

UNC 0850

Mod Title: Amendments to Allocation of Unidentified Gas Expert (AUGE) arrangements to introduce a new Residual Upstream Contributor



Proposer: SEFE Energy

Panel Date: 20th July 2023

Brief Summary



- The recent analysis undertaken by the Retail Energy Code estimates Gas Theft to be 1,218 GWh
- Theft in Electricity is estimated at 3,433 GWh
- The AUGÉ's current estimate of Gas Theft is 6,823 GWh
- If accurate this means that Gas Theft has been significantly overestimated
- This implies that 5,605 GWh of UIG relates to a hitherto unidentified Contributor
- We propose to Crystallize the Energy Value for downstream UIG and to introduce a Residual Upstream Contributor as the Balancing Factor

Summary Continued - Illustrative example



| Contributor | UIG Volume | Source |
|---|------------------|--------------------------------------|
| Downstream Contributors | | |
| Theft of Gas (ToG) | 1218 GWh | REC TEMs Report |
| Sub Total | 1218 GWh | |
| Average Temperature Assumption | 1,021 GWh | AUGE 2023/2024 |
| Average Pressure Assumption | 326 GWh | AUGE 2023/2024 |
| No Read at the Line in the Sand | 162 GWh | AUGE 2023/2024 |
| Incorrect Correction Factors | 53 GWh | AUGE 2023/2024 |
| Unregistered Sites | 53 GWh | AUGE 2023/2024 |
| Isolated Sites | 19 GWh | AUGE 2023/2024 |
| IGT Shrinkage | 19 GWh | AUGE 2023/2024 |
| Dead Sites | 19 GWh | AUGE 2023/2024 |
| Shipperless Sites | 17 GWh | AUGE 2023/2024 |
| Consumption Meter Error | -15 GWh | AUGE 2023/2024 |
| Total non-Theft Downstream Contributors | 1674 GWh | |
| Total Energy Value (TEV) | 2,892 GWh | Total of all Downstream Contributors |
| Residual Upstream Contributor (RUC) | Balancing Factor | See Business Rule 8 below |

Recommended Steps



- The Proposer recommends that this modification should be:
 - Not an Alternate to 0831 & 0831A - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method which seeks to remove the AUGE and allocate all current UIG on basis of throughput noting Class 1 exclusion in 0831A
 - Our proposal is agnostic as it can either utilise the independent AUGE or replace it
 - Not an Alternative to 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert
 - Our proposal does not involve the creation of an Independent Shrinkage Model, nor does it propose to crystallise a Shrinkage value
 - Not subject to Self-Governance because it is material
 - Workgroup assessment to develop the modification for 6 months