in line with financial challenges faced by lower demographic consumers.

UW would appreciate it if the AUG could continue to share new information to help suppliers better understand the drivers for fluctuating UIG.

Overall, we are supportive of the approach taken by Engage and welcome the openness and transparency exercised during the process. If you would like to discuss any aspect of this in more detail, please don't hesitate to contact me.

Kind regards, on behalf of UW,

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