

Reference 003

EdF Energy

We would also like to take this opportunity to comment on the initial draft AUG Statement that you have published:

- **Shrinkage Methodology:** Although any updates to the methodology are approved by Ofgem, we believe that further analysis is required to demonstrate that the shrinkage methodology is not giving rise to UAG that should be covered by the transporters. In particular we note that a lot of the assumptions and parameters within the shrinkage methodology have not been updated for almost 9 years, whilst over factors (such as theft at 0.3) were arrived at by negotiation rather than using known figures or facts.
- **Bypass Valves:** We believe that further work and analysis is required to identify whether unreported bypass valves are a significant contributing factor to UAG. We have heard anecdotal evidence that the presence of open bypass valves are a lot more prevalent than the figures held by xoserve suggest, and so is a contributing factor to UAG.
- **Reliance on TPA data/Analysis:** We are concerned that the AUG Statement refers to data provided by TPA in their report for ICOSS. We have significant concerns with reliance on this data or report, given that it was commissioned by parties with an explicit interest in the UAG process. We do not believe that any reliance should be placed on this data without significant verification and substantiation.