

# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



## DOCUMENT CONTROL

Reporting Period: February 2021

Prepared by: Chris Hill

## 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.

Key points:

- ▶ Presented our response to the draft AUG Statement consultation to stakeholders at the AUG Sub-Committee meeting of 12<sup>th</sup> February. Please find a link to the relevant documentation here: <https://www.gasgovernance.co.uk/aug/120221>.
- ▶ Drafted the proposed Final AUG Statement, in line with our response and the changes discussed at the aforementioned meeting, along with a slide pack summarising the changes made to the AUG Statement.
- ▶ The service status for Innovation is now red as we were unfortunately unable to obtain further feedback at the AUG Sub-Committee meeting on 12<sup>th</sup> February.
- ▶ It is unlikely we will receive feedback and investigation business case approval ahead of the next AUG Sub-Committee meeting on 12<sup>th</sup> March. We will present the innovation investigation business case at the next suitable meeting once approval is received.

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](mailto:auge@engage-consulting.co.uk).

## SERVICE STATUS



# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



## CORE SERVICE

KEY INFORMATION	
Progress in Last Period	<ul style="list-style-type: none"> <li>▶ Drafted the proposed Final AUG Statement. This will be provided to the Joint Office for publication on 5<sup>th</sup> March.</li> <li>▶ Finalised the updated consumption forecast (details are provided at the end of this document).</li> <li>▶ Re-ran model with updated consumption forecast to generate updated results.</li> <li>▶ Updated the sites with no read methodology to include reads rejected for being outside the lower outer tolerance.</li> <li>▶ Commenced drafting slides summarising the changes contained within the proposed Final AUG Statement. These will be presented to stakeholders at the AUG Sub-Committee meeting on 12<sup>th</sup> March.</li> </ul>
Meetings Attended	<ul style="list-style-type: none"> <li>▶ AUG Sub-Committee Meeting – 12<sup>th</sup> February.</li> <li>▶ Meeting with Utilita – 24<sup>th</sup> February – discussion of data provided in relation to prepayment customers.</li> </ul>
Planned for Next Period	<ul style="list-style-type: none"> <li>▶ Publish our proposed Final AUG Statement and accompanying slide pack summarising the changes made.</li> <li>▶ Present the proposed Final AUG Statement at the AUG Sub-Committee meeting scheduled for 12<sup>th</sup> March.</li> <li>▶ The Final AUG Statement will be published on 31<sup>st</sup> March, making any final refinements that are appropriate, arising from feedback at the AUG Sub-Committee meeting of 12<sup>th</sup> March.</li> <li>▶ Commence final updates and publish the Final AUG Statement for Gas Year 2021-2022.</li> </ul>
Meetings Planned	<ul style="list-style-type: none"> <li>▶ AUG Sub-Committee meeting scheduled for 12<sup>th</sup> March to present the Proposed Final AUG Statement.</li> </ul>
Key Issues	<ul style="list-style-type: none"> <li>▶ COVID-19 - Potential impacts assessed and included in the 2020/21 proposed Final AUG Statement where appropriate. We will continue to consider the impact of COVID-19 for forecasts in subsequent years.</li> </ul>

# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



Key Risks

▶ None.

## OTHER POINTS TO NOTE

Information Provision

▶ None.

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 2021-2022 Gas Year.
- ▶ Having reviewed Ofgem’s response to the consultation we have found no immediate impact on our existing theft methodology in the proposed Final AUG Statement. However, we will await further information as to RECCo’s progress in the development of a Theft Reduction Strategy and theft methodology and will consider any ensuing impact on our methodology as appropriate. We also expect an impact for next year due to the temporary halting of the TRAS service.

As per the request made by stakeholders at the AUG Sub-Committee meeting of 12<sup>th</sup> February, an updated view of our Consumption Forecast for both the number of Supply Meter Points and the Consumption in the Target Gas Year is provided below.

# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



## Forecast Number of Supply Meter Points in the Target Gas Year

		CLASS			
		1	2	3	4
EUC BAND	1ND	-	-	3,445,178	18,916,800
	1PD	-	-	23,466	1,854,498
	1NI	6	51	62,091	521,039
	1PI	-	-	36	3,188
	2ND	-	-	3,149	47,529
	2PD	-	-	-	1,859
	2NI	0	14	35,867	95,000
	2PI	-	0	87	160
	3	1	29	13,921	29,415
	4	1	75	4,646	12,941
	5	12	77	847	3,272
	6	40	160	191	1,208
	7	22	139	85	463
	8	97	147	31	252
	9	337	10	4	31
					25,078,472

## Forecast Consumption in the Target Gas Year (GWh)

		CLASS			
		1	2	3	4
EUC BAND	1ND	-	-	44,271	257,317
	1PD	-	-	279	18,158
	1NI	0	0	1,810	10,118
	1PI	-	-	1	38
	2ND	-	-	206	5,487
	2PD	-	-	1	198
	2NI	0	3	5,197	13,161
	2PI	-	-	1	6
	3	0	16	6,161	13,330
	4	3	99	5,350	15,422
	5	44	313	2,802	11,122
	6	430	1,552	1,661	10,917
	7	628	2,934	1,738	9,437
	8	4,857	5,917	1,280	10,117
	9	58,683	2,664	203	2,306
					526,237

# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



## INNOVATION SERVICE

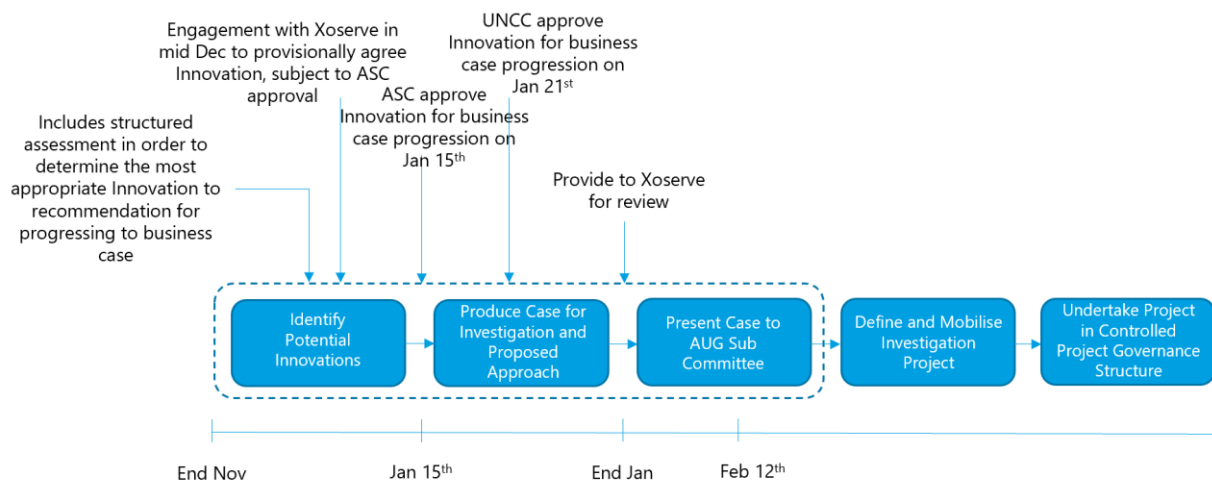
KEY INFORMATION	
Progress in Last Period	<ul style="list-style-type: none"> <li>▶ Although on the agenda, we were unfortunately unable to obtain further feedback on the top 3 innovations at the AUG Sub-Committee meeting on 12<sup>th</sup> February. To date, we have received one response indicating support for the Audit of the Correction Factors innovation. Feedback from other respondents is still awaited.</li> <li>▶ It was originally envisaged that approval to proceed with an investigation business case would have been received by 21<sup>st</sup> January. It is unlikely we will receive feedback and investigation business case approval ahead of the next AUG Sub-Committee meeting on 12<sup>th</sup> March. Therefore, the innovation service status is now red.</li> </ul>
Meetings Attended	<ul style="list-style-type: none"> <li>▶ AUG Sub-Committee meeting – 12<sup>th</sup> February.</li> </ul>
Planned for Next Period	<ul style="list-style-type: none"> <li>▶ Subject to feedback from stakeholders and approval at the relevant AUG Sub-Committee meeting, create the investigation business case and present this at the next available AUG Sub-Committee meeting.</li> </ul>
Meetings Planned	<ul style="list-style-type: none"> <li>▶ AUG Sub-Committee meeting scheduled for 12<sup>th</sup> March to request stakeholder feedback on proposed innovations, should this not be forthcoming beforehand.</li> </ul>
Key Issues	<ul style="list-style-type: none"> <li>▶ The on-going delay in obtaining approval to proceed with the proposed innovation investigation means that creation of the investigation business case is on hold until this is received. However, this will be prepared as quickly as possible upon receipt of industry approval and presented at the next available AUG Sub-Committee meeting following this.</li> </ul>
Key Risks	<ul style="list-style-type: none"> <li>▶ None.</li> </ul>

# AUGE Monthly Industry Report

Date: 2<sup>nd</sup> March 2021



The proposed timeline for our Innovation service was as follows:



However, this has experienced delays due to stakeholder focus on the AUG Statement itself, with a resultant slippage to the timetable for the reasons described above.

## ADVISORY SERVICE

KEY INFORMATION	
Progress in Last Period	▶ N/A.
Meetings Attended	▶ None.
Planned for Next Period	▶ None.
Meetings Planned	▶ Meeting with RECCo to discuss theft reporting arrangements – 4 <sup>th</sup> March.
Key Issues	▶ None.
Key Risks	▶ None.