

AUGE Monthly Industry Report

Date: 1 November 2020



DOCUMENT CONTROL

Reporting Period: October 2020

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OVERVIEW

The purpose of this document is to keep stakeholders informed of activities and interactions carried out by the AUGE during the relevant month and to provide an update on progress with regard to delivery of the AUGE Service.

We have:

- ▶ Finalised the model and generated initial results for five of the six contributors not under investigation. IGT data to generate results for IGT Shrinkage is awaited.
- ▶ Completed UIG calculation methodologies for the new investigations. Further data is required to carry out the calculations.
- ▶ Commenced model build for the investigation topics.
- ▶ Generated Initial results for LDZ meter errors.
- ▶ Commenced production of the AUG Statement and Table.
- ▶ Agreed an extraordinary AUG Sub-Committee meeting with Xoserve and the Joint Office for Friday, 11th November. This meeting will provide industry with greater detail in relation to the methodologies that we are using and the initial results for contributors where we have calculated the UIG. We will not be providing a draft table at this meeting. An update for industry on the draft Terms of Reference and work proposed under the Innovation and Advisory Services will also be provided at the AUG Sub-Committee meeting.

The AUGE is open to engagement with all stakeholders, any interaction will be logged and conducted in accordance with our principles of transparency and objectivity. Please contact us at auge@engage-consulting.co.uk.

SERVICE STATUS



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KEY ISSUES AND RISKS

ISSUE DESCRIPTION	H/M/L	MITIGATION
COVID-19	M	We are in the process of a) determining the assumptions we will make in relation to COVID impacts on gas usage for the next Gas Year and b) identifying any specific analytical refinements, in relation to UIG, given these assumptions and impacts of COVID on gas usage (and data being analysed) in this Gas Year.
Data Receipt	M	Some of the data is arriving late which is affecting the level of analysis that we will be able to do to include in our investigations in this year's assessment. We are proactively engaging with those parties from whom the data has been requested to ensure delays are kept to a minimum.

RISK DESCRIPTION	H/M/L	MITIGATION
None		

CORE SERVICE

Detailed Investigation Update

ID	CONTRIBUTOR NAME	STATUS
010	Theft of Gas	Analysis of initial data set complete. Method for calculating unreported theft and total theft has been defined. Methodology definition and model build to split the UIG relating to theft to market participants is ongoing. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
040	Consumption Meter Errors	Received in service testing results from BEIS which indicate that there is an under read bias for new

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		domestic meters. We require further data to carry out analysis on the effect of faulty meters on UIG. We have carried out detailed analysis on the previous method that calculated UIG associated with extremes of use. We have concluded that this can't be validated without employing too many large assumptions and therefore will not be including this in our methodology. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
050	Meter Errors at LDZ input	We have finalised our methodology and generated initial results. We currently estimate that LDZ meter errors generate 2.5 GWh of UIG and this is split to all matrix positions based on throughput proportions. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
090	No Meter Read at Line in the Sand	We have defined the methodology for calculating the UIG associated with no read based on the estimated final reconciliation percentage. This will be calculated on a LDZ matrix position basis. We are awaiting data to calculate the reconciliation percentages. The error rate will be based on AQ changes, AQ corrections and read rejection. Further details will be provided at the extraordinary AUG Sub-Committee meeting.

Other Contributors Update

For all other previously assessed contributors, we have commenced the related calculations, although some necessary external data is still outstanding to finalise the results

ID	CONTRIBUTOR NAME	STATUS UPDATES
020	Unregistered Sites	The UIG calculated associated to this contributor is 102 GWh. The majority of this is down to one previously unregistered EUC 09 site being registered this year. Further details will be provided at the extraordinary AUG Sub-Committee meeting.

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025	Shipperless Sites	The UIG calculated associated to this contributor is 32 GWh. This is higher than last year due to the difference in back billed proportion. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
030	IGT Unknown Projects	No UIG identified for the contributor
060	IGT Shrinkage	Length of main data is currently outstanding. Once received the UIG will be calculated.
070	Atmospheric Pressure Assumption	The methodology uses weather station and altitude data to determine two pressure variances, one based on altitude and the other on weather station data. These pressure variances are used to calculate energy error factors. The UIG associated with this contributor has been calculated to be 203 GWh. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
080	Average Temperature Assumption	The UIG associated with the contributor has been calculated to be 1,302 GWh. The difference from last year's results is down to AQ changes, the new EUC bands and different interpretation of internal/external. Further details will be provided at the extraordinary AUG Sub-Committee meeting.
100	Large Sites with Incorrect Correction Factors	The UIG associated with sites with too low correction factors has been estimated to be 413 MWh. The UIG associated with standard correction factors has been calculated. The majority of this is linked to two sites with the standard correction factor and therefore our assumptions of the correction factor being used in the AQ calculation needs to be validated. Further details will be provided at the extraordinary AUG Sub-Committee meeting.

Contributors not under investigation

ID	CONTRIBUTOR NAME	STATUS
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110	CV Shrinkage	No investigation planned.
120	Meter Exchanges	No investigation planned.

DELIVERABLE / KEY ACTIVITY	PROGRESS
Data Acquisition and Detailed Investigation	
Model build	Ongoing.
Total UIG forecast	Process to calculate and track current UIG volumes has been completed.
Consumption forecast	Initial calculation carried out. Adjustments are required to consider COVID and previous industry trends not continuing.
Statement and Engagement	
AUG Sub-Committee meeting on 11th November	Slides have been prepared in readiness for the meeting
AUG Statement	Drafting of the statement is ongoing
Queries Received	
None at present	N/A

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Relevant UNC Modifications	
0672 (<i>"Target, Measure and Report Product Class 4 Read Performance"</i>)	Implemented, AUGE will monitor effect on read provision and any subsequent impact on UIG.
0674 (<i>"Performance Assurance Techniques and Controls"</i>)	Ongoing, AUGE to monitor progression of modification.
0691S (<i>"CDSP to convert Class 2,3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met"</i>)	Implemented, AUGE will monitor effect on read provision and any subsequent impact on UIG.
0692S (<i>"Automatic updates to Meter Read Frequency"</i>)	Ongoing, AUGE to monitor progression of modification.
0693R (<i>"Treatment of kWh error arising from statutory volume-energy conversion"</i>)	Ongoing, AUGE to monitor progression of modification.
0700 (<i>"Enabling large scale utilisation of Class 3"</i>)	Implemented, AUGE will monitor effect on read provision and any subsequent impact on UIG.
0704S (<i>"Transporter Theft of Gas Reporting"</i>)	Implemented, AUGE to review Transporter Theft of Gas Reporting output once this becomes available.
0710 (<i>"CDSP provision of Class 1 read service"</i>)	Implemented, AUGE will monitor effect on read provision and any subsequent impact on UIG.
0711 (<i>"Update of AUG Table to reflect new EUC bands"</i>)	Implemented, changes to be incorporated into the AUG Statement and Table for AUG Year 2021/22.
0719R (<i>"Calculation of Energy Value of Gas"</i>)	Ongoing, AUGE to monitor progression of modification.
0722 (<i>"Allow Users to submit Estimated Meter Reading during COVID-19"</i>)	Implemented, AUGE will monitor effect on read provision and any subsequent impact on UIG.
0723 (<i>"Use of the isolation flag to identify sites with abnormal load reduction during COVID-19 period"</i>)	Implemented, AUGE will monitor any subsequent impact on UIG.

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0734 (*"Reporting Valid Confirmed Theft of Gas into Central Systems"*)

Ongoing, AUGE to monitor progression of modification.

0736 / 0736A (*"Clarificatory change to the AQ amendment process within TPD G2.3"*)

Ongoing, AUGE to monitor progression of modifications.

Industry Consultations

Ofgem Consultation – "The Retail Energy Code – Proposals for version 1.1"

Possibility that changes to the theft arrangements (TRAS, GTDIS) could affect detection levels during the 2021/22 Gas Year. AUGE to monitor progression of consultation and final Ofgem decision.

AUGE Requests for Data

Updated Prioritised data request

The current status of the files from the updated prioritised data request has been provided alongside this report

Meetings attended by AUGE

- ▶ No meetings with third parties attended by the AUGE in October.

AUGE Activities Planned for Next Month

- ▶ Completion of the AUG model.
- ▶ Further analysis of data provided by Xoserve.
- ▶ Generation of further UIG estimates for individual contributors.
- ▶ Acquisition of data from other sources.
- ▶ Continue with the creation of the draft AUG Statement.
- ▶ Generation of initial view of the Weighting Factors Table.

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- ▶ Hold extraordinary AUG Sub-Committee meeting on 11th November to provide additional detail on methodologies and an update on work proposed under the Innovation and Advisory Services.
- ▶ Commence identification of possible innovations under the Innovation Service.
- ▶ Continued stakeholder engagement.

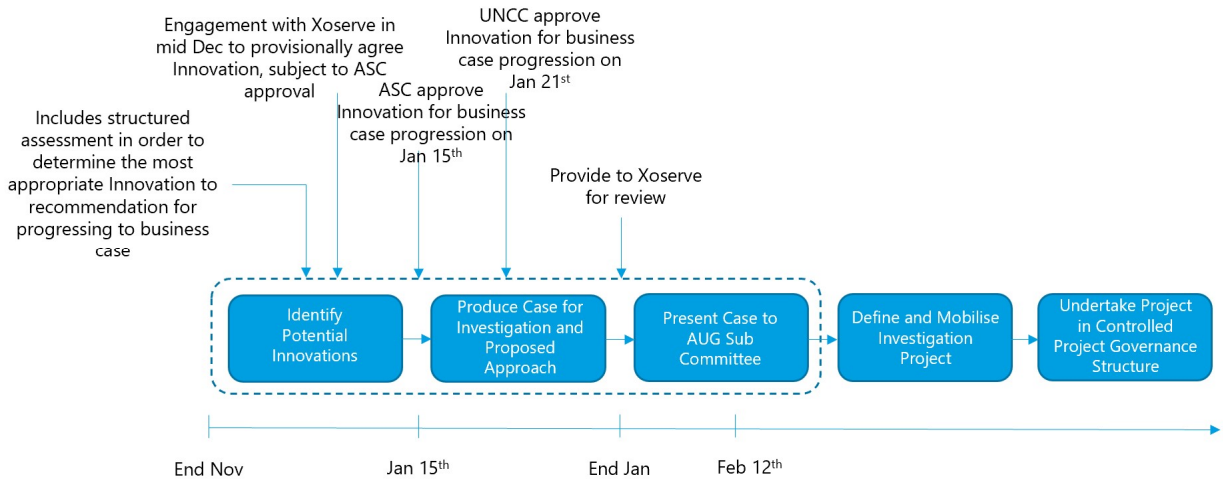
INNOVATION SERVICE

DELIVERABLE / KEY ACTIVITY	PROGRESS
Commencement of Innovation Service	<ul style="list-style-type: none">▶ An update on the draft Terms of Reference and approval of work proposed under the Innovation Service will be provided at the extraordinary AUG Sub-Committee meeting scheduled for Friday, November 11th.▶ Should these receive approval, the AUGE proposes to provide details of its proposed innovation to better allocate UIG at the AUG Sub-Committee meeting scheduled for Friday, January 15th, 2021.▶ Should this receive approval from the AUG Sub-Committee, the AUGE will then present to the UNC Committee at its meeting scheduled for Thursday, January 21st, 2021 so that the necessary approval can be sought from that body with regard to authorisation of the associated expenditure for the business case.

Assuming Xoserve and Industry approval is received on 11th November, innovation work will progress in accordance with the timeline shown below.

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ADVISORY SERVICE

DELIVERABLE / KEY ACTIVITY	PROGRESS
Commencement of Advisory Service	<ul style="list-style-type: none"> An update on the draft Terms of Reference and approval of work proposed under the Advisory Service will be provided at the extraordinary AUG Sub-Committee meeting scheduled for Friday, November 11th.