

PAC - AUGE issues reporting

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ELECTRICITY | GAS | INDUSTRY EXPERTS

Introductions



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AUGE PAC Issues Log

Background

- ▶ Over the last 2 years in our role as the allocation for Unidentified Gas Expert we have identified several issues while producing the AUG Statement
 - ▶ Some issues have an obvious and material impact on UIG (calculated at Line in the Sand)
 - ▶ Others are apparent but with no UIG impact
- ▶ We raised these issues in the AUG Sub-Committee but resolution is out of scope of our core service
- ▶ PAC has considered some of these issues after we have raised them with Xoserve
- ▶ To help progress issue resolution, AUG Sub-Committee has requested a periodic formal report to PAC of any issues that we identify in the course of our work
- ▶ We are planning to present an updated AUG PAC issues log every six months: once following Statement production (Q1/2) and once following completion of each year's analysis (Q3/4)

AUG PAC Issues Log

ISSUE NUMBER	AUGE INVESTIGATION	TOPIC	DESCRIPTION	IMPACT (GWH)	IMPACTED PARTIES	ORIGINATING MARKET SECTOR	RECOMMENDATIONS
AUGE01	Theft of Gas	Theft reporting	Detected theft does not always get reported into Settlement	50	Shippers/suppliers	Shippers/suppliers	Tracking of 0734S reported volumes and cross reference with individual shipper records
AUGE02	Theft of Gas	Theft identification	Only a small percentage of estimated total theft is identified and reported into Settlement	Up to 7TWh	Shippers/suppliers	Shippers/suppliers	Audit of shipper/supplier theft detection practices
AUGE03	Theft of Gas	Energy reporting	The energy that is reported for the same instances of theft is different between TRAS and TOG (CMS)	Not Calculated	Shippers/suppliers	Shippers/suppliers	Validation of theft energy values
AUGE04	No Read at the Line in the Sand	Overall Scale	Sites not acquiring a read by the Line in the Sand are creating a large amount of UIG	861	Shippers	Shippers	Incentives to provide a read by the Line in the Sand
AUGE05	No Read at the Line in the Sand	Read Rejection	Shippers are receiving repeated read rejections and they are not resolving the root cause	640	Shippers	Shippers	Identify shippers who do not resolve read rejections
AUGE06	No Read at the Line in the Sand	Must Reads	There are monthly read sites with no accepted read at the Line in the Sand	91	Shippers	Networks	Carry out a cause analysis as to why the reads are not being obtained
AUGE07	No Read at the Line in the Sand	AQ Corrections	AQ corrections are taking place without an associated read being provided	Not Calculated	Shippers	Shippers	Consider validation of AQ Amendments
AUGE08	Consumption Meter Errors - Faulty meter	Consumption Adjustments for faulty meters	Consumption adjustments are not occurring in cases where a faulty meter flag has been applied	Not Calculated	Shippers	Shippers	Investigate why Consumption adjustments are not being submitted for faulty meters
AUGE09	Incorrect Correction Factors	Site Specific correction factor being set too low	Some correction factors are set lower than permitted in legislation	3	Shippers	Shippers	Do not allow Correction factors to be set too low in system

► The colours in the table are for grouping purposes

AUGE PAC Issues Log (continued)

ISSUE NUMBER	AUGE INVESTIGATION	TOPIC	DESCRIPTION	IMPACT (GWH)	IMPACTED PARTIES	ORIGINATING MARKET SECTOR	RECOMMENDATIONS
AUGE10	Incorrect Correction factors	Site Specific Correction Factor	Site specific correction Factors have not been provided by Shippers for all sites that need them	49	Shippers	Shippers	Calculate the correct factors and update central systems
AUGE11	Isolated sites	Advancing Isolated Sites	Isolated sites have meter reads which show that the site is consuming therefore creating UIG	47	Shippers	Shippers	Incentivise shippers to not leave sites as isolated
AUGE12	Sites with a Meter By-pass fitted	Use of By-pass flag	The open by-pass flag utilisation is low	Not Calculated	Shippers	Shippers	Provide guidance on when to set it and incentivise correct use
AUGE13	Sites with a Meter By-pass fitted	Consumption Adjustments	Consumption adjustments completed by-pass operations are rare	Not Calculated	Shippers	Shippers	Provide guidance on when they need be submitted and audit applicable sites
AUGE14	Unregistered Sites	Unregistered Sites	There are consuming sites that have remained unregistered at the Line in the Sand	35	Shippers	Shippers	Identify originating shippers, engage and incentivise
AUGE15	Shipperless Sites	Shipperless Sites	There are consuming sites that have remained shipperless at the Line in the Sand	26	Shippers	Shippers	Identify originating shippers, engage and incentivise
AUGE16	Site Classification	Pre-payment Sites	The number of pre-payment meters recorded on UK Link is lower that the number fitted (according to supplier reporting to Government)	Not Calculated	Shippers	Shippers	Investigate the difference
AUGE17	Site Classification	Number of Commercial sites	There are a number of non-domestic sites registered as domestic in EUC bands 1 and 2	Not Calculated	Shippers	Shippers	Investigate the difference
AUGE18	Site Classification	Number of sites with AMR fitted	The number of sites with AMR recorded on UK link is lower than the number fitted	Not Calculated	Shippers	Shippers	Investigate the difference

► The following slides provide further detail on the topics split by investigation area

AUGE PAC Issues Log

Theft of Gas

- ▶ Three issues relate to the theft of gas contributor:
 - ▶ theft reporting
 - ▶ theft identification
 - ▶ energy reporting
- ▶ We identified numerous cases of theft being reported as part of the TRAS scheme and not into Settlement, when it was reported there were again cases where the energy amounts did not match. The implementation of modification 0734S could resolve these issues as the data should be the same subject to any appeals
- ▶ We quantify that theft of gas is creating 7.1 TWh of UIG, by far the largest contributor. However we estimate only ~100GWh of theft will be reported annually which is less than 2% of the total theft energy
- ▶ We recommend that the PAC work with the REC to identify ways for more theft to be identified and that audits of Shipper/Supplier detection processes are carried out

No Read at the Line in the Sand

- ▶ Four issues are linked to the No Read at the Line in the Sand contributor:
 - ▶ overall scale
 - ▶ read rejections
 - ▶ must reads
 - ▶ AQ corrections
- ▶ The unidentified gas associated with sites without a read at the Line in the Sand is 861 GWh of which 640 is for sites that have had reads rejected and 91 GWh is for sites that are overdue a must read. We are unable to assess the impact of submitting AQ corrections for sites that have not had a read at the Line in the Sand.
- ▶ We recommend further incentivizing shippers to provide a read before the Line in the Sand, identifying the shippers who do not resolve read rejections, carry out a root cause analysis on the missing must reads and consider the validation of AQ corrections for sites

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Consumption Meter Error – Faulty Meter

- ▶ We have identified an issue with the setting of faulty meters. We have identified cases of a fault flag being set on a meter but this number is less than the number of meters that are being reported for testing
- ▶ Where the fault has been set, we have identified very few consumption adjustments to correct the incorrect allocation when the meter was faulty
- ▶ Due to the incomplete data we have been unable to quantify the impact on UIG
- ▶ We recommend that the absence of flag setting and subsequent consumption adjustments is investigated

Incorrect Correction Factors

- ▶ We have identified two issues relating to incorrect site-specific correction factors
 - ▶ Correction factors that are underneath the lower threshold allowed in regulations
 - ▶ Site-specific correction factors not being provided for large sites
- ▶ The factors below threshold issue generates 3 GWh of Unidentified Gas
- ▶ Sites not having site specific factors generates 49 GWh of Unidentified Gas
- ▶ We recommend that UK link be changed to reject too low correction factors and if site specific factors are not provided a third party calculates these

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Isolated Sites

- ▶ We have identified the issue of sites that are consuming gas while the meter is in isolation status
- ▶ We have calculated that this generates 47 GWh of Unidentified Gas after the Line in the Sand
- ▶ We have not seen any drastic change in the total number of isolated sites while tracking the issue
- ▶ We recommend that Shippers are incentivized to identify any consuming isolated site before the Line in the Sand

Sites with a Meter By-pass fitted

- ▶ We identified two potential performance issues relating to Sites with a meter by-pass fitted:
 - ▶ Low utilisation of the completed by-pass flag
 - ▶ Consumption adjustments for any by-pass operation are rare
- ▶ As the industry data is so poor, we were unable to calculate the Unidentified Gas in the last AUG Statement

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Shipperless and Unregistered Sites

- ▶ There are still a significant number of consuming unregistered and shipperless sites that create Unidentified gas at the Line in the Sand
- ▶ We have calculated that this generates 61 GWh of Unidentified Gas at Line in the Sand
- ▶ We are not provided with shipper specific data therefore cannot identify the originating shippers
- ▶ We recommend that the originating shippers are identified and incentivised

Sites Classifications

- ▶ Three identified issues relate to the potentially incorrect classification of the meter at a site:
 - ▶ whether there is a prepayment meter fitted
 - ▶ whether the site is non-domestic
 - ▶ whether AMR has been fitted
- ▶ In all cases lower numbers are recorded on UK Link when compared to other industry records
- ▶ In all 3 instances UIG is not created but it could lead to it being split incorrectly between shippers
- ▶ It could lead to incorrect allocation if a site is in the incorrect EUC band
- ▶ We recommend that differences in values are investigated and root cause identified

Next steps

Summary

- ▶ We have provided details of the 18 issues that we have identified as part of our AUGE work
- ▶ We will present an update on any of the issues identified and any new issues at the October PAC meeting
- ▶ Any questions or additional requests for information to AUGE@engage-consulting.co.uk



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