



UIG Update

DSC Contract Management Committee

May 2022

Background

- Question raised under AOB at April meeting:
“Why has UIG at Allocation (D+5) over March and April 2022 been so negative?”
- Demand Estimation monitor daily UIG levels and respond to customer queries on UIG levels and trends
- DE Team provided a [post-meeting note](#) for April meeting with views on recent UIG trends ...

Negative UIG Contributors

- We have seen a large number of days with negative UIG over the winter especially in March 2022
- These are our working assumptions until we have a significant number of meter readings to verify:
 - Downward trend in AQs since October 2021 suggests that consumers are reacting to rising prices by reducing their usage – until the AQ “catches” up this will lead to NDM overallocation which causes negative UIG (charts to follow)
 - March 2022 was 4th warmest in last 50 years – the NDM models have over estimated demand which has resulted in negative UIG

UIG Trends

Gas Year to Date

- On-line graph available on Xoserve.com UIG page:

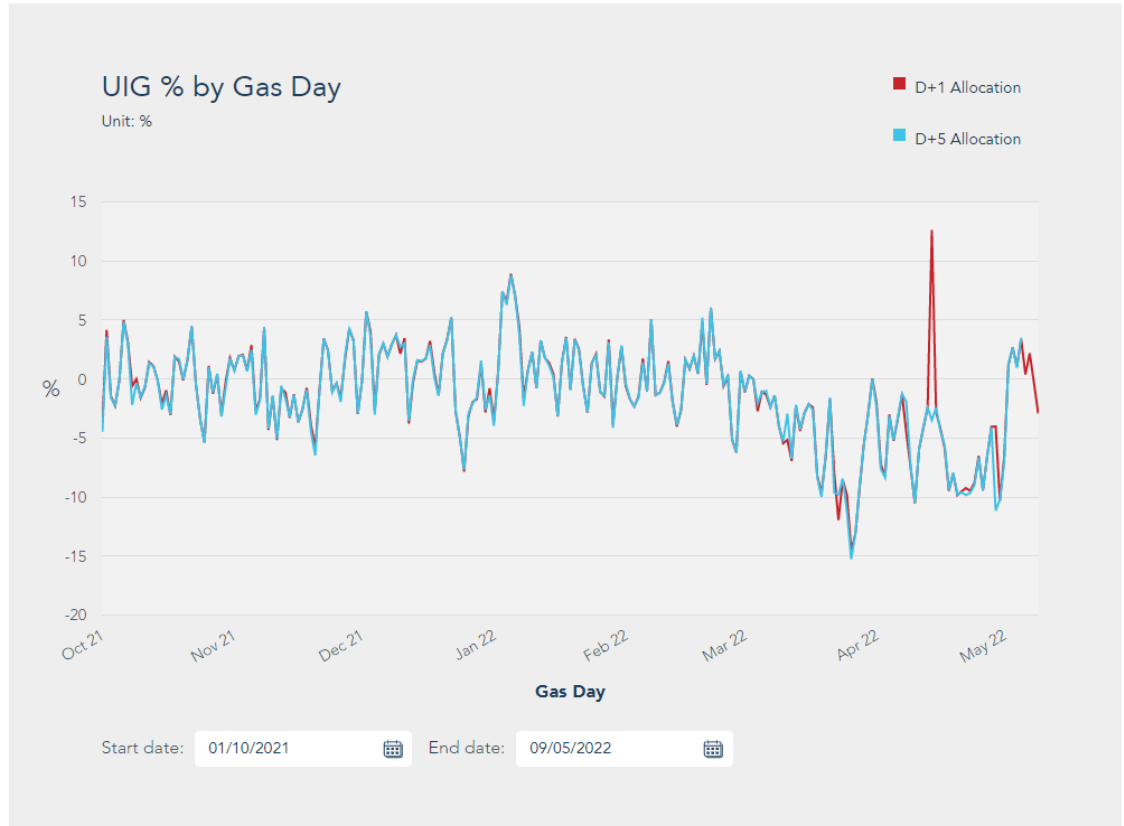
[Unidentified Gas \(UIG\)
\(xoserve.com\)](https://www.xoserve.com)

- Web pages includes an “Allocation Issues Tracker” which gives commentary on known UIG Allocation issues

UIG Interactive Data

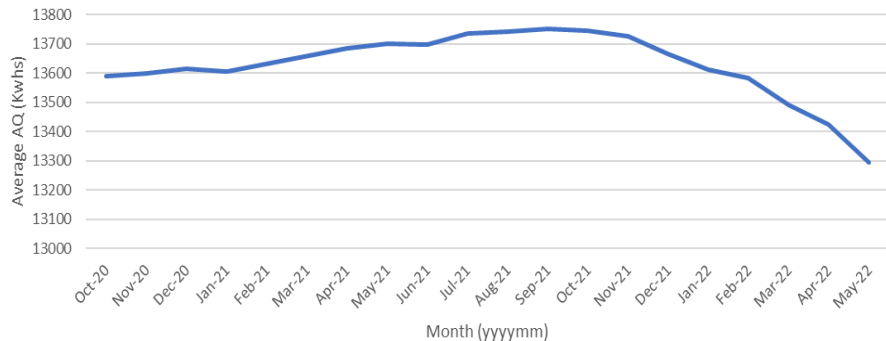
UIG % by Gas Day - National View (13 main LDZs)

The below chart shows daily national UIG percentage levels for the first (D+1) and last (D+5) run of allocation.



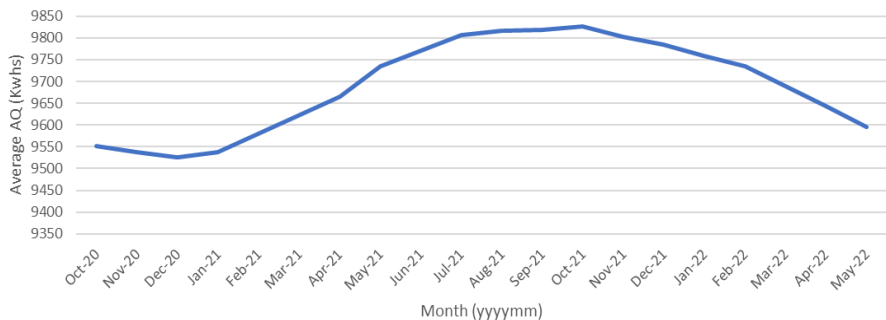
Updated AQ trends – Band 1 Domestic EUCs

01BND - National Average AQ Trend since Oct 2020

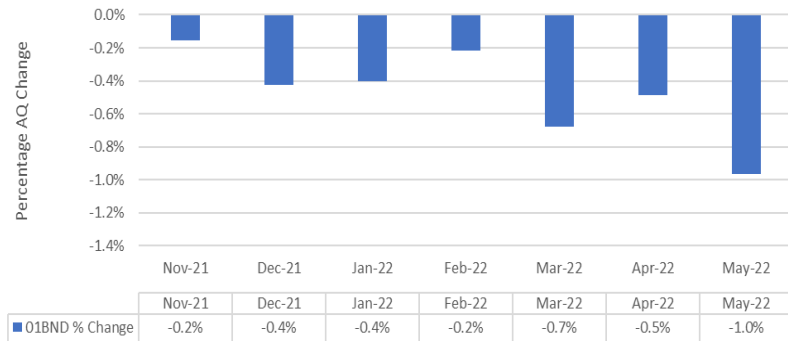


Clear evidence of a reduction in underlying usage since Oct' 2021

01BPD - National Average AQ Trend since Oct 2020

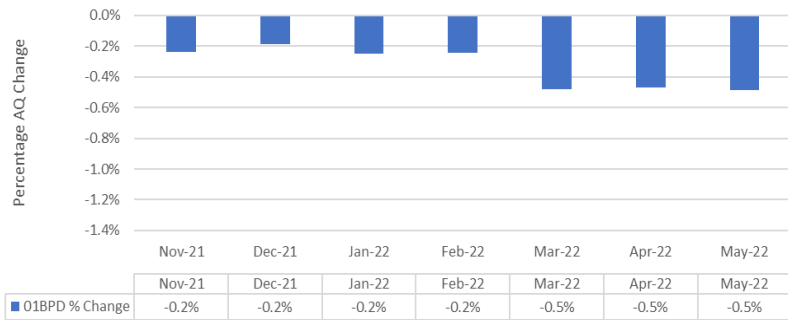


National Monthly Change : EUC 01BND



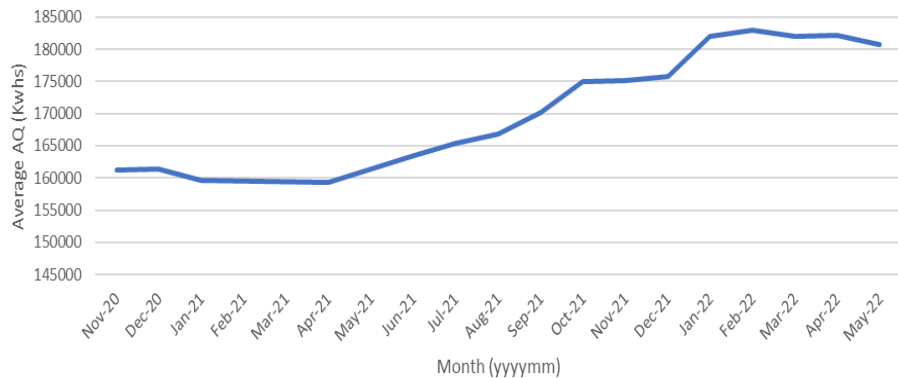
c. 3.5% reduction in average AQ for "01BND" EUC since Oct' 2021

National Monthly Change : EUC 01BPD



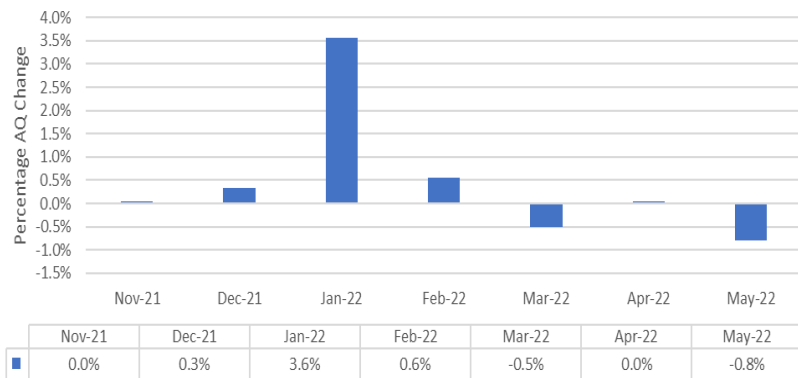
Updated AQ trends – I&C EUCs

I and C EUC's - National Average AQ Trend since Oct 2020



I&C AQs have shown steady growth – post COVID correction

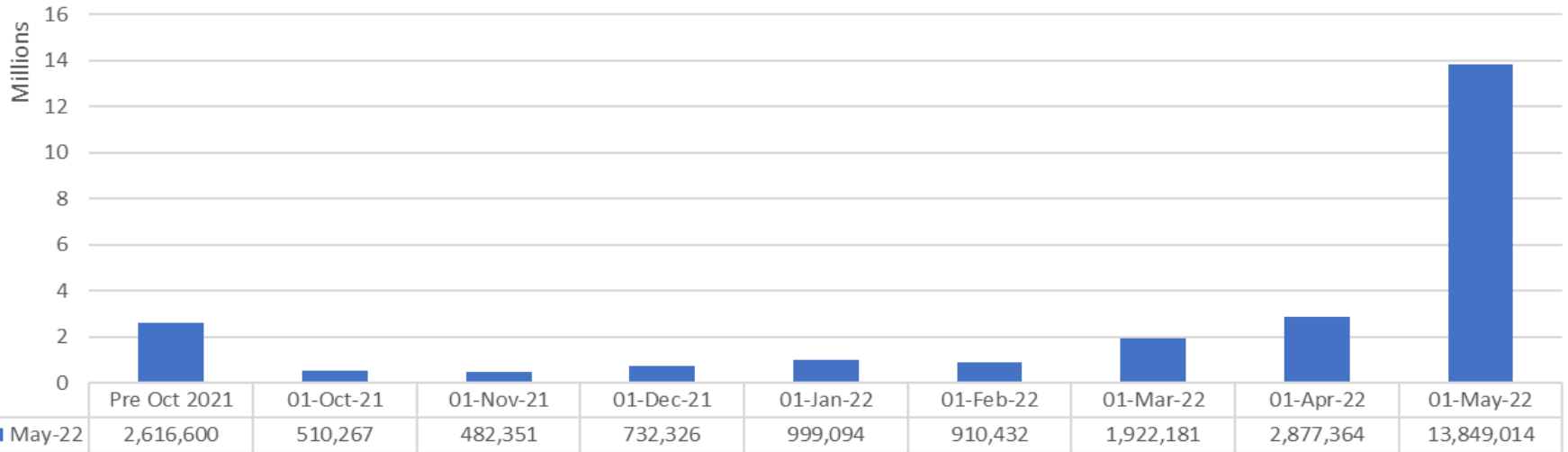
National Monthly Change : I and C EUC's



May 2022 saw a nearly 1% reduction in average AQ which may be the start of price changes taking effect in this sector ?

AQ Effective Date Profile - as at May 2022

AQ Effective Date - as at 1st May-22 - ALL EUCs



- Increase of c2.5m MPRs with new AQs on 1st May 2022
- c 3.1m MPRs with AQ effective date of <=October 2021 and c 5.3m MPRs with AQs based on reads <2022
- Inherent lag in AQ calculation means it is likely NDM estimate will continue to over-allocate as it will take several months for the AQ to reflect any potential new usage patterns, especially if this is yet to 'level off' – more economic pressures predicted for year ahead ?

UIG Reconciliation (after D+5 Close-Out)

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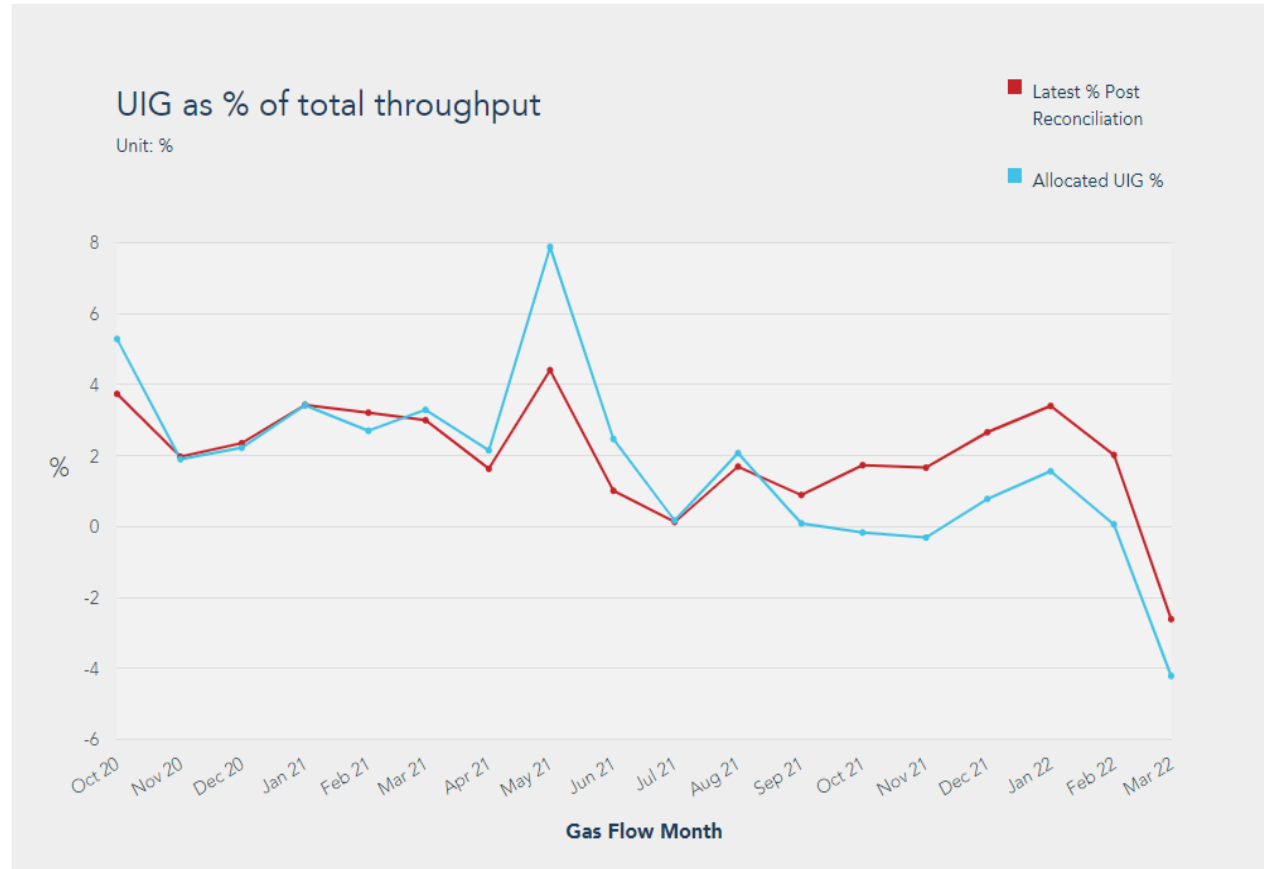
- If negative UIG is due to over-allocation of NDM sites this will be confirmed by meter point reconciliation
- When meter reads are accepted the site would receive a credit reconciliation if over-allocated
- Every meter point reconciliation causes an equal and opposite UIG reconciliation in the same LDZ
- We would expect UIG reconciliation to be generally positive after a period of negative UIG and we provide a monthly update on latest UIG after reconciliation

UIG after Reconciliation

- This graph shows the latest approximate UIG position after UIG reconciliation
- Phasing back to original billing month uses the same phasing as for the individual recs – NOT the 12-month pots used for UIG sharing
- On-line graph available on Xoserve.com UIG page: [Unidentified Gas \(UIG\) \(xoserve.com\)](https://xoserve.com)

UIG as % of total throughput

The below chart shows monthly UIG as a percentage of total throughput at allocation and after reconciliations processed to date.



The logo for xserve is displayed in a light blue, stylized house-like frame. The frame has a triangular roof and a rectangular body with four vertical panes. The text 'xserve' is centered within the panes. The 'x' is a dark blue, stylized character with a white negative space. The 's' is a medium blue, lowercase letter. The 'e' is a medium blue, lowercase letter. The 'r' is a medium blue, lowercase letter. The 'v' is a medium blue, lowercase letter. The 'e' is a medium blue, lowercase letter. The background of the slide is white with a light blue diagonal line pattern.

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