

FREQUENTLY ASKED QUESTIONS

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Background to the AUGE

<p>1. What is the AUGE?</p>	<p>The Allocation of Gas Expert (the “AUGE”) is an independent gas industry expert whose role is to develop the Table of Weighting Factors which are used to share out Unidentified Gas (UIG) each day. Material relating to the development of the methodology document and the Table of Weighting Factors can be found on the Joint Office website, under Industry Information, organised by Gas Year: https://www.gasgovernance.co.uk/augenex.</p>
<p>2. Where can I find the rules about the AUGE and their appointment?</p>	<p>The role is defined in UNC TPD Section E (can be accessed via Joint Office website: https://www.gasgovernance.co.uk/tpd)</p> <p>There is more detail in the UNC Related Document “Framework for the Appointment of an Allocation of Unidentified Gas Expert” which can also be found on the Joint Office website: https://www.gasgovernance.co.uk/tpddocs</p>
<p>3. Who chooses and appoints the AUGE?</p>	<p>The Central Data Services Provider (the “CDSP” i.e. Xoserve) has a UNC obligation to appoint an AUGE, with support from a Panel of Gas Industry Stakeholders (the “Stakeholder Evaluation Panel”)</p>

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<p>4. Who is the AUGE?</p>	<p>The AUGE service is currently provided by Engage Consulting Limited who can be contacted at this address: auge@engage-consulting.co.uk</p> <p>Questions about the development of the AUG Statement and Table should be directed to the AUGE.</p> <p>Questions about the application of the Table of Weighting Factors in Xoserve’s systems or the calculation of daily UIG should be directed to Xoserve via the Customer Support Team: https://www.xoserve.com/about-us/about-xoserve/customer-support-team/</p>
<p>5. What are the AUGE’s outputs?</p>	<p>The AUGE has an obligation to produce an AUG Statement each year which sets out the methodology that they followed to develop the Weighting Factors, and which also includes the Table of Factors.</p> <p>Please note that there can be up to three iterations of the AUG Statement before it is formally presented to UNC Committee for consideration in April.</p>

Appointment of the current AUGE

<p>6. Who is the AUGE?</p>	<p>The current AUGE is Engage Consulting Limited who can be contacted at this address: auge@engage-consulting.co.uk.</p> <p>They were appointed to the role in June 2020.</p>
<p>7. How was Engage Consulting selected?</p>	<p>Xoserve ran a competitive process, governed under EU procurement regulations, with support from a Panel of Gas Industry Stakeholders (the “Stakeholder Evaluation Panel”) and followed all the steps set out in UNC and the AUG Framework (see above for links)</p>
<p>8. Who else submitted a bid to be the AUGE?</p>	<p>Information about the workings of the procurement exercise is confidential.</p>
<p>9. How long has Engage Consulting been appointed for?</p>	<p>Engage Consulting has been appointed for up to 5 years, as allowed in the Framework.</p>

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<p>10. How is the AUGE service funded?</p>	<p>Provision and management of an AUGE service provider are Data Services Contract (DSC) obligations on Xoserve.</p> <p>They are both under Service Area 1: Manage Shipper Transfers, which is 100% funded by Gas Shippers for Financial Year 2023/24, via their core DSC charges.</p>
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The work and outputs of the AUGE

<p>11. What is the timeline for the development of the AUG Statement and Table?</p>	<p>The annual timetable is set out in the AUG Framework document (see Question 2 above).</p> <p>The indicative timeline for each Gas Year’s Table preparation is published on the AUG page for that year (see Question 1 above).</p>
<p>12. How are Shippers and other interested parties involved in the development of the Statement and Table?</p>	<p>There are around 6 meetings of the UNC AUG Sub-Committee in the annual cycle for interested parties to meet with the AUGE and hear more about the proposed methodology, and provide input to the process. There is a consultation window each January to provide feedback on the draft AUG Statement and Table.</p> <p>Information about the AUG Sub-Committee can be found on the Joint Office website: https://www.gasgovernance.co.uk/aug</p> <p>Please see the Framework document (Question 2) and timeline (Question 1) for more details.</p>
<p>13. Where can I find the latest Table of Weighting Factors?</p>	<p>Each year’s AUG Statement (including the Table) and supporting material is published on its own page on Joint Office website: https://www.gasgovernance.co.uk/augenex</p>
<p>14. The Weighting Factor for my End User Category/Class combination is much higher/lower than last year – what does that mean?</p>	<p>The AUGE reviews the UIG Weighting Factors each year based on the latest data, so they can change each year.</p> <p>It is the relative size of the factors compared to other EUCs/Classes that matters, not their absolute value.</p>

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<p>15. How do I contact the AUGE?</p>	<p>Engage Consulting has a dedicated mailbox for industry contact:</p> <p>auge@engage-consulting.co.uk.</p>
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The implications of UNC Modifications 0831 and 0831A

<p>16. What are the likely implications of UNC Modification 0831 and its alternative (0831A)?</p>	<p>Both Modifications would remove the AUGE role from UNC and would allocate UIG (and UIG reconciliation) on a straight-line method in each LDZ, without Weighting Factors.</p> <p>0831 would allocate UIG (and UIG Reconciliation) to all Product Classes, while 0831A would only allocate it to Classes 2 to 4.</p>
<p>17. What is the timetable for these Modifications?</p>	<p>Both Modifications are now with Ofgem for a decision as to whether to approve them. Ofgem may approve one or neither, as they are alternatives to each other.</p> <p>Ofgem has stated its intention to publish their decision letter on 23 January 2024.</p>
<p>18. What is the impact of these Modifications on the process to develop the Weighting Factors for Gas Year 2024?</p>	<p>Until Ofgem publishes its decision, the process for 2024 Gas Year needs to continue to ensure that Weighting Factors are available.</p> <p>However, a Shipper has suggested that the 2024 consultation window is extended (or paused) while we await the decision on the two Modifications. This will be discussed at the scheduled AUG Sub-Committee meeting on 12 January 2024.</p> <p>UNC Committee would need to approve any change to the 2024 AUGS development timetable.</p>

The use of the UIG Weighting Factors in gas settlement processes

<p>19. Does the AUGE decide the daily level of UIG?</p>	<p>No, Unidentified Gas (UIG) is the balancing figure in each LDZ each day (since June 2017 when the Project Nexus suite of systems and settlement rules were introduced).</p> <p>The AUGE just determines the factors by which that UIG will be shared out, based on End User Category and Product Class.</p>
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<p>20. How are the UIG Weighting Factors used in daily settlement?</p>	<p>In summary, the Factors are used to calculate a “Weighted Throughput” for each Gas Shipper in each LDZ and UIG is then shared out on the basis of that Weighted Throughput. The aim is to target UIG to the market sectors in proportion to their estimated contribution to UIG.</p> <p>For more information please review Xoserve’s help centre page on UIG which includes links to training and education material, especially the Education Pack:</p> <p>https://www.xoserve.com/help-centre/demand-attribution/unidentified-gas-uig/</p>
<p>21. Why are there different factors for each Class and End User Category (EUC) combination?</p>	<p>The AUGE reviews the differing contribution to UIG of the various Classes and EUCs. The Factors reflect their relative contribution to UIG.</p>
<p>22. Which invoice is UIG billed on?</p>	<p>Since the Project Nexus suite of changes in June 2017, daily UIG is not billed on a separate invoice.</p> <p>As UIG now forms part of a Shipper’s overall daily gas allocation, it is part of the daily Energy Balancing position for each Shipper. The Shipper’s overall daily imbalance is worked out using all input and trades acquired minus all outputs (DM sites, NDM sites, UIG) and trades sold which gives the overall imbalance for the gas day and Shipper.</p> <p>If the value is positive then the Shipper has over delivered and they are cashed out at SMP sell price. If the value is negative, they have under delivered and this is cashed out at SMP buy price. Final allocations after D+5 (5 days after the end of the Gas Day) are used for final imbalance and cash out.</p>
<p>23. What gas price is used for UIG charges?</p>	<p>There is no uniform price for UIG under the new settlement arrangements.</p> <p>UIG is part of the Shipper’s daily allocation of gas that it needs to purchase and deliver to the total system, otherwise the imbalance will be settled out at cash out prices (see Question 22).</p>

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<p>24. Is the UIG allocation reviewed after the end of the Gas Day/month/Gas Year?</p>	<p>Allocated UIG is final five days after the end of the Gas Day (referred to as “D+5”).</p> <p>UIG is subject to UIG reconciliation as meter readings are received for individual meter points. As each individual site receives a positive or negative reconciliation, there is an equal and opposite UIG reconciliation within that LDZ, which is re-shared using the prevailing UIG Weighting Factors and the latest throughput.</p> <p>For more details please see the Xoserve UIG Education Pack (Question 20).</p>
<p>25. Which sites get charged UIG (e.g. do CSEP and DM sites attract UIG?)</p>	<p>UIG is shared out to all live LDZ meter points, based on the UIG Weighting Factors and Weighted Throughput. This includes:</p> <ul style="list-style-type: none"> - Daily and Non-Daily Metered sites - Telemetered LDZ sites - CSEP (Independent Gas Transporter) sites <p>UIG is not allocated to meter points on the NTS (National Transmission System) nor to sites without a registered Shipper.</p>
<p>26. Where can I find out the total amount of UIG each day?</p>	<p>Xoserve publishes this on its UKLink Documents secure website: Folder 18/ Demand Estimation/ UIG: “LDZ UIG Values”. It is updated at least weekly.</p> <p>UK Link Docs URL:</p> <p>https://www.xoserve.com/products-services/data-products/uk-link-system/accessing-secure-documents/</p> <p>Any UNC party can request access via that page</p>

UIG levels and individual allocations

<p>27. What causes Unidentified Gas?</p>	<p>Please see the latest AUG Statement (see question 1 above)</p> <p>There is also a large amount of information on the Xoserve website:</p> <p>https://www.xoserve.com/help-centre/demand-attribution/unidentified-gas-uig/</p>
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<p>28. I'm a Gas Shipper – how can I check my UIG charges?</p>	<p>As mentioned in Question 26 above, Xoserve publishes the daily UIG quantities and percentages on its secure website.</p> <p>We also publish breakdowns of daily energy allocation by LDZ, Class and EUC, and Class 3 and 4 daily aggregate AQs by LDZ and EUC. These are published monthly on UKLink Documents secure area – Folder 18 – UIG. Shippers can use this information to model the size of the overall market on a day and their weighted share of that market.</p>
<p>29. Where can I get more help with UIG calculations?</p>	<p>If the UIG Education material and other information have not provided the answers that you are looking for, please review the links on the Xoserve Help and Support pages:</p> <p>https://www.xoserve.com/help-and-support/</p> <p>There is the facility to raise a Support Request on those pages.</p>
<p>30. I'm a Gas Supplier (not a Shipper) – how can I check my UIG charges?</p>	<p>You will need to contact your Gas Shipper to understand their charging methodology for UIG.</p>
<p>31. How do I predict my UIG charges?</p>	<p>Overall UIG levels are influenced by a number of external factors, including total LDZ inputs, Daily Metered energy and the accuracy of NDM Allocations.</p> <p>Your individual allocation of UIG depends on the total level in the market and your share of throughput by EUC/Class compared to the overall market.</p>
<p>32. What's the difference between initial and final UIG?</p>	<p>“Initial UIG” is the term sometimes used for allocated UIG, while “final UIG” is the position after all meter point reconciliations have been processed (or when the “Line in the Sand” is reached, where no more reconciliations or adjustments can be processed, 3 to 4 years after the gas day).</p>

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<p>33. How long can UIG keep changing?</p>	<p>The UIG position for a particular month will continue to change until the “Line in the Sand” is reached (this is the Code Cut-Off date as referred to in UNC) and no more reconciliation or adjustments can be processed.</p> <p>However, all reconciliation energy is shared out over the last 12 months’ worth of shares of LDZ throughput. This means that after 12 months have passed, that throughput is no longer used for UIG sharing. The only exception to this is lathe LDZ Input Measurement Errors, which are shared out across the affected period of the original error.</p> <p>(Please note that UNC Modification 0862 seeks to remove the 12-month rule and instead apportion UIG Reconciliation across the effective period of the underlying meter point reconciliations (as far back as the Line in the Sand only).</p>
<p>34. What happens if I move sites to Class 3, will my UIG allocation reduce?</p>	<p>If the Weighting Factor for Class 3 is lower than for the current Class of the site, then yes, proportionally UIG allocation would be lower. But total UIG is unchanged, so the more sites move to lower Weighting Factors, the more UIG all sites will pick up to compensate.</p>

UNC Modification 0711 Update of AUG Table to reflect new EUC bands

XRN Update of AUG Table to reflect new EUC bands

<p>35. Why was this change made?</p>	<p>This change brought UIG allocation into line with the enhanced NDM Allocations that were introduced in October 2019, adding more End User Categories within EUCs 01 and 02.</p> <p>At that time, UIG sharing was excluded from the enhancements.</p>
<p>36. What change is required?</p>	<p>The Table of UIG Weighting Factors was expanded from 36 values (9 EUCs x 4 Classes) to 60 values (15 EUCs x 4 Classes) to include the extra EUCs.</p> <p>EUCs 01B and 02B are now each split out into 4 EUCs:</p> <p>xND = Non-Prepayment Domestic xPD = Prepayment Domestic xNI = Non-Prepayment I&C xPI = Prepayment I&C</p> <p>(where x is either 1 or 2, depending on the EUC Band)</p>

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37. How does this affect UIG sharing?	Daily throughput is assigned to 60 different matrix positions, instead of 36, and separate weighting factors are applied to calculate weighted throughput. Factors may be repeated across multiple matrix positions, if they are deemed to have equal contribution to UIG.
38. How does this affect daily NDM Allocation?	NDM Allocation is not affected – the changes were already made in October 2019 to have extra End User Categories and separate profiles for these EUCs (if sufficient data is available).
39. How does this affect the AUGE’s methodology?	The AUGE needs to calculate separate factors for 60 different matrix positions, instead of 36.
40. When was this change implemented?	The changes took effect from Gas Day 01 October 2021.
41. Where can I see the UIG Weighting Factors that apply as a result of this change?	Each year’s AUG Statement (including the Table) and supporting material is published on its own page on Joint Office website (See Question 1 above).
42. Where can I find out more?	<p>UNC Modification 0711: https://www.gasgovernance.co.uk/0711</p> <p>Xoserve Change Pack XRN0593: https://www.xoserve.com/change/change-proposals/xrn-5093-update-of-aug-table-to-reflect-new-euc-bands/</p>

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UNC Modification 0840 (Urgent) Equalisation of prepayment and non-prepayment AUG Factors

<p>43. Why was this change made?</p>	<p>Ofgem approved this Urgent UNC Modification in April 2023, to remove any differences in UIG Weighting Factors between Prepayment and Non-Prepayment End User Categories within the same market sector and Product Class. For instance, for Class 4, EUC01 Domestic, the Weighting Factors must be equal for both Prepayment and Non-Prepayment sites.</p> <p>This was to remove the chance of Prepayment customers being disadvantaged, due to their Shipper receiving a higher UIG allocation compared to the equivalent non-Prepayment site.</p>
<p>44. What change was made?</p>	<p>The AUGE updated the final AUG Table following the Ofgem decision, to give the same Weighting Factor for each pair of EUCs with the same market sector and Product Class. This was done by combining the UIG and total throughput in order to calculate a single Weighting Factor for the respective pairings.</p>
<p>45. How does this affect UIG sharing?</p>	<p>Prepayment and Non-Prepayment End User Categories within the same market sector and Product Class will now always have the same UIG Weighting Factor. This means that per kWh of daily gas allocation, they will receive the same amount of UIG allocation each day.</p>
<p>46. How does this affect daily NDM Allocation?</p>	<p>NDM Allocation is not affected by this change, it only affects UIG allocation. Prepayment End User Categories can still have a different NDM allocation profile compared to Non-Prepayment in the same EUC Band and LDZ, if the NDM modelling processes have indicated that they are different.</p>
<p>47. How does this affect the AUGE's methodology?</p>	<p>The AUGE's methodology will still calculate UIG contributions by Class and EUC. From Gas Year 2023 onwards, the final stage of the process will be equalisation as described under "What change was made" above.</p>
<p>48. When was this change implemented?</p>	<p>The AUGE implemented the change on 25 April 2023 for the Revised Final AUG Statement that applies for Gas Year 2023.</p>

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49. Where can I see the UIG Weighting Factors that apply as a result of this change?	The final Weighting Factors for Gas Year 2023 include the “equalised” factors. All future years’ Weighting Factors will also comply. https://www.gasgovernance.co.uk/AUGStatement2324
50. Where can I find out more?	UNC Modification 0840: https://www.gasgovernance.co.uk/0840