



Allocation of Unidentified Gas: Consumption Analysis and Theft Interim Report

Npower would like to thank the Allocation of Unidentified Gas Expert (AUGE) for the opportunity to respond to this consultation.

We welcome the AUGE new methods to allow both the estimate of the Unallocated Gas total and the split of theft by market sector to be calculated using consumption data alongside relevant existing data where required.

We believe that the new methodology will produce a more accurate and robust outcome. The data used to work out the analysis is more reflective and in line with expected calculations of Unidentified Gas, and would hope this method is agreed going forward. We are however concerned that no consideration appears to have been given as to the effect of Offtake meter errors.

As part of the consumption calculation in figure 1, step 6, if a meter has been replaced in between LB2 and UB1 provided a closing read on the removed meter and an opening read on the new meter were available, there would be no need to reject the meter read and this would assist in providing more accurate consumption data. Using actual consumption data rather than AQ will provide reassurance to the accuracy of the calculations used.

We would also suggest, the AUGE looks into assisting its process for scaling up its activity for sites that have no meters, some of these will have been caused by vacant, unregistered and shipperless sites.

In order to produce the best view of these sites further analysis will need to be undertaken. In our opinion the AUGE has correctly identified that the existing method of theft calculation creates a disincentive for shippers in the future.

Theft is not an equal split by supplier portfolio or LDZ and is subject to many complex factors for example geographical location. The only accurate way to allocate theft is by robust and accurate identification of it.

RWE npower

2 Princes Way
Solihull
West Midlands
B91 3ES

T +44(0)121 336 5100
I www.rwenpower.com

Registered office:
RWE Npower plc
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 3892782



We agree throughput is the fairest and most equitable methodology to allocate theft, however, we do not agree with the forecasted trends identified by the AUGÉ, we believe there are many more factors at play that are not necessarily enduring, such as the current economic downturn.

Going forward this could introduce error in the process, creating a risk of under allocation to the Large Supply Point sector.

We fully support the AUGÉ proposals to increase accuracy of Unidentified Gas (UG) allocation, any further improvements that can be made from the points raised in this consultation are also welcomed.

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