

AUGE Innovation Service



BACKGROUND

The AUGE Innovation Service is a component of the AUGE contract. It is designed to identify, assess and report on changes to the current rules and processes that would result in a fairer and more equitable way of allocating UIG.

We used our detailed knowledge of the market arrangements, and the data available and analysis undertaken as part of the Core Service, to identify a number of potential innovations.

IDENTIFIED INNOVATION SCORING

At the AUG Sub-Committee meeting on 13th May 2021 we presented 27 innovations that we had identified. We shared our scoring of the potential benefit to the industry and a high-level assessment of the ease of implementation from the perspective of the central system. We then asked Shippers to provide us with their scoring based on the same criteria. Five Shippers responded. The scoring was combined and then averaged over the five responders.

A summary of the Shipper scores is provided within the Appendix of this document.

RECOMMENDATION

Based on our initial scoring and the feedback from Shippers we recommended to the AUG Sub-Committee meeting on 2nd July 2021 that the innovations taken forward to business case for investigation stage are:

- ▶ LDZ Specific Factors - LDZs have varying levels of UIG, they also have different proportions of domestic and commercial properties. The investigation would determine whether LDZ specific Weighting Factors would apportion UIG more equitably; and
- ▶ Changing the residual reconciliation redistribution process (UGR) - Currently, the market rules split the residual reconciliation for each reconciliation run equally between the previous 12 months. The investigation could be carried out to see if this is the fairest mechanism to distribute residual UIG or whether there is a more appropriate mechanism

We received no objection to this recommendation from the AUG Sub-Committee on 2nd July.

RECOMMENDATION TO UNCC

We are asking the UNCC to confirm that these two innovations should be taken forward to business case for innovation stage.

NEXT STEPS

If UNCC confirms its support, the business cases for investigation for each of the innovations will be presented to the AUG Sub-Committee on 30th September. If there is consensus to approve the business



case(s) then we will recommend these to progress to full investigation stage at the October UNCC meeting.



APPENDIX



Innovation ID	Innovation Name
10	LDZ Specific Factors
20	Different Factors for the EUC WAR bands
30	Different Factors for Allocation and Reconciliation (transient UIG)
40	Seasonal Factors
50	Fixed and Floating Weighting Factors
60	Dynamic Weighting Factors linked to the throughput
70	Temperature and pressure actuals feeding into the Weighting Factors
80	Recalculate the UIG and Weighting Factors at the Line in the Sand
90	Changing the residual reconciliation redistribution process (UGR)
100	Re-reconciling the whole month



110	Factors linked to performance assurance measures
120	Factors specific to Shippers
130	Investigation into the temperature of gas in the meter
140	Investigation into the accuracy (bias) of all types of meter
150	Leakage investigation of IGT sites
160	Audit of the Correction Factors
170	Weighting Factors used to Incentivise
180	All meters must have volume conversion equipment fitted
190	Optimum meter capacity
210	Direct reporting ability
220	Split EUC bands 1 and 9
230	Portfolio Optimisation effects
240	Additional central reporting
250	In service testing for LDZ offtake meters
270	Dimension relating to the last accepted read

▶ .