

## **Price cap – consultation on the Unidentified Gas allowance in the default tariff cap**

Utilita is supportive of the change to UIG cost allowance in the default tariff cap.

We share the view that the current approach used to set the UIG allowance is leading to suppliers under-recovering costs.

The AUGER forecast is not used to calculate the total amount of UIG which is paid for by Suppliers; the output is used to calculate how the costs of UIG are distributed between different End User Categories and Profile Classes. The use of Xoserve's estimate of post-UIG reconciliation UIG as a percentage of throughput is a more accurate reflection of the total level of UIG which suppliers are required to pay for.

Utilita is appreciative of the efforts made by Ofgem to ensure that the price cap accurately reflects the costs that suppliers incur.