

The Joint Office, Relevant
Gas Transporters, shippers and other
interested parties

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Reference: AUGS Table

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Dear Colleague

Following the UNCC meeting on 20th December and having further reviewed the AUGS guidelines, an AUGS table needs to be published by January 1st 2013 with the volumes of Unidentified Gas for the coming formula year. A further publication is then required for 1st February which includes the projected SAP cost rates.

During the UNCC meeting on 20th December, the predominantly LSP shippers raised concerns over the time they would have to review the latest AUGS and query figures in order to accept and implement with their customers. The predominantly SSP shippers had a different view and are keen that the methodology and figures should be adopted for the coming year by 1st April 2013 so that SSP consumers are not paying unfairly for Unidentified Gas. Note that typically there is a six month period between publication of an initial AUGS table (October 1st) and implementation (April 1st).

An unofficial vote of the UNCC members was in favour of the figures from 2011 rolling over into 2012 so that sufficient review of the 2nd Draft 2012 AUGS for 2013/14 and figures could be achieved. It is likely therefore that the methodology proposed in the 2nd Draft 2012 AUGS for 2013/14 would not be approved for implementation for 1st April 2013 as things stand. In light of this, the AUGE has no option but to roll over the figures from 2011 and these are provided in the table below (Table 16 from the 2011 AUGS for 2012/13). A set of rates will be applied for publication by 1st February.

Unidentified Gas source	Aggregate Quantity of Unidentified Gas/GWh	Unidentified Gas Quantity/GWh		
		Larger DM SPCs	Larger NDM SPCs	Smaller SPCs
iGT Cseps	693	0	0	693
Shipperless/Unregistered	704	0	596	108
- Shipper Activity	2	0	2	0
- Orphaned	131	0	120	11
- Unregistered <12 Months	207	0	191	16
- Shipperless PTS	42	0	25	17
- Shipperless SSrP	318	0	258	61
- Shipperless <12 Months	3	0	1	2
Meter Errors	17	0	17	0
Theft + Other	4618	0	374	4244
Total (inc Independents)	6033	0	988	5045

With regards the recently published 2nd Draft 2012 AUGS for 2013/14, this still needs to go through consultation and achieve approval. The issue then is timing of the implementation, which based on current guidelines would be April 1st 2014.

The industry has had opportunity to review the proposed methodology in terms of the top level Unidentified Gas and theft split from the Interim Report published in September and this has evolved and been improved during the analysis on the remaining LDZs that have been received since.

Given the level of detail provided in the 2nd draft AUGS, the AUGE intends to proceed with a consultation and review so that there is sufficient time to implement changes if required and reduce the time pressures on next years process.

The AUGE proposes that the 2nd draft consultation period runs from 3rd January 2013 to 1st March 2013 (42 working days) with an industry meeting in late January (to be arranged) for the AUGE to present the AUGS and discuss any initial queries raised.

Unless instructed otherwise, the AUGE would revise and publish what would then become the 2013 AUGS for 2014/15 in May and we would expect an earlier approval of the methodology than in the previous two years.

If you have any objections to the above consultation period please raise them as soon as possible.

We are also aware of an emergency modification (0442) raised by British Gas with the intention of adopting the consumption based methodology part way through 2013. We are monitoring the situation and should this go to consultation will respond with our views.

In the meantime any initial queries arising can be sent to the AUGE mailbox, AUGE@gl-group.com.

Yours sincerely

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