

UNCC (AUG) Sub-Committee

Friday 14 January 2022
via teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andrew Green	(AG)	On behalf of Waters Wye Associates Limited
Claire Louise Roberts	(CLR)	ScottishPower
David Morley	(DM)	OVO Energy
David Speake	(DS)	Engage Consulting (AUGE)
Fiona Cottam	(FC)	Correla on behalf of Xoserve
James Knight	(JKn)	Centrica
Jonathan Kiddle	(JK)	Engage Consulting (AUGE)
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Neil Cole	(NC)	Correla on behalf of Xoserve
Phillipa Burton	(PB)	ScottishPower
Rhys Kealley	(RK)	Centrica
Robert Johnstone	(RJ)	Utilita
Sallyann Blackett	(SB)	E.ON
Sophie Dooley	(SD)	Engage Consulting (AUGE)
Stephanie Clements	(SC)	ScottishPower
Steve Mulinganie	(SM)	Gazprom Energy
Vladimir Black	(VB)	Utilita

Copies of all papers are available at: <https://www.gasgovernance.co.uk/aug/140122>

1.0 Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting and explained the main emphasis of the meeting was to have an update on the Innovation Service; Detailed Investigations; Refinement Investigations; Other Contributors and Advisory Service.

1.1. Approval of Minutes (30 September 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

AR noted there were no late papers submitted.

1.3. Review of Outstanding Actions

Action 0110: Shippers to ascertain if they have an AMR expert that can advise what the Embedded AMR identifier is that reports to UK Link and provide this information to Xoserve to enable Engage to carry out further analysis in this area.

Update: See specific update within the main content of the minutes for the update on this action. **Closed**

Action 0210: *Theft of Gas for 01N1 Detected Theft and Traditional Theft* - Correla (FC) to work with AUGE on data sets to see if anything stands out and provide update at the next meeting.

Update: FC Engage and Correla have been working on this, included in the presentation material provided for the meeting. See Page 4 of minutes. **Closed**

2.0 Draft AUG Statement

David Speake (DS), Service Delivery Lead, introduced Jonathan Kiddle (JK) and Sophie Dooley (SD) Subject Matter Experts, and confirmed that this meeting is to provide Stakeholders with an understanding of what is in the Draft AUG Statement and provided an opportunity for any questions to be answered.

DS advised the Draft Allocation of Unidentified Gas (AUG) Statement for the Gas Year 01 October 2022 to 30 September 2023 has been published on the Joint Office Website. He advised that the purpose of the Draft AUG Statement is to provide the draft Weighting Factors in the AUG Table for the target Gas Year and to set out in detail how they have been determined, so that they can be consulted upon.

Industry views are now being sought on the draft AUG Statement, DS urged participants to respond to the Consultation by submitting their response to Xoserve via email by Friday 21 January 2022 at analytical.services@xoserve.com and cc auge@engage-consulting.co.uk.

JK proceeded to present the material provided for the meeting which covered the following main topics. Where there was specific interaction regarding slides with the Committee members, this has been captured within the minutes for each section of the presentation, full details can be found on the published presentation here: <https://www.gasgovernance.co.uk/aug/140122>:

- Methodology Recap
- Detailed Investigations
- Refinement Investigations
- Other Contributors
- Draft Weighting Factors

It was noted there are some Reviews currently in flight which have synergies with some of the factors that contribute to the AUG Statement:

[0778R - Gas Vacant Sites Process review](#)

[0783R - Review of AQ Correction Processes](#)

Overarching Methodology – slide 5

JK highlighted the three key principles used in their methodology which are:

1. Bottom Up – UIG for each identified contributor is added together.
2. Polluter Pays – Each position on the matrix of EUC Band and Class has its appropriate proportion.
3. Line in the Sand – only the weighting factors for UIG that will exist at the Line in the Sand is included in the calculation.

Statement and Stakeholder Engagement – slide 6

JK explained that in April 2021 Engage presented their initial assessment which identified four contributors to UIG that warranted further investigation:

1. Detailed Investigation – Meters with By-Pass Fitted
2. Detailed Investigation – Isolated Sites
3. Refinement Investigation – Theft of Gas in relation to Automatic Meter Reading (AMR) Sites
4. Refinement Investigation – No Read at the Line in the Sand

140 - Meters with By-Pass Fitted – slide 7 - 16

JK explained the definition of meters with a by-pass fitted, for some limited reasons, a small number of meters are fitted with by-passes so that gas flow can continue at a Supply Meter Point when a meter is being exchanged or recalibrated. If a by-pass is used, then a consumption adjustment is required to correct the energy within Settlement. If the consumption adjustment is not submitted when a by-pass is used, then UIG is created.

Completed By-Pass Operations - Slide 13

In the table shown on this slide, the number of known completed by-pass operations throughout the EUC Bands is 56, with EUC Band 08 having the largest proportion of Sites.

SM wondered if an investigation into the 56 known by-pass operations could be completed as it is a relatively small number.

New Action 0101: Completed By-Pass Operations - Correlá (FC) to provide the 56 known by-pass operations information to individual parties, in particular those that fall into EUC Band 08 as they have the largest proportion of Sites.

In summary, the two main conclusions from the investigation are:

- The meter by-pass status indicator is not properly maintained. This indicator is the primary means by which our methodology identifies completed meter by-pass operations that might be giving rise to UIG
- There is no reason given when a Consumption Adjustment is submitted, and hence, it is not possible to identify any reasonable alternative approach to matching Consumption Adjustments with completed meter by-pass operations. JK stated that there is no way to identify the frequency of the “missing” Consumption Adjustments that would contribute to positive UIG

Therefore, UIG associated with this contributor has not been calculated for the target Gas Year

The AUGE plan to re-assess this contributor as part of the Initial Assessment for the 2023-2024 Gas Year with an alternative methodology. This is likely to required additional sources of data.

Steve Mulinganie asked if it is too early to consider disregarding the old approach. As part of [Review 0763R - Review of Gas Meter By-Pass Arrangements](#) there has been a major data cleanse exercise. JK advised he is currently looking the number of Meter By-passes and it is very likely there will be no significant numbers of completed by-pass operations. JK advised he has asked for a data refresh to use in the Final Statement. He added there could be a change to the methodology for next year, but a decision is still to be made.

DS advised it is their intention to join forces with what is coming out of the Review Group and that a refresh of the data may allow identification of a trend that could be used going forward. He added he believes it is questionable that the bypass flag status is accurately maintained.

No further questions

Isolated Sites – slide 17 to 22

JK explained that the definition of an Isolated Site is a registered Supply Meter Point with a meter fitted that has had additional equipment fitted to prevent a flow of gas. These Sites remain live on the system but are not allocated gas. If the Sites are off-taking gas, then this would not be recorded in Settlement and would create UIG.

JK noted that most of the Sites with a meter recorded in isolation status were isolated in the last 3 years and almost all EUC Bands have Isolated Sites.

Determining Future State - Slide 20

In explaining the information presented on this slide, JK advised that the one Isolated Site showing in EUC Band 9 became live in December 2021 which is like to have an impact on the final AUG Statement.

LH asked what investigations have taken place so far to validate the 1 Site showing in Class 9. JK advised that as soon as it was identified he queried it with Xoserve which triggered an investigation, then the Site went live in December 2021. He also confirmed he is looking at historical data to ascertain if it could happen again.

When LH asked if the Site only went live once it was queried, FC confirmed the Site was always with the Shipper and had a live meter point all along and Xoserve had no cause to discuss what Shipper until this was identified. The Shipper took this on as a new Site and had a lot of difficulty getting it re-established.

FC further clarified the Site was re-established from 2nd/3rd December 2021 and Xoserve are still discussing the correct meter asset setup. FC highlighted these are very unusual circumstances and is a very complex setup as large Site.

When SM asked if AUGS is still considering if this is a proxy for a risk going forward or if it is a one-off event, JK confirmed he is looking to see if there is a chance this will happen again.

JK also clarified that the calculated UIG associated with Isolated Sites, 131 GWh, would reduce by 80 GWh.

When David Morley (DMo) asked if there is a risk that some of these Sites are genuinely vacant, JK confirmed there is that potential.

DMo suggested, an important area to explore is that the Sites should be being visited to confirm if they are vacant, JK noted that would be very helpful.

AR noted that if an AQ is low, due to lack of readings, there is an option of a new business type reason code that the Shipper can amend the AQ.

Existing Contributors – slides 23 - 31

JK advised that two contributors with existing methodologies have been identified which had potential for improvement based on known data sources, these are **010 – Theft of Gas in relation to AMR Sites and 090 – No Read at the Line in the Sand.**

010 Theft of Gas in relation to AMR Sites and 090 - slide 24 to 28

JK explained the refinement investigation on theft of gas focusses on splitting out any theft detected at Sites with an AMR fitted from the traditional theft segment, the remaining methodology is the same as described in the AUG Statement for Gas Year 2021-2022.

AMR theft Percentage - Slide 26

JK advised the AMR data set and the Master Theft data set have been cross referenced from the last 10 years which has identified only 1.13% of thefts took place when an AMR was fitted and that this is a lower theft rate than traditional meters.

JK referred to outstanding action **0210: Theft of Gas for 01N1 Detected Theft and Traditional Theft - Correla (FC)** to work with AUGS on data sets to see if anything stands out and provide update at the next meeting.

Update: A separate paper has been submitted to satisfy this action which is published here: <https://www.gasgovernance.co.uk/aug/140122>, and provides the industry datasets that form the Master Theft Dataset which are:

- Theft Data
- TRAS Theft Information
- Theft of Gas Information

The paper also presents the distribution of datapoints within the dataset visually, to show the grouping and datapoints which might be considered as outliers.

A table was shown which depicted all Thefts by % and EUC Band in comparison with the highest 1% of Sites taken from the total. JK clarified that when he removed the top 1% from all EUC Bands, it increased 1NI and decreased the 3-8 bands. Based on this analysis, JK advised he can see no justification in seeking to identify or eliminate outliers as part of our methodology.

Action 0210 Closed

Results – Slide 28

The forecast for the Theft of Gas contributor is 7,753 GWh.

No Read at the Line in the Sand – Slides 29 to 31

JK explained that their initial assessment identified two areas where their methodology for No Read at the Line in the Sand could be enhanced:

- Additional read rejection reasons
- Update the forecast unreconciled percentage based on observed reconciliation percentages

Results - Slide 31

The forecast for this contributor is 871 GWh.

Referring to the table shown on this slide, JK advised that EUC Band 1NI has more Sites getting tracked, from read rejections and not an AQ increase, there are a few more of those Sites leading to a higher %.

SM noted this has gone up quite significantly in gigawatt terms, JK advised this is partially down to more Sites being tracked and more rejection reasons.

Other Contributors - Slide 32 to 40

JK summarised that data refreshes took place for a further eight Contributors, in some cases, small improvements have been made to a step in the methodology or calculations and these are highlighted in the draft AUG Statement.

020 – Unregistered Sites – Slide 33

JK advised he has carried out an investigation to see if an AQ for a Site is a reflection of its future consumption and found that in many cases the AQ was higher than what is being registered as consumption. JK confirmed this has been reflected in the methodology.

025 – Shipperless Sites – Slide 34

JK advised an additional step has been added to the methodology of checking consumption subsequent to a Site being registered.

040 – Consumption Meter Error – Inherent Bias – Slide 35

JK advised the forecast for this contributor is 435 GWh and provided a breakdown by Matrix Position and as a percentage of throughput for each Matrix Position.

050 – LDZ Meter Error – Slide 36

JK advised the forecast for this contributor is 1GWh and provided a breakdown by Matrix Position and as a percentage of throughput for each Matrix Position.

SM noted there is currently a large meter error under investigation, JK advised the deadline for its conclusion has passed their target date.

RK highlighted there is no precise number at the moment and asked if there is any work being carried out to put an order of magnitude into the Statement. SM noted that it could be inappropriate seeing as there is no conclusion yet on the investigation.

When AR commented that Users know that the meter error is bigger than 500GWh, JK advised he will provide something to be considered at the next meeting.

New Action 0201: Engage (JK) to consider a forecast to incorporate the large meter error that is currently under investigation.

060 – IGT Shrinkage – Slide 37

JK clarified that the calculation is now based on actual average IGT main length and the forecast for this contributor is 18 GWh.

070- Average Pressure Assumption – Slide 38

JK advised the forecast for this contributor is 358 GWh and provided a breakdown by Matrix Position and as a percentage of throughput for each Matrix Position.

080 – Average Temperature Assumption – Slide 39

JK advised the forecast for this contributor is 1,208 GWh and provided a breakdown by Matrix Position and as a percentage of throughput for each Matrix Position.

100 – Incorrect Correction Factors – Slide 40

JK advised the forecast for this contributor is 57 GWh and provided a breakdown by Matrix Position and as a percentage of throughput for each Matrix Position.

Total UIG Estimate – Slide 41

JK advised that 10,957 GWh is the estimate for this year and noted this is 25 GWh less than last year, he then provided a breakdown split by contributor.

Comparison with Observed Levels – Slide 42

This slide shows the 12-month rolling UIG quantity and tracks the UIG percentage over a rolling 12 months.

Consumption Forecast - Slide 43

JK advised the current estimate for consumption forecast is 527,808 GWh and noted there is a slight uplift in Class 3 which is likely to continue for the target year.

Considered Modifications - Slide 44

JK provided a list of Modifications that were considered throughout the production of the Statement:

- *0734S Reporting Valid Confirmed Theft of Gas into Central Systems* - This modification is out for consultation at the time of publication, but implementation date and impacts remain uncertain.
- *0763R Review of Gas Meter By-Pass Arrangements* - Although no findings have been published, this has been considered as part of the review for Meters with a By-pass Fitted (140).
- *0723 (Urgent) Use of the Isolation Flag to identify Sites with abnormal load reduction during COVID 19 period* - This has been implemented and we have reviewed this modification. This has had no impact on the UIG calculation for Isolated Sites (160) but may do in subsequent years.
- *0691S CDSP to convert Class 2, 3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met* - This has been implemented and we have reviewed this modification. This has had no impact on the Consumption Forecast for the target Gas Year.
- Other identified modifications that have not impacted this statement for the target Gas Year but will be reassessed for future impacts are
 - 0664 - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4

- 0778 - Gas Vacant Sites Process review
- 0781 - Review of the Unidentified Gas process
- 0782 - Creation of Independent AUGE Assurer (IAA) role

DmO asked why Modification 0664 has not yet been considered as that will remove any poor performing Sites. JK advised there is currently no data available, and the limits are set very low. He added he does not believe its inclusion would have a material change on the consumption forecast.

DmO advised he would be interested to see how many Sites would be affected by Modification 0664, JK noted that he may need a new report and will look into it.

New Action 0301: Engage (JK) to consider incorporating data from *Modification 0664 - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4* for which a new report will be required.

Weighting Factor Calculation Process - Slide 45 to 48

JK explained the methodology and advised that the Weighting Factors have been calculated as a proportion of UIG relative to throughput in their Consumption Forecast for each Matrix Position within the AUG Table. He advised that some cells had a very small number or no Supply Meter Points, therefore values were substituted; values in in EUC bands 03 09 for class 2-4 were smoothed to dampen any spikes across like groups with similar characteristics.

JK clarified that, after these processes, the factors were normalised so that no UIG was created by the substitution or smoothing process. The factors were then scaled such that the average of all the Matrix Positions is 100. This was done in order to standardise the factors so that the relative values will be comparable year on year.

Year on Year Comparison – Slide 47 and 48

These two slides show UIG as a percentage of the consumption forecast for 2021/22 and 2022/23 and the difference between the tables.

SM commented that the information and table shown on slide 48 is very useful.

RK noted that for EUC Band 8 the AMR % for that is showing quite low, JK advised that he is unsure if there is a Site not flagged as being AMR, or there could be another flag status that is missing.

New Action 0401: Correla (FC) to contact all Shippers with sites in EUC08 in Class 3 and ask them to review whether there was AMR fitted at those sites, and update UK Link if necessary.

Consultation Process – Slide 49

DS highlighted that the Draft AUG Statement was published on the Joint Office Website: www.gasgovernance.co.uk/AUGStatement2223 on 22 December 2022 and was accompanied by the Consultation Document.

Responses to the Consultation are requested by 21 January 2022 and should be sent to Xoserve at analytical.services@xoserve.com, copying the AUGE at auge@engage-consulting.co.uk.

Responses to the consultation will be assessed and presented to the AUG Sub-Committee on 18 February 2022.

Industry Issues – Slide 52

JK showed an overview of the updated Industry Issues Log which is used to keep track of issues that may or may not be used in the updating of the AUG Statement.

3.0 AUGE Approach and Considerations for 2022/2023

Future Considerations – Slide 54

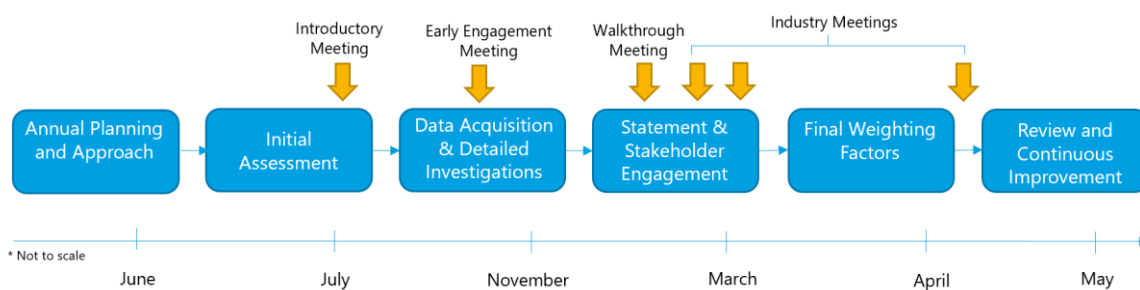
JK advised of two items that will be considered for future weighting factors:

- The potential impact of flow rates on Supply Meter errors for subsequent years
- The potential inclusion of Shipperless Sites awaiting their GS(M)R visit in data analysis for subsequent years.

4.0 Next Steps

DS confirmed the timeline going forward:

- Any revision of the draft AUG Statement following consideration of responses received will be provided to the AUG Sub-Committee by 04 March 2022.
- An updated explanation of the Weighting Factors methodology, including sources of data and quantification of any changes to the draft AUG Statement, (if required), will be presented at the AUG Sub-Committee Meeting on 11 March 2022.
- The final AUG Statement will be provided to the AUG Sub-Committee by 31 March 2022 and presented at the 06 April 2022 AUG Sub-Committee Meeting, prior to consideration at the UNCC Meeting on 15 April 2022.
- Engagement with stakeholders will continue throughout the process. The AUGE can also be contacted at auge@engage-consulting.co.uk



5.0 Any Other Business

None

6.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Venue	AUG Sub-Committee Agenda
Friday 18 February 2022	TBC	Agenda to be confirmed
Friday 11 March 2022	TBC	Agenda to be confirmed
Friday 08 April 2022	TBC	Agenda to be confirmed

Action Table (as at 14 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0110	30/09/21	2.0	Shippers to ascertain if they have an AMR expert that can advise what the Embedded AMR identifier is that reports to UK Link and provide this information to Xoserve to enable Engage to carry out further analysis in this area.	Shippers	Closed
0210	30/09/21	2.0	<i>Theft of Gas for 01N1 Detected Theft and Traditional Theft</i> - Correla (FC) to work with AUGÉ on data sets to see if anything stands out and provide update at the next meeting.	Correla (FC)	Closed
0101	14/01/22	2.0	Completed By-Pass Operations - Correla (FC) to provide the 56 known by-pass operations information to individual parties, in particular those that fall into EUC Band 08 as they have the largest proportion of Sites	Correla (FC)	Pending
0201	14/01/22	2.0	050 – LDZ Meter Error - Engage (JK) to consider a forecast to incorporate the large meter error that is currently under investigation	Engage (JK)	Pending
0301	14/01/22	2.0	Considered Modifications - Engage (JK) to consider incorporating data from <i>Modification 0664 - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4</i> for which a new report will be required	Engage (JK)	Pending
0401	14/01/22	2.0	Correla (FC) to contact all Shippers with sites in EUC08 in Class 3 and ask them to review whether there was AMR fitted at those sites, and update UK Link if necessary	Correla (FC)	Pending