

**First Draft Allocation of Unidentified Gas Statement for 2018/19: Consultation Response –  
Deadline 14 March 2018**

In response to the AUGE first draft please find our comments below:

Should Xoserve be technically referenced as the CDSP throughout the document?

There are still references to SSP and LSP within some sections, as splits are now by product class should these references be updated? E.g. referencing data sources on page 4 refer in our view relates to the post nexus approach so should be product class.

Use of UG can be misleading and confusing so terminology needs to be clearer, and relate to code terms. Although we appreciate that parties might like this to be easier to understand there needs to be consistency in the language used.

We were unable to identify where assessments relating to standard temperature and pressure correction have been incorporated into this review – this is not net neutral by Shipper and can make a substantial difference between metered volume and energy. It is also not neutral by EUC and therefore could lead to a manifest difference in energy calculated by EUC for meter reads. We believe it is likely to be of a larger magnitude than the meter read bias that is calculated and allowed for and for that reason we would like to see clearer inclusion in the work the AUGE conducts.

Balancing Factor assumes an AMR fitted in all EUCs where required. While this has a licence condition we are aware this is not a true assumption – we would like to understand what allowances have been made for this?

3.3.5 (Page 16) refers to a cubic smoothing method; given the variability of site behaviour we are unsure why the assumption means that factors should be smoothed between EUCs, please explain why is this being applied?

4.1 (Page 17) We have previously questioned meter read spacing. While there is some improvement we would still note this is significantly short of the base period deemed suitable for AQ stability, and would assume this will lead to modelling impacts despite the assertion that the effect is small. We believe this will lead to inaccurate seasonal modelling, which is a significant issue in assessing demand breakdown. Please provide a response to this point? We also believe the report should state a Shipper not necessarily naming organisations as no other organisation is mentioned yet others have raised questions in the forums.

We dispute the assertion that the Balancing Factor is mainly unknown theft; and believe there needs to be a clearer breakdown on what is meant by 'theft' – is it metered theft? Or theft due to shipperless/unregistered sites? Or even theft in conveyance? It needs to be clearer rather than using the generic 'theft' banner, this is because this hasn't been quantified and is therefore an AUGE assumption. This is the largest portion of the breakdown of energy the analysis; with the work by Suppliers using the Theft Risk Assessment Service (TRAS) and the Energy Theft Tip-Off Service

(ETTOS), we believe further analysis is required rather than using a generic approach. It is worth noting that even though Suppliers have obligations to report theft into Transporter systems (SPAA Schedule 33) there are no obligation for Shippers to report anything, this may account to the disparity in the numbers been the Schedule 33 reporting and what the CDSP holds. It is also to be noted that not all Suppliers provide Schedule 33 reporting so there are further data gaps which are not outlined in this report.

Page 3, 4.11, 5.1 and 6.6 references data from the TRAS; the AUGE has not received TRAS data they have received the anonymised SPAA Schedule 33 – Theft Code of Practice reporting data, Suppliers have provided TRAS numbers within this but it is not TRAS data. The TRAS has strict data sharing requirements and the AUGE has not been included in this data share – this information needs correcting without delay as it is inaccurate. Also, has this report has been provided to SPAA for their review? We ask this because it is referring to reporting which is Supplier/Transporter information not Shipper, and therefore we believe it should be, even if it is just for information.

Additionally; the theft data in the SPAA Schedule 33 reporting is split by classification of use (Domestic / I&C) rather than individual product class, therefore the AUGE will be making further assumptions on the apportionments applied to this data which we do not believe are clearly outlined in this document.

The approach doesn't appear to taken into account sites with specific correction factors; we believe these may also contribute to the UIG position and might need to be incorporated in something like the Balancing Factor.

Finally, the document references that issues regarding the deeming algorithm is out of scope of this review (page 2). Recent UIG modification proposals have seen the AUGE representing a view on this subject. Although DNV GL may be appropriately skilled in the subject matter we are concerned the views were provided as the AUGE rather than as DNV GL; leading us to question the independence of the review which has taken place.

We look forward to the outcome of the consultation and the next steps which will follow.