

Appendix

ScottishPower comments on 1st Draft of AUGS 2013/14

1. Theft

When theft is carried out, the volume that is not recognised in the settlement process will be smeared to the SSP sector as it occurs. Where the theft occurs at an SSP site the Shipper will have taken some of the smear through RbD. However, where the theft occurs at an LSP site the Shipper will never have had any smear of the costs, nor will they ever be accountable for the gas that has been stolen, despite the fact that they may have been able to recover revenue from the consumer.

Recommendation: The AUGE should consider this in light of the fact that SSP Shippers contribute to theft in their sector through RbD as it occurs and also on a forward-looking basis through the AUGS. Consideration of this should be taken with reference to any implications there are to SSP Shippers, given that the LSP Shippers only contribute on a forward-looking basis and also retain revenue with no associated cost for the prior period. This could be a significant issue given the volumes involved.

2. IGT CSEP

Operational data available from Xoserve shows that the majority of CSEP reconciliations (LSP sites only) result in net credits to the LSP sector. While one would expect the accompanying consumption figures to reduce LSP AQs, data provided by Xoserve after or towards the end of the publication of the 2011 AUGS (CSEP AQ by EUC) shows LSP CSEP AQs rose sharply in 2010. While we acknowledge that this data includes new and removed supplies (i.e. not exclusively “Retained Meters”), it would appear to be beneficial for the AUGE to make use of this, and any other available data when revisiting the Allocation Algorithm Bias topic.

Recommendation: Given the scale and prolonged period that the IGT CSEP issue has been ongoing and because we believe the potential causes of UG in this area have not been fully explored within the 2011 or 2012 AUGS further analysis should be carried out.

Another, related area which may not have been considered in the 2011 AUGS due to data provision issues is the AQ calculation performance of IGT sites; both SSP and LSP. Data to assist in analysis of this area should be available from IGTs (meter point level) and from Xoserve (CSEP level) and could provide insight, as similar data for Large GT sites has done.

Recommendation: A similar data analysis to that carried out for Large GT sites could be carried out for iGT sites.

Given the number of un-reconciled LSP LMNs within the IGT Portfolio, we believe it would be appropriate for the AUGE to consider the amount of energy (and associated UG) being “lost” by the progressive advance of the settlement close-out

window in relation to IGT LSP sites. With proposals to reduce this to 2-3 years or 3-4 years (Mods 395/398), this volume of un-reconciled error is increasing and further investigation into this area would, we believe, be beneficial.

Recommendation: *The AUGE should investigate these issues as fully as they can and consider the implication this has had on settlement and UG.*

3. LSP NDM Metering Errors – Drift

The AUGE states that very little work has been done in the field of accurately assessing meter drift over time (pg 54 2011 AUGS) however then goes on to assert that available data and anecdotal evidence (which is not provided) suggests drift associated with diaphragm and turbine meters is likely to be up **or** down and results in a net bias of zero. The AUGE also states that LSP sites and Offtakes are less likely to drift and, where drift is identified, it is equally as likely to be over or under recording.

This appears to contradict anecdotal evidence provided by SOHN Associates (that there could be very many LSP meters, more than 20 years old that are under recording) and the reporting of Measurement Errors in the Offtake Arrangements workgroup (see table below) which all suggest that turbine meter drift is more frequently an under-recording of gas, caused by the corrosion/degradation of rubber seals or bearings within rotary and turbine meters.

Table 1: No of LDZ Offtake Measurement Errors associated with Turbine Meters

Nature of Error	No. of Measurement Errors	%
Over Recording	6	24%
Under recording	14	56%
Negligible	5	20%
Total	25	100%

Source: LDZ Offtake Measurement Error Register & Joint Office website

The [*Uncertainty Analysis MRG*](#) published by the Environment Agency in 2007 states in Annex I that the expected lifespan of rotary, turbine and bellows gas meters is 25 years. Xoserve data on meter capacity utilised by the AUGE in the 2011 analysis shows that 3.88% of NDM LSP meters were fitted more than 25 years ago and that these meter points have associated AQtotalling 6,275 GWh. We believe there exists an opportunity to investigate another potential area of UG.

Recommendation: *Given that there has been very little work done on meter drift with respect to meter age we would expect the AUGE to analyse the table below on possible and probable meter error.*

Table 2: LSP NDM Meters by period during which Meter Fit occurred.

Meter Fit Period		Meter Count	%	Aggregated AQ	%
> 25 Years	Pre 1960s	4	0.00%	137,046	0.00%
	1960s	1,644	0.36%	943,017,059	0.80%
	1970s	2,003	0.44%	1,413,749,558	1.20%
	1980s (>25 years)	14,174	3.09%	3,918,086,713	3.34%
	Total >25 Years	17,825	3.88%	6,274,990,376	5.35%
< 25 Years	1980s (<25 years)	13,918	3.03%	2,600,813,934	2.22%
	1990s	153,857	33.50%	33,606,844,239	28.63%
	2000s	189,616	41.28%	44,964,333,467	38.30%
	2010s	84,114	18.31%	29,945,369,638	25.51%
	Total <25 Years	441,505	96.12%	111,117,361,278	94.65%
Grand Total		459,330	100.00%	117,392,351,654	100.00%

Source: Meter Capacity Report, AUGE Data Provision 2011, Xoserve UK Link Documentation.

Xoserve hold data relating to reconciliations required for sites where a check read has occurred and drift has been identified, therefore the AUGE can use this information.

Recommendation: *AUGE to identify (or not) a correlation between the size of drift and meter 'age' which could be applied to the aged LSP NDM meter portfolio should one exist?*