TGP Response to Draft AUGE 21/22:

Consumption:

Consumption forecast looks high based on history and current AQ levels. This is particularly noticeable in comparison to AQ's issued in the xoserve monthly report looking at 31st Dec post covid, I have also compared to pre covid AQ's of 29th Feb 20 and done some adjustments to estimate by EUC Band for Bands 1 and 2, when this is done the general AQ's looks to be pre covid but

- I can't validate the AQ for band's 1 and 8 overall, it seems you have more consumption in both of these
- There is also an additional ~13,000 gwh in in SPC1 Band 9 when compared to National Grid and Xoserve data (consumption not AQ)
- The other bands appear to have an unsubstantiated split between SPC 3 & 4 with more volume going into SPC3.
- Potential over consumption in total could be as much as 120,000 Gwh (based on getting to 11,000gwh uig at 2.4%)
  - I am not seeing any month after 1/11/18 where the last 12 months SPC1 & 2 combined consumption reaches 86,000gwh and this clearly has been declining, so 106,400 is bold

When looking at the final UIG value for validation an aggregate volume of 11 GwH seem sensible ball park when it has been compared to history post nexus although we are not yet anywhere near line in the sand so exact levels could vary considerably, and a rate of 2.47% also correlates.
The 14GW calculated via the 2.47% on your consumptions seem very high and not relevant to the history observed which is more like 9-12Gwh based on actual up to Feb 20 with reconciliations so far. Therefore further substantiating that the initial consumption may be over inflated.

I am not sure how systemic the issue of overinflated consumption could be on the follow on calculations but please could it be validated and better explanations of how it is relates to pre/post covid be explained. Particularly with different explanations between Domestic and I&C as they will have significantly different impacts going on. And why there is an SPC3-4 change.

Theft:

Base numbers:

How do we substantiate that the numbers talked about here from other industries are valid? As we are fully aware from our own investigations this is an impossible item to quantify and justify. What are other utilities doing so much better than us that allows them to quantify it?

I would question how relevant retail or employee theft is. There is little gain to an employee stealing gas whereas stealing items from a workplace gives a result to them. But I can see their data may be more quantifiable in nature so may give a different lens, but as mentioned gas theft takes some technical skills; walking out with a jumper or cash does not in the same way.

Sharing out

Theft is as always the driving factor for UIG.
The overarching concern is that there are bands where there are very high UIG % and this does not seem to stand up to logic which then brings into question how the volumes have been shared out. It

is very hard from the statement to determine which element of the division has what impact therefore clarity on this to see when there could be an error would be good. Current UIG % linked to consumption for theft:

Theft as % of AUGE consumption				
	1	2	3	4
1ND			1.1%	1.2%
1PD			2.3%	5.2%
1NI			13.7%	13.9%
1PI			0.0%	35.7%
2ND			3.6%	4.2%
2PD			0.0%	3.9%
2NI		0.0%	2.7%	2.6%
2PI			0.0%	0.0%
3	0.0%	0.0%	1.0%	1.0%
4		1.3%	1.0%	1.0%
5		0.9%	0.9%	0.9%
6	0.0%	0.9%	0.9%	0.9%
7	0.2%	0.9%	0.9%	0.9%
8	0.2%	0.6%	0.6%	0.6%
9	0.2%	0.2%	0.0%	0.2%

As highlighted in the table above If you are to look at AQ Band 1 SPC 4 (SPC3) there are two bands that stand out significantly, 1NI and 1PI who have theft %'s of 14% and 35% respectively (higher when current AQ's are used). Put a different way this says that 1 in 7 small business are stealing all their gas. Please demonstrate where in your analysis it substantiates this?

With the view that SPC1 consumption may have been over inflated can the rate applicable to this area also be substantiated as they are very particular types of customers and has theft on a datalogger been separately assessed?

When a logic argument is applied if the calculation can not stand up for the matrix division I would suggest the rates are done at a higher level for example AQ band not at the I&C/Domestic till this can be better done. i.e. a rate of 1.9% could be used for all AQ band 1 SPC 4 for this year till a workable calculation can be done.