



Unidentified Gas (UIG) Update

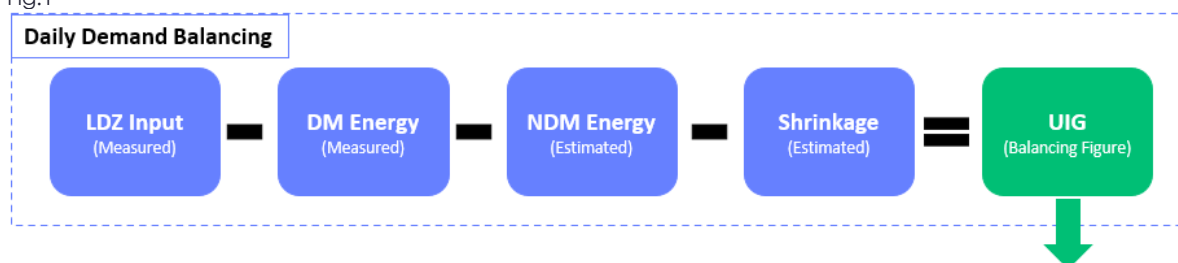
September 2025

Dear Customers and Industry Colleagues,

Ahead of the new Gas Year commencing on 1 October 2025, Xoserve would like to share an update regarding one of the key parameters in the daily demand balancing calculations – Unidentified Gas (UIG) (see Fig.1).

The article reflects on the new UIG Weighting Factors and the change to the duration they will become effective for, any related UNC Modification news and observations on UIG levels from the current Gas Year.

Fig.1



The AUG (Allocation of Unidentified Gas Expert) is responsible for consulting with the [AUG Sub Committee](#) and for defining the Unidentified Gas (UIG) Weighting Factors used in the sharing out of UIG in the daily demand balancing calculations. The UNC Committee gave final approval for the new values at its meeting on [17 April](#).

Further to UNC [Modification 0873](#) (Allow specific roll-over for the AUG Table 2025/26), the UIG Weighting Factors will be applicable for an **additional two Gas Years**, so three in total. Therefore the AUG table of UIG Weighting Factors (see Fig.2) will be applicable for Gas Years **2025/26** to **2027/28** inclusive.

Fig.2

Supply Meter Point Classification	Class 1	Class 2	Class 3	Class 4
EUC 1ND	31.46	31.46	31.46	94.39
EUC 1PD	31.46	31.46	31.46	94.39
EUC 1NI	5.23	325.03	116.95	441.06
EUC 1PI	5.23	325.03	116.95	441.06
EUC 2ND	52.61	52.61	52.61	96.08
EUC 2PD	52.61	52.61	52.61	96.08
EUC 2NI	5.23	166.57	73.82	179.14
EUC 2PI	5.23	166.57	73.82	179.14
EUC Band 3	5.23	55.78	50.60	58.14
EUC Band 4	5.23	55.55	57.33	62.20
EUC Band 5	5.23	62.47	57.63	62.63
EUC Band 6	5.23	67.54	59.99	63.44
EUC Band 7	5.23	72.91	66.21	64.98
EUC Band 8	5.23	54.85	56.05	50.03
EUC Band 9	5.23	24.86	23.24	30.72

The detail behind how the above values have been determined is available in the "Final Allocation of Unidentified Gas Statement" available [here](#).



Unidentified Gas (UIG): Industry Change

During 2025 there has been a number of key decisions and/or UNC Modifications implemented that will impact UIG either directly or indirectly in the future:

1. UNC Modification 0862: “Amendments to the current Unidentified Gas Reconciliation Period arrangements.” Status: Implemented in July 2025. UIG Reconciliation period to match the period of the individual meter point reconciliations for the month. Annual Shrinkage Adjustments and Significant LDZ Offtake Measurement Errors already used this approach. UIG Reconciliation can go back to the current Line in the Sand date each month. More informations and worked examples can be found in the [XRN 5784 e-learning module](#) on our website.

2. UNC Modification 0886V: “Amend the Code Cut-Off Date to a Rolling Period.” Status: To be implemented on 1 April 2026. This modification was approved by Ofgem in August 2025 and will amend the “Line in the Sand” process (UNC term: Code Cut-Off Date) to change each month, rather than just once a year. Every month the Line in the Sand will move forward by another month.

3. UNC Modification 0896: “Reducing the current Code Cut-Off Date (Line in the Sand) from 3 to 4 years to 2 to 3 years.” Status: To be implemented on 1 April 2026. This modification was approved by Ofgem in August 2025 and will amend the “Line in the Sand” (UNC term: Code Cut-Off Date) on 1 April 2026 by 2 years, to 1 April 2024.

The combination of Modifications 0886 and 0896 means that the Line in the Sand will jump forwards to 1 April 2024 (i.e. to a 2-year cut-off) next April, and from then onwards will move forward each month, by a further month. The Line in the Sand will never be more than 2 years prior to the current billing period: for example in May 2026, the Code Cut-Off date will be 1 May 2024, and so on.

4. UNC Modification 0868: “Change to the current Allocation of Unidentified Gas Statement frequency & scope.” Status: Implemented in February 2025.

This Modification amended the preparation process for the AUGS to a three-year development cycle commencing in 2025, with the outputs of the first cycle applying from 1 October 2028. Hence UNC Modification 0873 (Allow specific roll-over for the AUG Table 2025/26) was required to bridge the gap between the old one-year and new three-year cycle.

5. New Allocation of Unidentified Gas Expert (AUGE) Appointment

Xoserve recently announced the appointment of **Engage Consulting Limited** as the Allocation of Unidentified Gas Expert with effect from August 2025. The appointment was made following completion of a competitive tendering exercise. Engage Consulting will develop the first Table of UIG Weighting Factors under the new three-year process, to apply from 1 October 2028. They will consult with industry representatives throughout the process at the two-monthly [UNC AUG Sub-Committee](#), starting in September 2025, and continuing in October and every two months thereafter.



Unidentified Gas (UIG): Reflections – Gas Year 2024/25

Following a period of large swings in the amounts of reconciliation and UIG flowing during Gas Years 2021/22 and 2022/23 as a result of the significant energy price related conservation, the past couple of years including Gas Year 2024/25 has seen a return to more stable expected levels. This has seen a reduction in the NDM reconciliation volumes, meaning 'temporary UIG' caused by NDM modelling error has also stabilised (see Fig.3).

The exception for Gas Year 2024/25 was the very warm Spring where there was a period, particularly April 2025, where NDM modelling error (over-allocation) contributed to the large spike of negative UIG. This was likely caused by the central heating 'switch-off' occurring earlier than normal due to the [also] warm March which preceded it.

Fig.3

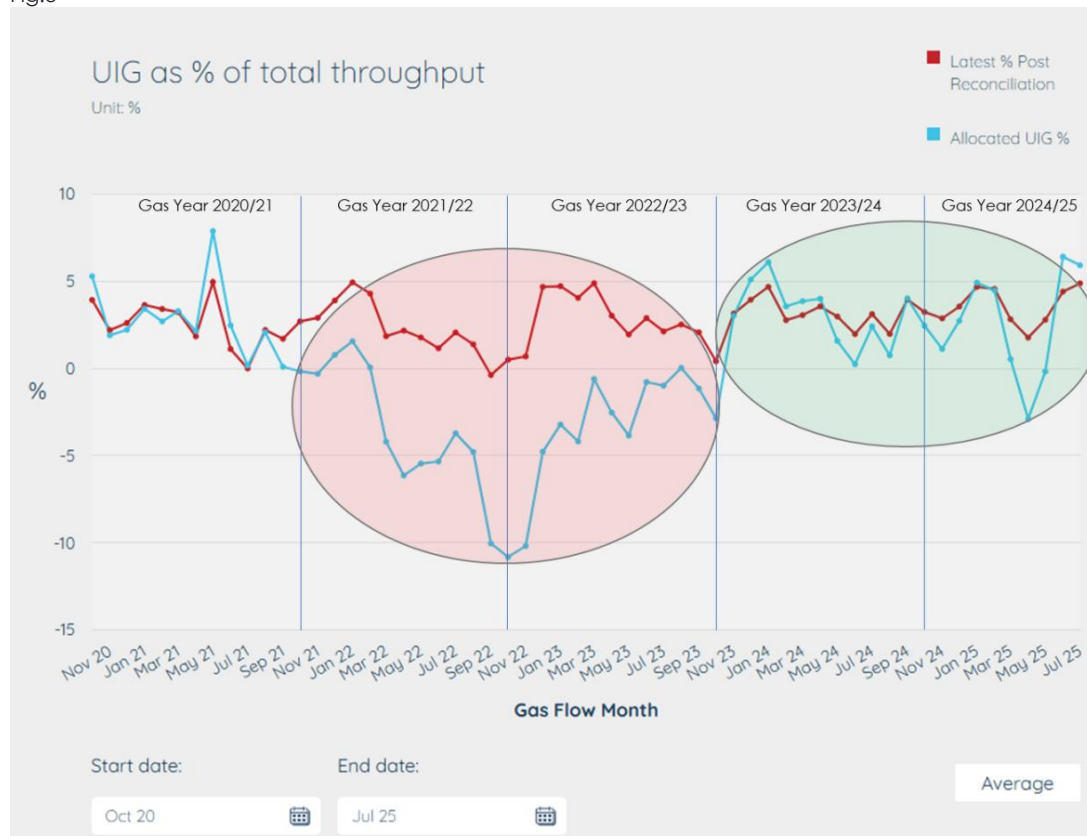


Fig.3 shows how the initial UIG allocation (blue line) compares to UIG post reconciliation (red line). The change in the 'gap' between the blue and red lines for recent Gas Years is quite evident when compared to Gas Years 2021/22 and 2022/23. The chart above is also available to view online [here](#).

Demand Estimation Sub Committee (DESC) will be reviewing Gas Year 2024/25 in much more detail at its December meeting, which will incorporate a review of UIG trends and levels as one of its strands of analysis.

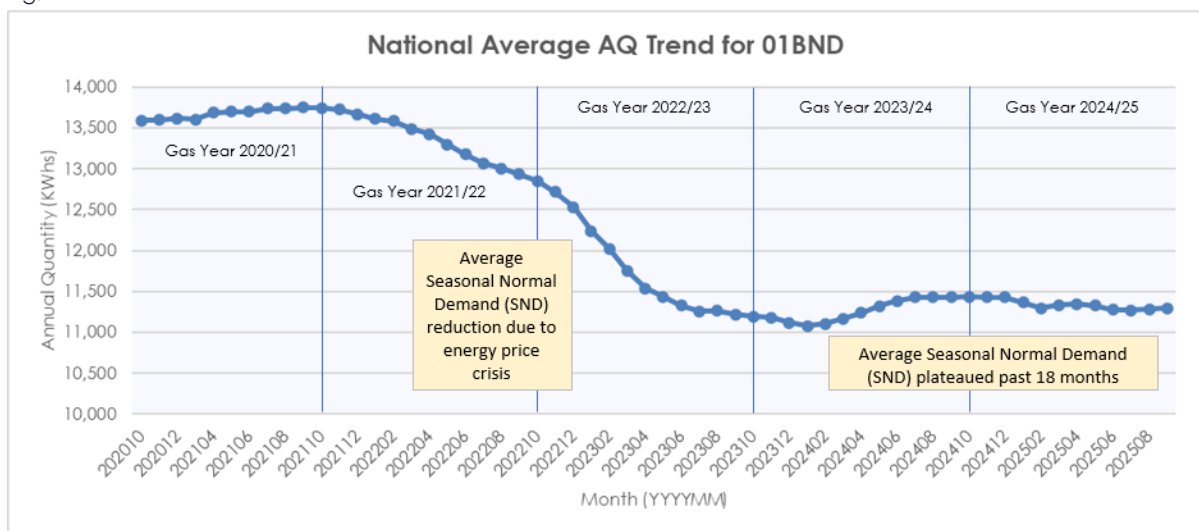


Unidentified Gas (UIG): Outlook – Gas Year 2025/26

There will be a step change in NDM AQ (c.4 to 5% reduction) from 1st October 2025 as a result of the new Seasonal Normal weather update, this alongside the change in demand profiles will hopefully improve the accuracy of the Demand Estimation process (i.e. contribute to less modelling error) and subsequent temporary UIG.

Our expectation is that, post the Seasonal Normal 'reset' on 1 October, AQs will continue to follow the trends of the last couple of Gas Years where average AQ has generally levelled off following the large reductions observed in Gas Years 2021/22 and 2022/23 (see Fig.4).

Fig.4



Demand Estimation Sub Committee (DESC) will continue to monitor the trends of key metrics, such as average AQ, UIG and Reconciliation during Gas Year 2025/26 by including as a regular item on its agenda. DESC meeting schedule found [here](#).

Unidentified Gas (UIG): Further Information

For further information please take a look at Xoserve's dedicated web pages relating to Unidentified Gas: [Unidentified Gas](#).

If you have any follow up queries please raise a Help and Support request [here](#).