

**UNC Workgroup 0818 Minutes**  
**Releasing of unused capacity under a specific set of circumstances**  
**Tuesday 29 November 2022**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent
Kathryn Adeseye	(KA)	Xoserve
Linda Hannaby-Doyle	(LHD)	ScottishPower
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0818/291122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes.

Copies of all papers are available at: [www.gasgovernance.co.uk/0818/271022](http://www.gasgovernance.co.uk/0818/271022)

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (27 October 2022)

The minutes were approved.

### 1.2. Approval of Late Papers

No late papers to consider.

### 1.3. Review of Outstanding Actions

**Action 0110:** Workgroup to review Northern Gas Networks response to the Initial Representations made.

**Update:** TS (Tracey Saunders) advised she has had no direct responses. **Closed**

**Action 0210:** All Shippers: Any Shippers that wish to know if they have any sites in the SPOR (Supply Point Offtake Rate) process are to request it from Tracey Saunders direct: [trsaunders@northernngas.co.uk](mailto:trsaunders@northernngas.co.uk).

**Update:** TS advised she has had no requests and is therefore assumes that everyone that needs to, has access to the sites that are in the SPOR process. **Closed**

## 2.0 Amended Modification

### Legal Text Review

TS provided a detailed walkthrough of the Draft Legal Text which will make changes to *Transportation Principal Document Section B – System Use and Capacity Annex B-3*. Following the Legal Text Workgroup review TS has sent the following clarification requests and amendments to the Northern Gas Networks lawyers:

1. 14.2(a)(ii), 14.2(a)(vi), 14.3(b)(i):
  - a. Is 'qualifying period' a defined term, and if so, does it need capitalising as it only refers to this paragraph 14?
2. 14.12:
  - a. amended ',' to '.' at end of clause
3. 14.5(a)(ii):
  - a. Refers to paragraph (c), believe this should be (b)
  - b. Challenge that this is specific around the reason for appeal and seems to exclude appeals based on proof of reinforcement previously being paid for. Suggestion that this clause needs to be expanded to also include appeal grounds based on the site not meeting all of the criteria as per 14.2(a)
4. 14.7 (b) (iii):
  - a. There should be a 'C' for the word Confirm. In line with this an amendment is also required to (b) (iii) to a sentence that refers to the whole of (c)

SM (Steve Mulinganie) suggested that new clause 14.1 should refer to the ability to challenge. TS will check this.

In referring to clause 14.2 (a) (iv):

*is one at which a consumer has not made **any payment** to the Transporter for the purposes of the reinforcement works to increase available Supply Point Capacity at the relevant System Exit Point;*

Gareth Evans (GE) asked if there is a timescale for the consumer to make payment to the Transporter, TS confirmed there is no time constraint.

#### 14.3 TI Reduction Notice (b) (i)

TS clarified that whatever period, as determined by the Transporter, (36 months or 52 months) is what the qualification period is.

Ellie Rogers (ER) noted that due to the low volume of sites expected, CDSP (Central Data Service Provider) will manually monitor them. If a site within this process enters into a transfer, CDSP will then liaise with the new Shipper.

TS confirmed that once the site capacity has been reduced; standard Code applies.

## 3.0 Consider Initial Representations

TS agreed to insert the commentary for the response to the Initial Representations into the Modification.

## 4.0 Development of Workgroup Report

In undertaking a detailed onscreen review of the draft Workgroup Report (v0.1, dated 29 November 2022), Rebecca Hailes (RH) completed amendments in-line with the feedback provided by those Workgroup Participants in attendance.

The Workgroup completed the consumer impacts table, discussed the Relevant Objectives and recorded the Workgroup’s responses to the text provided by the Proposer.

**5.0 Next Steps**

RH confirmed the next Workgroup will be held on 26 January 2023 where Workgroup will consider any amendments made to the Modification and Legal Text clarifications.

- TS will make the agreed amendments to the Modification
- TS will seek clarification with the Lawyers on the questions raised with regards to the Legal Text Review.

**6.0 Any Other Business**

None.

**7.0 Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

**Action Table (as at 29 November 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0110	27/10/22	1.3	Workgroup to review Northern Gas Networks response to the Initial Representations made.	Workgroup	Closed
0210	27/10/22	1.3	All Shippers: Any Shippers that wish to know if they have any sites in the SPOR process are to request it from Tracey Saunders direct: <a href="mailto:trsaunders@northerngas.co.uk">trsaunders@northerngas.co.uk</a>	All Shippers	Closed

**UNC Workgroup 0819 Minutes  
Establishing/Amending a Gas Vacant Site Process  
10:00 Tuesday 29 November 2022  
via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent Gas
Clare Manning	(CM)	E.On Next
Claire Louise Robert	(CR)	ScottishPower
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent Gas
Kathryn Adeseye	(KA)	Xoserve
Louise Hellyer	(LH)	Total Energies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Ltd
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(TSa)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/291122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes.

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/291122>

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (22 September & 02 November 2022)

In the absence of the Proposer, approval of the minutes from the meetings held on 22 September 2022 and 02 November 2022 were deferred to 12 December 2022.

### 1.2. Approval of Late Papers

There were no Late Paper.

### 1.3. Review of Outstanding Actions

**Action 0903 (LG):** For Exit Criteria point 4. "AQ (Annual Quantity) Correction has been completed"; needs further clarification with regards to the reason code used.

**Update:** Entry and Exit Criteria Presentation pack received. Due to the absence of proposer, this will be presented to Workgroup at the next meeting. **Carried Forward**

**Action 0904 (LG):** Create flow charts with worked examples to illustrate the Exit Criteria.

**Update:** In the absence of LG, RH confirmed the flow charts have been received and will be presented to Workgroup at the next meeting planned for 29 November 2022. **Carried Forward**

## 2.0 Amended Modification

No further amendment on the Draft amended Modification has been received.

Kathryn Adeseye (KA) advised after the October meeting, LG has since had meeting with Ellie Rogers (ER) updating the Solution Section and Business Rules. LG has also had a meeting with Andy Clasper (AS) in November, progress has been made on the Modification's Business Rules and creation of supporting document to remove some of the low-level detail from the original Modification. No final detail is available yet for discussion.

RHa confirmed that no further action could be taken in Workgroup without the Proposer and since this Modification is due to report to Panel on 16 March 2023 so will reconvene in next Workgroup meeting on 26 January 2023.

## 3.0 Development of the Workgroup Report

Not applicable at time of meeting.

## 4.0 Next Steps

RHa noted the next steps as being:

- LG to submit Amended Modification prior to January Distribution Workgroup Meeting

## 5.0 Any Other Business

None.

## 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 26 January 2023	5pm 19 January 2023	Microsoft Teams	Standard Agenda

**Action Table (as at 29 November 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0903	22/09/22	1.0	For Exit Criteria point 4. "AQ Correction has been completed"; needs further clarification with regards to the reason code used.	LG	January 2023	<b>Carried Forward</b>
0904	22/09/22	1.0	Create flow charts with worked examples to illustrate the Exit Criteria.	LG	January 2023	<b>Carried Forward</b>

## UNC Workgroup 0825 Minutes

### Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434

Tuesday 29 November 2022

via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent
Jamie Flaherty	(JF)	Ofgem
Kathryn Adeseye	(KA)	Xoserve
Linda Hannaby-Doyle	(LHD)	ScottishPower
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0825>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 April 2023

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/291122>

## 1.0 Introduction and Status Review

Rebecca Hailes (RH) welcomed all to the Workgroup.

Aleksandra Cebo (ACe) noted that work is still ongoing with regards to the actions taken at the last Workgroup therefore there is little to discuss at this Workgroup.

Workgroup agreed to review the actions from the last Workgroup meeting.

### 1.1 Approval of Minutes (27 October 2022)

The minutes were approved.

### 1.2 Approval of Late Papers

No late papers to consider.

### 1.3 Review of Outstanding Actions

**Action 0111:** Proposer and CDSP to assess the cost benefit position:

- What does the system solution for Modification 0651 provide (what is the benefit of 0651)?
- What is the justification for Modification 0825 that we no longer need that benefit?
- We know two versions of cost for Modification 0651 implementation, what is the cost of delivering Modification 0825

**Update:** Deferred to January 2023 Workgroup. **Carried Forward**

**Action 0211:** Workgroup participants to consider if Modification 0651 should still go ahead and be implemented, in particular, why is it still needed.

**Update:** Deferred to January 2023 Workgroup. **Carried Forward**

**Action 0311:** Joint Office (RH) to invite Ofgem to future Workgroup meetings.

**Update:** RH confirmed that Ofgem have been invited to the Modification 0825 Workgroup meetings. **Closed**

**Action 0411:** CDSP and DNs to provide a combined response to Panel Question: *2.1.1. Workgroup to consider the financial arrangements associated with Modification 0651, any existing funding provisions and commitments, and the treatment of them in the event that Modification 0825 is approved.*

Ellie Rogers (ER) provided the following response for this action:

*Modification 0825 is approved and the retrospective functionality (due to be delivered under Modification 0651), is no longer required, the funds held by Xoserve for this purpose will be returned to the funding Transporters (89% DNOs and 11% National Grid NTS) and will therefore subsequently be factored into future transportation charges calculations.*

When RH asked, ER confirmed the monetary value for this will be just over £1million.

**Closed**

**Action 0511:** Proposer (ACe) to assess the Relevant Objectives for Modification 0651 and update Workgroup on her findings as to how Modification 0651 would further the Relevant Objectives.

**Update:** Deferred to January 2023 Workgroup. **Carried Forward**

## 2.0 Amended Modification

A Workgroup Participant commented that they are not convinced, in its entirety, that Modification 0651 is no longer required and that it may be that some parts of it may still be beneficial and therefore should be implemented in the system.

Workgroup agreed that more material from CDSP and the Proposer is required in order to take this thought forward.

## 3.0 Development of Workgroup Report

Deferred to January 2023 Workgroup.

**4.0 Next Steps**

RH confirmed the next Workgroup will be held on 26 January 2023 where Workgroup will consider action updates and the way forward for this Modification.

**5.0 AOB**

None

**6.0 Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

As the Workgroup Report is due to be submitted to the 20 April 2023 UNC Panel, it is agreed that the next Workgroup meeting for this Modification will be held in the New Year on Thursday 26 January 2023.

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 26 January 2023	5pm 17 January 2023	Microsoft Teams	Standard Agenda
Thursday 10:00 23 February 2023	5pm 14 February 2023	Microsoft Teams	Standard Agenda
Thursday 10:00 23 March 2023	5pm 14 March 2023	Microsoft Teams	Standard Agenda

**Action Table as at Action Table as at 29 November 2022**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0111	02/11/22	1.0	<p>Proposer and CDSP to assess the cost benefit position:</p> <ul style="list-style-type: none"> <li>What does the system solution for Modification 0651 provide (what is the benefit of 0651)?</li> <li>What is the justification for Modification 0825 that we no longer need that benefit?</li> <li>We know two versions of cost for Modification 0651 implementation, what is the cost of delivering Modification 0825</li> </ul>	Proposer (ACe) and CDSP (PO)	<del>November 2022</del> <b>January 2023</b>	Carried Forward



<b>0211</b>	02/11/22	1.0	Workgroup participants to consider if Modification 0651 should still go ahead and be implemented, in particular, why is it still needed	Workgroup	November 2022 January 2022	<b>Carried Forward</b>
<b>0311</b>	02/11/22	1.0	Joint Office (RH) to invite Ofgem to future Workgroup meetings	Joint Office (RH)	November 2022	<b>Closed</b>
<b>0411</b>	02/11/22	2.1.1	CDSP and DNs to provide a combined response to Panel Question: <i>2.1.1. Workgroup to consider the financial arrangements associated with Modification 0651, any existing funding provisions and commitments, and the treatment of them in the event that Modification 0825 is approved</i>	CDSP and DNs	November 2022	<b>Closed</b>
<b>0511</b>	02/11/22	2.1.3	Proposer (ACe) to assess the Relevant Objectives for Modification 0651 and update Workgroup on her findings as to how Modification 0651 would further the Relevant Objectives.	Proposer (ACe)	November 2022	<b>Pending</b>

**UNC Workgroup 0827S Minutes**  
**Amending the Unsecured Credit Table in TPD V3 to reflect the**  
**removal of Graydons and insertion of Creditsafe**  
**Tuesday 29 November 2022**  
**via Microsoft Teams**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent Gas
Clare Manning	(CM)	E.On Next
Claire Louise Robert	(CR)	ScottishPower
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent Gas
Kathryn Adeseye	(KA)	Xoserve
Louise Hellyer	(LH)	Total Energies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Ltd
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(Tsa)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0827>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2023.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/291122>

**1.0 Outline of Modification**

Andy Clasper (AC) of Cadent Gas introduced the modification supported by a presentation.

AC explained the purpose of this Modification is to make changes to the Unsecured Credit Rating Table – UNC Transportation Principal Document (TPD) V3.1.7 to bring into effect the change from Graydon to Creditsafe ratings. AC explained it is necessary for the changes as access to Graydon portal will be removed for all Transporter by no later than end of February 2023. It is necessary to amend the Independent Assessment Score Table to include Creditsafe as another Independent Credit Rating Agency.

Amendment has since been made to include a further housekeeping change to amend the name of the Dunn & Bradstreet Report and Experian Report which reflect the correct name of the Reports Transporters are currently using. Legal text and Commentary for discussion have also been provided.

AC provided a brief summary of the Legal Text documents which detailed the new TPD V3.1.7(b) and the added new paragraph in the Transitional Rules allowing for Transporters to use Creditsafe unless Shippers specifically request another agency from the table

RHa then worked on the Draft Workgroup Report and covered the following sections with Workgroup:

ER advised ROM is not required as there is no system change.

The Proposer confirmed they do not expect any material impact on Shippers' credit hence no consumer benefits will be affected.

Transporters confirmed that they believed there was not to be any impact to any Shippers in their Networks though this would need confirmation in some cases. However, Workgroup agreed that there is no adverse impact on Shippers and this Modification Workgroup Report should be presented to December Panel for a decision.

AC is to follow up with National Grid and NGN regarding any Shippers from their Networks being affected.

## **2.0 Initial Discussion**

### **2.1. Issues and Questions from Panel**

None raised.

### **2.2. Initial Representations**

None received.

### **2.3. Terms of Reference**

The standard UNC Workgroup Terms of Reference will apply and is available at [www.gasgovernance.co.uk/mods](http://www.gasgovernance.co.uk/mods)

## **3.0 Next Steps**

RHa confirmed that Workgroup Report will be presented to Panel at the 15 December 2022 Meeting

## **4.0 Any Other Business**

None.

## **5.0 Diary Planning**

No further Workgroup Meetings required.

## UNC Workgroup 0831 Minutes

### Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

Thursday 29 November 2022

via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent
Kathryn Adeseye	(KA)	Xoserve
Linda Hannaby-Doyle	(LHD)	ScottishPower
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0831>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2023.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0831/291122>

#### 1.0 Outline of Modification

Mark Jones (MJ) briefly walked through the presentation that was given to the November UNC Panel, this presentation can be found here: <https://www.gasgovernance.co.uk/0831/291122>. It explains that the Modification looks to change the method by which unidentified gas (UIG) is allocated to Shippers from the current AUGGE (Allocation of Unidentified Gas Expert) table of weighting factors, to a throughput or universal allocation model.

MJ explained that the current method causes uncertainty and a risk to Shippers. MJ confirmed *Request Group 0781R - Review of the Unidentified Gas process*, considered a number of solutions, and as a result this Modification has been raised.

Fiona Cottam (FC) wished to take Workgroup through her presentation which explained the application of UIG weighting factors, the presentation can be found here, <https://www.gasgovernance.co.uk/0831/291122>, and includes the following information:

- Key Principles of Daily Energy Allocation since Project Nexus;
- How Unidentified Gas is calculated;
- Explanation of UIG Weighting Factors and a worked example of how they are applied;
- Subsequent Refinement – Reconciliation; and
- What Sharing UIG would like without Weighting Factors

Referring to the Modification and considering the solution to the Modification, Workgroup discussed whether it would be beneficial to keep the UIG table in UNC or remove the table and design the solution so that it is purely based on the throughput.

Some Workgroup participants agreed that keeping the table in UNC and applying a default weighting factor of '1' would be the simplest solution, whereas others felt the right thing to do would be to remove it completely.

Ellie Rogers (ER) advised that the high-level impact assessment carried out by CDSP (Central Data Service Provider) will cover the various options for the table.

When RH (Rebecca Hailes) asked what the equation look would look like, MJ advised that it will be adding UIG as a fixed % to all throughput, all scaling factors shall be a value of 1.

A Workgroup participant noted that there could be consequences to removing the table and retaining it might have some value, whereas other participants noted that clauses in the Code should be removed if they are no longer relevant.

When asked, MJ confirmed this would remove the AUG framework (with a sunset clause).

Gareth Evans (GE) highlighted that it is an extremely complicated process to unwind everything relating to the AUG (Allocation of Unidentified Gas) Weighting Factors in the Code and supported the suggestion that the table can be populated with a weighting factor of '1' which is simple and 100% doable.

GE advised that this process is expensive and complex for the Industry and creates a lot of uncertainty.

TS (Tracey Saunders) sympathised with the position of GE but noted, if Workgroup are not going to complete a full review because it is timely, is there a risk of leaving something in that could initiate dual governance.

FC highlighted there is a formula in Code and reference to the appointment of an AUG Expert:

**SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION**

**E1.1.6 (a) (ii)**

*(ii) the "User LDZ Unidentified Gas" ('ULUG') in respect of an LDZ shall be calculated as follows:*

$$ULUG = UIG * AULOQ / AAULOQ$$

*Where*

*UIG is the Unidentified Gas for the LDZ and the Day in accordance with Section H2.6.1;*

*AULOQ is the User's User Adjusted LDZ Offtake Quantity for the LDZ and the Day;*

AAULOQ is the aggregate for all Users of the Adjusted User LDZ Offtake Quantities for the LDZ and the Day;

## 9.2 Appointment of AUG Expert

### 9.2.1

A person shall be appointed by the CDSP, in accordance with this paragraph 9.2, for the purposes of: (a) preparing the AUG Statement or (as the case may be) modifying the AUG Statement for the Preceding AUG Year and recommending it to the Committee; and (b) preparing the AUG Table, and recommending it to the Committee, in relation to each AUG Year.

For reference, FC noted:

*Modification 0229 - Mechanism for correct apportionment of unidentified gas, put the pre-Nexus AUGE into Code*

*Modification 0432 Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform, was the big Nexus Modification which was a vanilla smear*

*Modification 0473 - Project Nexus – Allocation of Unidentified Gas, put all the text into Code and the weighting factors.*

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

#### 2.1.1. Consider AUGE contractual interactions

It was confirmed that Xoserve are starting discussions with the AUGE relating to the timetable for existing key points in the process, the Contract and then this Modification.

Workgroup participants suggested that consideration of the contractual interactions and the appointment of the AUGE at a future Workgroup would be beneficial to the development of this Modification.

GE suggested that the AUGE can carry on doing its work, but Industry do not need to use the outputs. He was of the view that it was not a requirement of the Modification to remove the AUGE framework but rather Code could just reflect that it is no longer applicable.

Rebecca Hailes (RH) did not agree and felt that this was an untidy way of proceeding and would be poor practice leading to a lack of clarity in Code

Workgroup agreed that committed AUGE spend; critical timing factors (avoiding cost in terms of Modification progression) and any key dates that Workgroup need to be aware of needs to be shared.

**New Action 0111:** CDSP to provide information on the AUGE contractual interactions.

#### Post Meeting Note:

Leaving the AUGE framework intact in Code when its outputs are no longer being utilised may be considered to have a negative impact on Relevant Objective f) *Promotion of efficiency in the implementation and administration of the Code.*

#### 2.1.2. Consider effects of market flux (parties exiting etc.) and any need for reconciliation

FC suggested the Final Modification Report should show what does and does not change in the process which could help to satisfy this question.

It was also clarified that the Modification does not change the UIG amount but will make changes to the process of allocation.

#### 2.1.3. Consider effect on IGT UNC of the proposed to Legal Text drafting

This will be considered when LT is produced.

**2.1.4. Consider any impact/interaction on Licences**

MJ noted this question raised by Panel was in relation to the new *Modification 0828 - Introduction of an Independent Shrinkage Expert*, raised which is now being considered as a Review.

**2.1.5. Consider whether this Modification would reduce the amount of information available from AUGÉ which currently provides industry with an opportunity to drive actions to reduce UIG**

To be considered.

**2.2. Initial Representations**

None received.

**2.3. Terms of Reference**

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at [www.gasgovernance.co.uk/0831](http://www.gasgovernance.co.uk/0831).

**3.0 Next Steps**

RH confirmed that the next meeting on 26 January 2023 will focus on Legal Text and look at an implementable solution.

**4.0 Any Other Business**

None.

**5.0 Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month).

As the Workgroup Report is due to be submitted to the 16 March 2023 UNC Panel, it is agreed that the next Workgroup meeting for this Modification will be held in the New Year on Thursday 26 January 2022.

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 26 January 2022	5pm 17 January 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>Standard Agenda</li> </ul>

**Action Table (as at 29 November 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0111	29/11/22	2.1.1	CDSP to provide information on the AUGÉ contractual interactions.	CDSP (FC/ER)	Pending