

# Allocation of Unidentified Gas Statement 2015/16

Industry Meeting

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10 December 2014

## Areas Covered

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- UG from the DM market sector
- Low DM UG estimates in interim figures despite high AQs
- Change in magnitude of the Balancing Factor
- Low UG estimate for 2011
- Clarification of consumption calculation success rates

## UG from DM Market Sector

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- Interim value based on three sites
- Conclusions from further investigation by Xoserve

23244652

*The AQ of this MPR was previously nominated and offered at a much lower value, and it is therefore very likely that the AQ is incorrect and in reality the site falls well below the DMM threshold.*

23252637

*This has been identified as a duplicate MPR. The original MPR of which this is a duplicate has an AQ well below the DMM threshold.*

23345620

*This MPR had a datalogger attached recently, and is likely to be confirmed (as DM) shortly.*

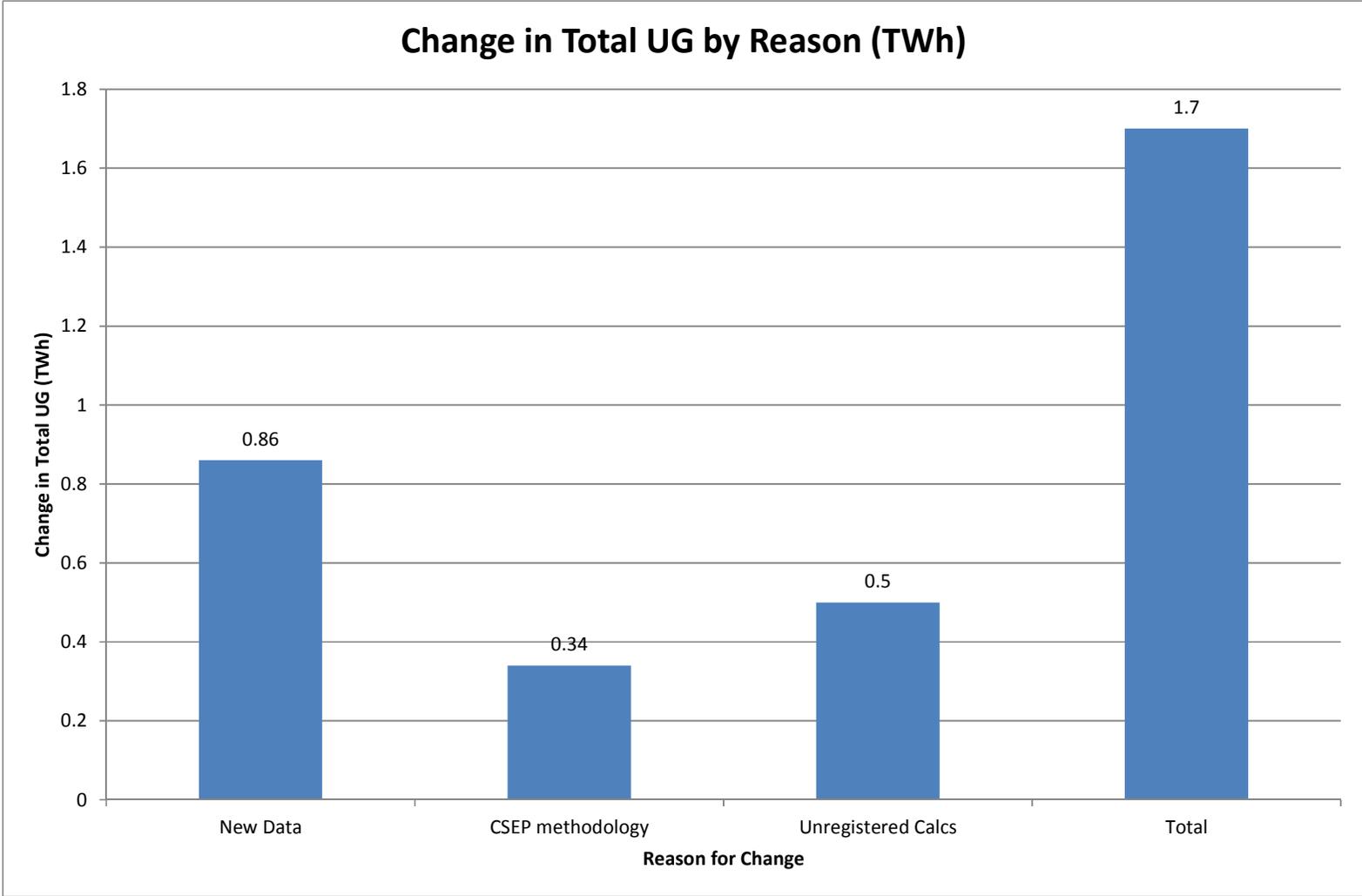
- None are likely to contribute to UG in 2015/16
- Unless any new sources of DM UG are uncovered, final figures for 2015/16 will contain no UG from DM market sector

## Interim DM UG Estimates

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- Interim figures contained a DM UG estimate of 5GWh despite coming from three sites all with AQs of 60GWh+
- Two reasons for this difference
  - Unless a site remains in the Unregistered reports for a full year it will contribute only a proportion of its AQ to UG
  - Low probability that any site **capable** of flowing gas is **actually** flowing gas
    - 9% of gas-capable Unregistered sites are actually flowing
    - 63% of those that do are backbilled
    - Hence  $\approx 3\%$  of AQ from gas-capable Unregistered sites becomes permanent UG
    - 5GWh UG figure represents low probability that these three sites are actually flowing

# Magnitude of the Balancing Factor



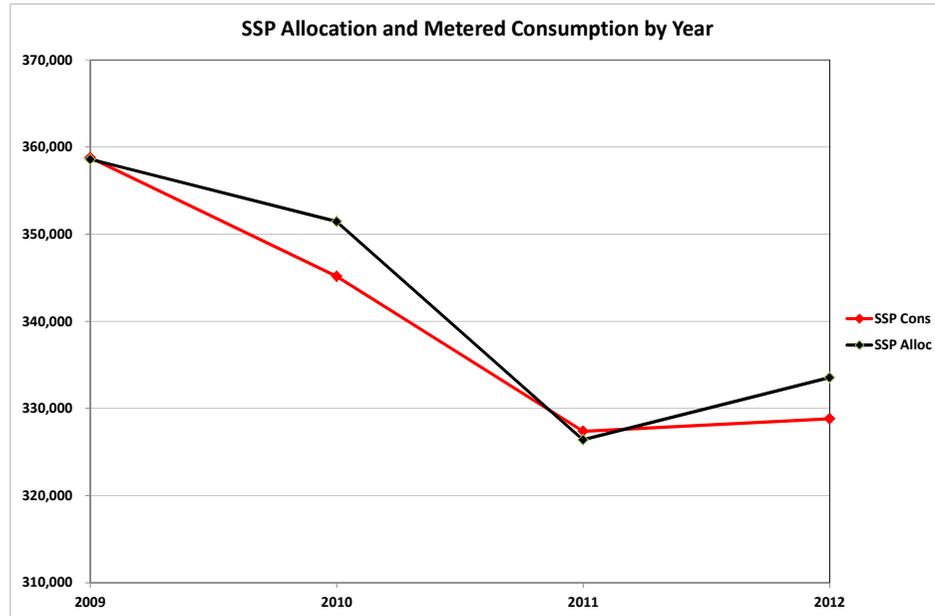
## Magnitude of the Balancing Factor

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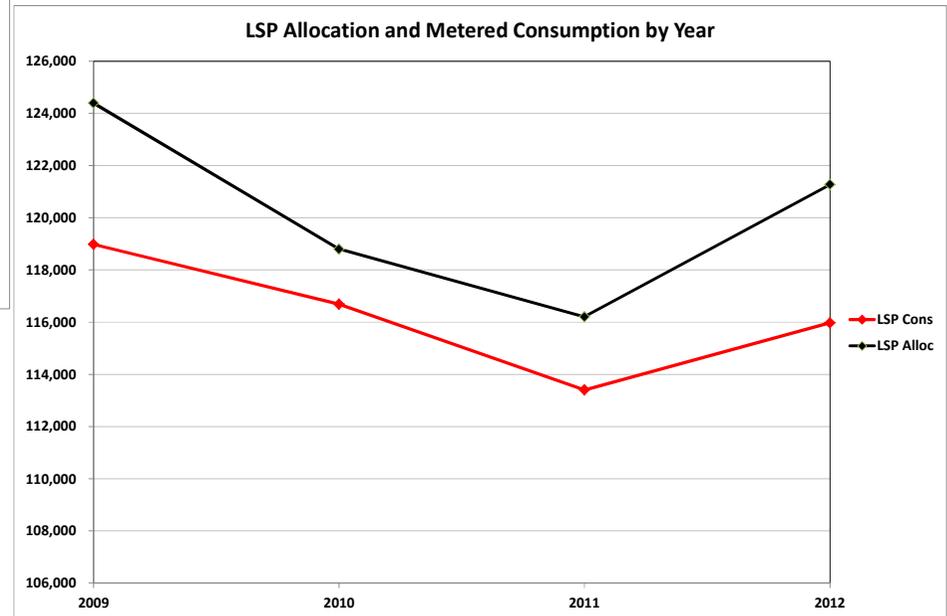
- The Balancing Factor has increased by 1.7TWh from the 2013 figures, from 3.8TWh to 5.5TWh
- 1.2TWh due to updated calculations and new data
  - CSEP calculation  $\sim$ 350GWh
  - Average UG 2009-12 higher than average UG 2009-11 by  $\sim$ 850GWh
  - 2012 UG close to level of 2009 and 2010
  - 2011 very low, which affected Balancing Factor value in 2013 figures
- 0.5TWh due to improvements in Unregistered UG calculations
  - More accurate data on sites flowing gas and sites backbilled
  - Additional information about sites with unusually large AQs
- Offset by 0.2TWh reduction in permanent UG for 2015/16 due to Mods
- Total permanent UG increase  $\approx$ 1.5TWh

# Low 2011 UG Figures

- Due to SSP market sector



Note that values in these charts are weather corrected



## Low 2011 UG Figures

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- Behaviour of each market sector driven by read frequency
  - LSP (frequent reads) consistent from year to year
  - SSP (infrequent reads) inconsistent
    - In two years out of four, metered consumption is above total allocation (i.e. negative UG from this source)
    - 2011 the more severe of the two
    - Low read frequency can lead to consumption estimates being based on time periods largely based in a different year
    - UG assigned to wrong year
    - Impact on total UG because SSP is the dominant market sector
  
- Total UG across all years is correct
- Figures for individual years less reliable

## Low 2011 UG Figures

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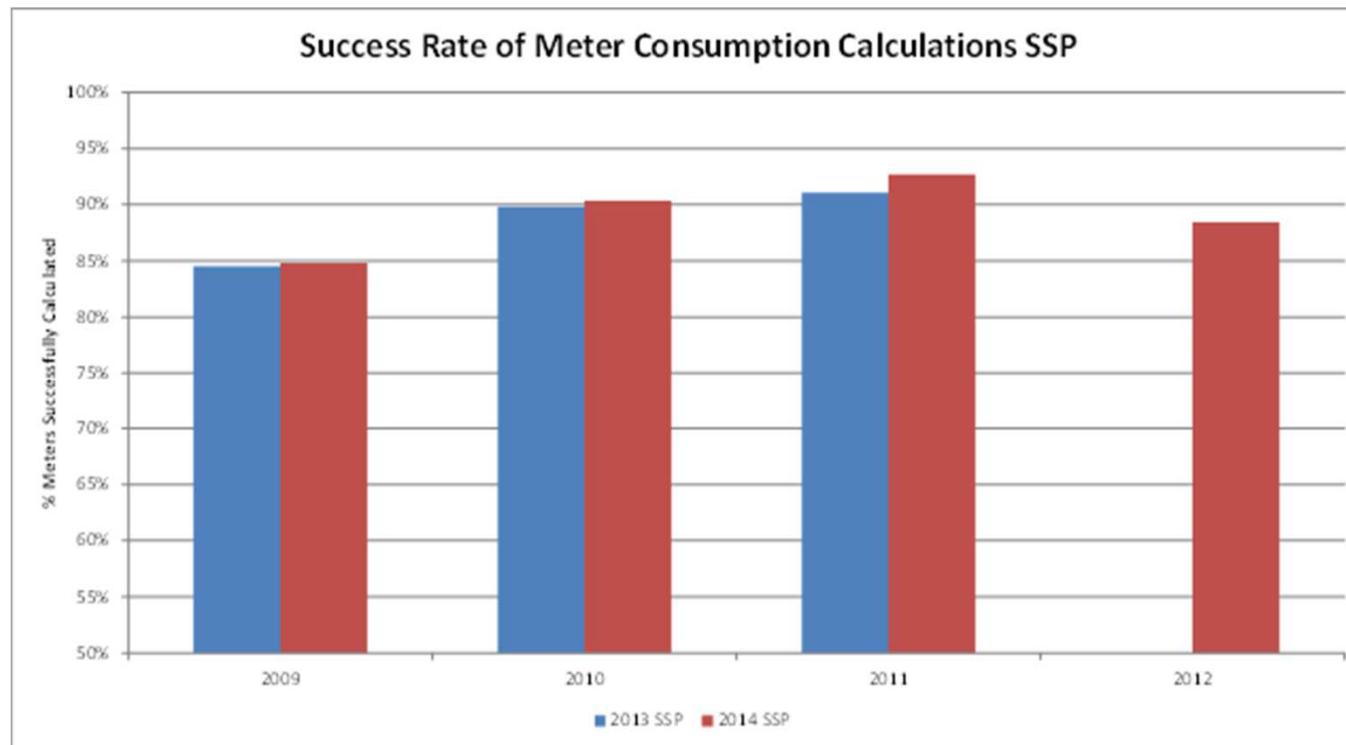
- AUGÉ's Consumption Method in effect calculates UG based on average of multi-year training period rather than a year at a time

$$\text{Total UG} = (\Sigma(\text{Allocations 2009-2012}) - \Sigma(\text{Metered Consumption 2009-2012}))/4 \text{ years}$$

- The longer the time period, the more accurate the calculation
  - More year-to-year variability eliminated
- Cannot remove 2011 as it is intrinsic to the multi-year total
  - The issue is not the amount of consumption itself, but the year to which it is assigned
- Calculating over a number of years addresses the problem
- The issue can still *appear* to exist when UG figures are quoted for individual years
  - It may be best to refrain from presenting year-by-year figures
  - Present training period totals/averages only

## Consumption Calculation Success Rates

- Higher success rate -> Higher confidence in consumption estimate
- Quantity of UG NOT related to success rate
- 2012/13 Success rate indicates new data is similar order to other years



Private and confidential

# Thank you

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