

Draft AUG Statement Consultation

Date: 30th December 2020



INTRODUCTION

The draft Allocation of Unidentified Gas (AUG) Statement for the Gas Year 1st October 2021 to 30th September 2022 has been published on the Joint Office website (<https://www.gasgovernance.co.uk/augenex2122>). Its purpose is to provide the draft Weighting Factors in the AUG Table for this Gas Year and to set out in detail how we determined these, so that they can be consulted upon.

Accordingly, we seek industry's views on the four consultation questions detailed below. Please provide your response to Xoserve via email by **Friday 22nd January** at analytical.services@xoserve.com and copy us at auge@engage-consulting.co.uk. Please structure your response in line with these questions, as this will enable us to collate and consider responses more effectively.

Responses will also be published on the Joint Office website. If you wish any part of your response to remain confidential and not be published on this public website:

- ▶ Please state this in your response document;
- ▶ Clearly mark the parts of your response that you consider to be confidential, together with a brief explanation as to why this is the case; and
- ▶ If possible, place the confidential material in separate appendices to the main response document.

We will present the Draft AUG Statement at the AUG Sub-Committee meeting scheduled for Friday 15th January. This is an opportunity for stakeholders to ask questions prior to the deadline for consultation responses. Details of this meeting can be found here: <https://www.gasgovernance.co.uk/aug/150121>

Following this consultation, we will publish the final AUG Statement, along with the final Weighting Factors, for approval by the UNC Committee. The final Weighting Factors will then be used in Settlement for the Gas Year commencing on 1st October 2021.

CONSULTATION QUESTIONS

1. Our overarching methodology is detailed within Section 4 ("Overarching Methodology") of the draft AUG Statement. This methodology is based on the following principles:
 - ▶ Polluter Pays - we interpreted "fair and equitable" to mean that UIG should be allocated in the same proportions as it is created;
 - ▶ Line in the Sand - we only considered UIG that will exist at the Line in the Sand (the final Settlement position) and not UIG that exists temporarily prior to this; and
 - ▶ Bottom-up Determination - we quantified UIG for each identified contributor and added these together, rather than estimating the overall UIG and apportioning it or using it as a means of differencing.

Draft AUG Statement Consultation

Date: 30th December 2020



Please highlight any aspect of this methodology with which you disagree and which you believe materially affects the Weighting Factors contained within the AUG Table, providing your rationale and, wherever possible, supporting evidence.

2. Our results for the four contributors under detailed investigation 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 with which you disagree and which you believe materially affect the Weighting Factors contained within the AUG Table, providing your rationale and, wherever possible, supporting evidence:

2.1 010 - Theft of Gas;

2.2 040 - Consumption Meter Errors;

2.3 050 - LDZ Meter Errors; and

2.4 090 - No Read at the Line in the Sand.

3. Our results for the six contributors not under detailed investigation are contained within Section 6 (“Other Contributors”) of the draft AUG Statement. For each of these contributors, please highlight any assumptions, methodology aspects, calculations and results with which you disagree and which you believe materially affect the Weighting Factors contained within the AUG Table, providing your rationale and, wherever possible, supporting evidence:

3.1 070 - Average Pressure Assumption;

3.2 080 - Average Temperature Assumption;

3.3 100 - Incorrect Correction Factors;

3.4 020 - Unregistered Sites;

3.5 025 - Shipperless Sites; and

3.6 060 - IGT Shrinkage.

4. If there is any other relevant matter in relation to this consultation that you would like to raise which you believe materially affects the Weighting Factors contained within the AUG Table, please explain this and provide your rationale and, wherever possible, supporting evidence.

Should you require clarification on the consultation process, please do not hesitate to contact us at auge@engage-consulting.co.uk.