

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

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Dear Colleague

Thank you for the feedback on the 1st Draft 2013 AUGS for 2014/15 and ongoing support of the AUG process. The correspondence received was posted on the Joint Office of Transporters website on 17th June. Our responses are now also published on the Joint Office of Transporters website under AUGS Communications.

The consultation of the 2nd Draft 2012 AUGS for 2013/14 identified a number of issues with source consumption and meter asset data and our handling of certain situations when calculating consumptions. The most recent consultation has provided more specific examples which enabled us to better understand the root causes.

We have now received a refreshed data set for all LDZs from Xoserve which we are assured will address the source data concerns raised during consultation. There will of course still be some issues with meter asset data and consumptions provided to Xoserve by Code Parties and we are pleased to see some initiatives within the industry to improve the situation.

At this time we'd like to highlight additional improvements that we have identified and addressed over and above the issues highlighted in the responses from Code Parties. These are the culmination of reviews and analyses of the data and calculations originally proposed in the 2nd Draft 2012 AUGS for 2013/14 and the 1st Draft 2013 AUGS for 2014/15, and will provide further improvements in the accuracy of the estimate of UG.

Prime and Sub Meters

Within the consumption dataset there are a number of meters that consist of a physical meter feeding a consumer plus a number of sub-meters which are also recorded by the primary meter. As we calculate consumptions at an MPR level there is the risk that consumption could be double counted where the primary meter consumption includes the sub-meter consumption. We have obtained additional data from Xoserve to identify this configuration and will be updating the methodology to ensure that no double counting occurs.

There is also an issue with validation of prime meters. The current methodology uses AQ as part of the validation process. The AUGE has been made aware that although the meter reads and consumption data for a prime meter are based on the total gas flowing through the prime meter (i.e. includes sub meters), the AQ associated with a prime

meter is based on the difference between the prime and all of its sub meters. The methodology therefore needs to be updated to account for this inconsistency.

Meter LDZ Changes

Some MPRs are initially assigned to the incorrect LDZ. Over time these are identified and corrected. We process consumption data on an LDZ by LDZ basis and have identified that there is a risk of double counting. This occurs when we cannot find data for the MPR after a given date in LDZ "A", for example, but the meter is still live, and so we set its consumption to the EUC average. In reality the data associated with the MPR is now located in another LDZ data set and can also be calculated here. We are updating the pre-processing of the consumption data to ensure that an MPR is associated with the most recently assigned LDZ to prevent double counting of this nature.

CSEP AQ

When estimating total consumption CSEPs are treated in the same manner as meters which fail the consumption calculation i.e. they are estimated based on their EUC band. However, the AUGÉ has identified some anomalies with the CSEP data provided. Examples of cases where the AQ and EUC band are inconsistent were found. Further clarification with Xoserve has highlighted that the Aqs provided are nominated Aqs but that the EUC group for CSEPs is based on a maximum AQ. Using EUC averages will therefore result in a bias in the estimated consumption for CSEPs, as some meters will be in a higher EUC band based on their maximum AQ. The current methodology will therefore over-state CSEP consumption. The AUGÉ therefore recommends that the nominated Aqs are used as the consumption estimate rather than the EUC average. Whilst it is recognised that there will be inaccuracies in these AQ values they will not be subject to the same level of bias which results from using maximum AQ to estimate the EUC band. This will be addressed in the next statement.

Consumption gaps and overlaps

As described above, the most recent data set from Xoserve includes a refresh of the LSP data. An improvement to the data provided includes the start date for a meter reading (previous read date) in addition to the meter reading date. Xoserve identified that there are some gaps in the data (this includes SSPs) in that the meter reading start and end dates may not be contiguous. Xoserve estimated that about 1% of data is affected.

For the SSP sector this has minimal impact since we do not aggregate the calculated volumes between a set of meter reads - we use the meter reads near the start and end of a formula year to calculate consumption so meter reads/volumes in between will not be used anyway. There will of course be situations where the meter read we would like to use is missing and we will use one of the surrounding reads instead (or ultimately fail the calculation).

For the LSP sector the impact is different in that a missing consumption would result in an under-estimate of LSP consumption if it was not identified. In the dataset supplied in 2012 we are unable to identify missing meter reads because we only have meter read dates (i.e. no start dates). Going forward, the methodology will be updated to detect any such gaps and account for them in consumption estimates. This will be done by using the consumption for the parts of the year that are covered as a base figure, and scaling this up to the full year using ALPs (in a similar way to how we extrapolate demand to cover the formula year).

Similarly we will also identify and address potential consumption overlaps where consumption could be over-estimated.

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The improvements resulting from the consultation and our own analyses will provide an estimate of UG that we believe will build upon the original RbD based method, the initial consumption based methodology and the more recent 1st Draft 2013 AUGS for 2014/15 and will result in a more accurate estimate of UG.

Yours sincerely

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