



UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 657 414">UNC 0850:</h1> <h2 data-bbox="129 452 1182 734">Amendments to Allocation of Unidentified Gas Expert (AUGE) arrangements to introduce a new Residual Upstream Contributor</h2>	<div data-bbox="1209 309 1469 629"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 389 1469 463">02 Workgroup Report</div> <div data-bbox="1209 470 1469 544">03 Draft Modification Report</div> <div data-bbox="1209 551 1469 629">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>This Modification proposes to amend the existing Allocation of Unidentified Gas arrangements to introduce a new Residual Upstream Contributor that will be the new daily balancing factor for Unidentified Gas.</p>	
<p>Next Steps:</p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> considered a material change and not subject to Self-Governance assessed by a Workgroup for 6 months <p>This Modification will be presented by the Proposer to the Panel on 20 July 2023. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p>Impacted Parties:</p> <p>High: Shippers, Distribution Network Operators, Consumers, CDSP</p> <p>Low:</p> <p>None: Independent Gas Transporters and National Gas Transmission</p>	
<p>Impacted Codes: Retail Energy Code (REC)</p>	

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Timetable		
Modification timetable:		
Pre-Modification Discussed	06 July 2023	
Date Modification Raised	07 July 2023	
New Modification to be considered by Modification Panel	20 July 2023	
First Workgroup Meeting	27 July 2023	
Workgroup Report to be presented to Modification Panel	18 January 2024	
Draft Modification Report issued for Consultation	19 January 2024	
Consultation Close-out for representations	08 February 2024	
Final Modification Report available for Modification Panel	12 February 2024	
Modification Panel decision	21 March 2024	
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1 Summary

What

If gas downstream theft is actually in line with the independent assessment (link below) carried out by the Retail Energy Code, then Unidentified Gas (UIG) contains an additional hitherto unidentified Unknown Contributor.

[Microsoft Word - TEM Report v2.0 \(retailenergycode.co.uk\)](https://www.retailenergycode.co.uk)

The Allocation of Unidentified Gas Expert (AUGE) has spent a number of years identifying downstream sources of Unidentified Gas, during this time it has been specifically excluded from considering Distribution Network Operator's Upstream Contributors. The Allocation of Unidentified Gas Expert by identifying and quantifying sources of Unidentified Gas has enabled the Performance Assurance Committee, Central Data Service Provider (CDSP) and Shippers to, over many years, target these volumes of energy associated with the non-theft contributor. At the same time a number of initiatives have been introduced by the industry to reduce the levels of Theft including the Theft Risk Assessment Service, the Crime Stoppers Energy Theft Tip Off Service (help line, webpage etc.) and the Theft Detection Incentive Scheme. The Theft Detection Incentive Scheme alone will cost Suppliers c£25m for 2023-2024 with Gas making up c£8.5m of the total value of the scheme.

The Allocation of Unidentified Gas Expert, during stakeholder engagement, has acknowledged that all the other known downstream Contributors are relatively insignificant when compared to Theft. The Allocation of Unidentified Gas Expert has also verbally acknowledged that most of the optimisation of these other downstream Contributors has been undertaken and industry is now in a position of "diminishing returns" if the current Allocation of Unidentified Gas Expert activity continues with no change. The Allocation of Unidentified Gas Expert, alongside the Allocation of Unidentified Gas Table containing the final Weighting Factors also produces a detailed summary of Contributors and their relative values: [Final AUG Statement 2023-2024 1.5.pdf \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk)

Why

If a change is not made then downstream Theft will continue to be materially overestimated

How

The management and control of downstream Theft is a matter for Suppliers and is now managed via the Retail Energy Code which also oversees the Supplier Theft Detection Incentive Scheme <https://www.retailenergycode.co.uk/our-programmes/>.

Excluding theft, the Allocation of Unidentified Gas Expert identifies that 1,674GWh of Downstream UIG is contributed by non-Theft Sources (see table within Section 3, business rule 5). Taking into account the independent highest estimate of Gas Theft by the Retail Energy Code of 1,218GWh this would indicate that there is another material hitherto unknown contributor to UIG. The Residual Upstream Contributor (RUC). Based upon the latest AUGE Statement this RUC value is 5,605GWh.

Our Proposal is therefore to introduce a new Residual Upstream Contributor (RUC) that will be the daily Balancing Factor for Unidentified Gas going forward. The Residual Upstream Contributor will, where relevant, be allocated to the relevant Distribution Network Operator. The energy value for the Theft of Gas Contributor will be under provided by Retail Energy Code Company (RECCo) to the Allocation of Unidentified Gas Expert or the Central Data Service Provider (currently Xoserve)

The RECCo, will be obligated to send the energy value for Theft of Gas Contributor on an annual basis to align with the annual process

For the avoidance of doubt a REC Change will be raised to place this obligation on RECCo.

The AUGER or in the event that the AUGER role is no longer required should Modification 0831 or 0831A be implemented) the CDSP (or an expert appointed by the CDSP) will continue to manage the annual process and provide the Allocation of Unidentified Gas Expert Contributors in the form of an annual table which determines the relative value of those components (as now).

The Total Energy Value will be allocated to relevant Shippers by allocating a daily share of the Total Energy Value for each relevant Gas Day to the relevant Shippers with Class 2, Class 3, and Class 4 Supply Points in the relevant Distribution Network as a function of throughput. Any remaining Unidentified Gas will be considered to be a Residual Upstream Contributor.

By allocating the Total Energy Value as a function of throughput we believe it substantially reduces the complexity inherent in the existing arrangements. In addition due to its smaller value we believe this is an efficient outcome versus the cost and complexity of the current arrangements. We note that Modifications 0831 & 0831A both move to smear Unidentified Gas as a function of throughput and this modification aligns with that intent i.e. the Total Energy Value is smeared as a function of throughput albeit as currently drafted this only applies to Class 2, 3 and 4 Supply Points as per 0831A.

The Allocation of Unidentified Gas Expert or Central Data Service Provider role will be amended to provide the energy values for the relevant downstream Contributors, excluding Theft. The Allocation of Unidentified Gas Expert or Central Data Service Provider will not be required to provide a set of smearing factors (UGS Weighting Factors) as the proposal is for the Total Energy Value to be shared out as a function of throughput to the relevant Product Classes 2, 3 and 4.

We believe it is appropriate to carve out Product Class 1, in line with Modification 0831A, consumers as they have not been identified as materially contributing to Unidentified Gas but under this approach, if included, would be detrimentally overallocated energy.

Any Residual Upstream Contributor (RUC) will be allocated to the relevant Distribution Network Operator in which it occurs.

2 Governance

Justification for Authority Direction

This change is material as it has significant commercial impact on parties, consumers, or other stakeholder(s); and therefore warrants Authority Direction

Requested Next Steps

This Modification should:

- be considered a material change and not subject to Self-Governance.
- be assessed by a Workgroup.

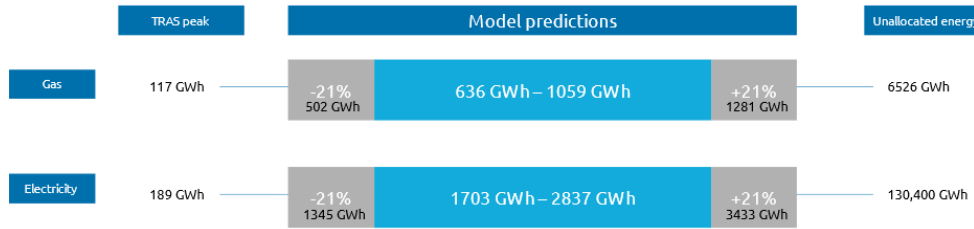
3 Why Change?

1. If gas downstream theft is actually in line with the independent assessment (link below) carried out by the Retail Energy Code (REC) then Unidentified Gas (UIG) contains an additional hitherto unidentified Unknown Contributor. Full report can be found here: [Microsoft Word - TEM Report v2.0 \(retailenergycode.co.uk\)](#)

A Summary of the REC analysis is provided below

The Theft Estimation Methodology was also trailed at the November workshop, and subsequently presented to stakeholders via a dedicated webinar.

Model heavily dependent on legacy data from the Theft Risk Assessment Service (TRAS), and existing estimates of losses:



Theft losses in monetary terms are **£737m - £1233m for electricity & £93m - £155m for gas.**

We anticipate revising the TEM periodically, but will do so when further data sets become available that could improve the approach – e.g. low voltage data from Distributors, Smart meter read data

The Current AUGÉ Arrangements

- The Allocation of Unidentified Gas Expert has spent a number of years identifying, quantifying, the downstream sources of Unidentified Gas (UIG). During this time it has been specifically excluded from considering the Distribution Network Operator’s (DNO) upstream contributors. The Allocation of Unidentified Gas Expert by identifying and quantifying sources of Unidentified Gas has enabled the Performance Assurance Committee, Central Data Service Provider (CDSP) and Shippers to, over a number of years, target these volumes of energy associated with the non-theft contributor.
- At the same time a number of initiatives have been introduced by the industry to reduce the levels of Theft including the Theft Risk Assessment Service, the Crime Stoppers Energy Theft Tip Off Service (help line, webpage etc.) and the Theft Detection Incentive Scheme. The Theft Detection Incentive Scheme alone will cost Suppliers c£25m for 2023-2024 with Gas making up c£8.5m of the total value of the scheme.

Summary of the Value of the Theft Detection Incentive Scheme (via the REC)

Theft Detection Incentive Scheme (TDIS) 2023-2024		
Market Sector	Fuel Type	Total Incentive Pot Value
Non-Domestic	Gas	£3,252,713
Non-Domestic	Power	£4,686,893
Domestic	Gas	£5,130,510
Domestic	Power	£11,369,333
		£24,439,449

- The Allocation of Unidentified Gas Expert, during stakeholder engagement, has acknowledged that all the other known downstream Contributors are relatively insignificant when compared to Theft. The Allocation of Unidentified Gas Expert has also verbally acknowledged that most of the optimisation of these other downstream Contributors has been undertaken and industry is now in a position of “diminishing returns” if the current Allocation of Unidentified Gas Expert activity continues with no change.

5. The Allocation of Unidentified Gas Expert, alongside the Allocation of Unidentified Gas Table containing the final Weighting Factors also produces a detailed summary of Contributors and their relative values: [Final AUG Statement 2023-2024 1.5.pdf \(gasgovernance.co.uk\)](#)

This is summarised in the table below:

The current AUGE determination of UIG			
Contributor	2023-2024 Gas Year UIG Volume	Source	Comments
Theft of Gas (ToG)	6,823 GWh	AUGE	
Average Temperature Assumption	1,021 GWh	AUGE	
Average Pressure Assumption	326 GWh	AUGE	
No Read at the Line in the Sand	162 GWh	AUGE	Also monitored via PAC
Incorrect Correction Factors	53 GWh	AUGE	Also monitored via PAC
Unregistered Sites	53 GWh	AUGE	Also monitored via PAC
Isolated Sites	19 GWh	AUGE	Also monitored via PAC
IGT Shrinkage	19 GWh	AUGE	
Dead Sites	19 GWh	AUGE	Also monitored via PAC
Shipperless Sites	17 GWh	AUGE	Also monitored via PAC
Consumption Meter Error	-15 GWh	AUGE	Also monitored via PAC
Total	8,497 GWh	AUGE	

6. If a change is not made, then downstream Theft will continue to be materially overestimated
7. The management and control of downstream Theft is a matter for Suppliers and is now managed via the Retail Energy Code which also oversees the Supplier Theft Detection Incentive Scheme <https://www.retailenergycode.co.uk/our-programmes/>
8. Taking into account the independent highest estimate of Gas Theft by the Retail Energy Code of 1218 GWh (as opposed to the AUGE estimate of 6,823 GWh) and that the Allocation of Unidentified Gas Expert other material Contributors that make up Downstream UIG of 1674 GWh then this hitherto unidentified Unknown Contributor must be a Residual Upstream Contributor

9. Our Proposal is therefore to introduce a new Residual Upstream Contributor (RUC) that will be the daily Balancing Factor for Unidentified Gas going forward. The Residual Upstream Contributor will, where relevant, be allocated to the relevant Distribution Network Operator.
10. The energy value for the Theft of Gas Contributor will be under provided by Retail Energy Code to the Allocation of Unidentified Gas Expert or the Central Data Service Provider. The Retail Energy Code, will be obligated to send the energy value for Theft of Gas Contributor on an annual basis to align with the annual process
11. For the avoidance of doubt a REC Change will be raised to place this obligation on RECCo.
12. The Allocation of Unidentified Gas Expert or the Central Data Service Provider will continue to manage the annual process and provide the Allocation of Unidentified Gas Expert Contributors in the form of an annual table which determines the relative value of those components (as now).
13. In the example table below we use the Retail Energy Code Upper Estimate of Gas Theft and the proposed Contributors for 2023-2024 from the Allocation of Unidentified Gas Expert. The Table summarises the intent of the proposal i.e. that an energy value is determined for downstream Unidentified Gas any residual energy is considered to be upstream Unidentified Gas.

Illustrative example of the proposal:

Contributor	2023-2024 Gas Year UIG Volume	Source	Comments
Theft of Gas (ToG)	1218 GWh	REC	Highest estimate for Gas ToG from REC
Average Temperature Assumption	1,021 GWh	*AUGE	*AUGE could be replaced by CDSP
Average Pressure Assumption	326 GWh	*AUGE	
No Read at the Line in the Sand	162 GWh	*AUGE	Also monitored via PAC
Incorrect Correction Factors	53 GWh	*AUGE	Also monitored via PAC
Unregistered Sites	53 GWh	*AUGE	Also monitored via PAC
Isolated Sites	19 GWh	*AUGE	Also monitored via PAC
IGT Shrinkage	19 GWh	*AUGE	
Dead Sites	19 GWh	*AUGE	Also monitored via PAC
Shipperless Sites	17 GWh	*AUGE	Also monitored via PAC
Consumption Meter Error	-15 GWh	*AUGE	Also monitored via PAC

Total non Theft Downstream Contributors	1674 GWh		
ToG + Non-Theft Downstream Contributors = Total Energy Value (TEV)	1218 + 1,674 = 2,892 GWh	*REC + AUGE	Allocated as a daily value shared as a function of throughput for Class 2, 3 & 4 Supply Points
Residual Upstream Contributor (RUC)	See Business Rule 8 below	CDSP	Will be the Balancing Factor used to allocate any daily remaining energy to relevant DNO

14. To Reflect the difference between the use of the system in the Winter Vs the Summer the Total Energy Value will be shaped i.e. for Jan 15% of the TEV would be smeared. This would then be allocated as a function of throughput on the relevant day (See 15 below).

Jan	15%
Feb	12%
Mar	11%
Apr	9%
May	8%
Jun	4%
Jul	3%
Aug	4%
Sep	4%
Oct	7%
Nov	10%
Dec	13%

15. The Total Energy Value will be allocated to relevant Shippers by allocating a daily share of the Total Energy Value for each relevant Gas Day to the relevant Shippers with Class 2, Class 3, and Class 4 Supply Points in the relevant Distribution Network as a function of throughput. Any remaining Unidentified Gas will be considered to be a Residual Upstream Contributor
16. By allocating the Total Energy Value as a function of throughput we believe it substantially reduces the complexity and uncertainty inherent in the existing arrangements. In addition due to its smaller value we believe this is an efficient outcome versus the cost and complexity of the current arrangements. We note that Modifications 0831 & 0831A both move to smear Unidentified Gas as a function of throughput and this modification aligns with that intent i.e. the Total Energy Value is smeared as a function of throughput albeit as currently drafted this only applies to Class 2, 3 and 4 Supply Points as per 0831A.
17. The Allocation of Unidentified Gas Expert or the Central Data Service Provider role will be amended to provide the energy values for the relevant downstream Contributors, excluding Theft. Allocation of Unidentified Gas Expert or the Central Data Service Provider will not be required to provide a set of smearing factors (UGS Weighting Factors) as the proposal is for the Total Energy Value to be shared out as a function of throughput to the relevant Product Classes 2, 3 and 4.

- 18. We believe it is appropriate to carve out Product Class 1, in line with Modification 0831A, consumers as they have not been identified as materially contributing to Unidentified Gas but under this approach, if included, would be detrimentally overallocated energy.
- 19. Any Residual Upstream Contributor (RUC) will be allocated to the relevant Distribution Network Operator in which it occurs. Any RUC costs are to be charged via annual transportation changes as per Shrinkage

4 Code Specific Matters

Reference Documents

UNC TPD Section 9 Unidentified Gas - Allocation Factors and AUGE Framework doc, links to relevant REC docs and process.

Knowledge/Skills

TBC.

5 Solution

The Business Rules (BR) are set out below:

BR1. Introduce a new Residual Upstream Contributor (RUC) that will be the daily balancing factor for Unidentified Gas (UIG) going forward

BR2. The energy value for the downstream Theft of Gas Contributor will be under provided by Retail Energy Code to the Allocation of Unidentified Gas Expert or the Central Data Service Provider. The Allocation of Unidentified Gas Expert or the Central Data Service Provider will use the energy value for downstream Theft of Gas Contributor provided by the RECCo for that purpose i.e. to establish the Theft of Gas (ToG) energy value.

BR2 Note 1: For the avoidance of doubt a Retail Energy Code Change Request will be raised to place this obligation on the RECCo

BR3. The Allocation of Unidentified Gas Expert or (in the event that the Allocation of Unidentified Gas Expert role is no longer required should Modification 0831 or 0831A be implemented) the Central Data Service Provider (or an expert appointed by the Central Data Service Provider) will manage the annual process and provide the energy values for the relevant downstream Contributors, excluding Theft in the form of an annual table (example below) which determines the relative value of those components (as now). In the example below we use the REC Upper Estimate of Gas Theft, as the highest value for illustrative purposes, and the proposed Contributors for 2023-2024 from the Allocation of Unidentified Gas Expert.

Illustrative example of the proposal:

Example: Combined UIG Values for Gas Year 2023-2024 Table			
Contributor	2023-2024 Gas Year UIG Volume	Source	Comments

Theft of Gas (ToG)	1218 GWh	REC	Highest estimate for Gas ToG from REC
Other Downstream non-Theft of Gas Contributors			
Average Temperature Assumption	1,021 GWh	*AUGE	*AUGE could be replaced by CDSP
Average Pressure Assumption	326 GWh	*AUGE	
No Read at the Line in the Sand	162 GWh	*AUGE	Also monitored via PAC
Incorrect Correction Factors	53 GWh	*AUGE	Also monitored via PAC
Unregistered Sites	53 GWh	*AUGE	Also monitored via PAC
Isolated Sites	19 GWh	*AUGE	Also monitored via PAC
IGT Shrinkage	19 GWh	*AUGE	
Dead Sites	19 GWh	*AUGE	Also monitored via PAC
Shipperless Sites	17 GWh	*AUGE	Also monitored via PAC
Consumption Meter Error	-15 GWh	*AUGE	Also monitored via PAC
Total Energy Value (TEV) ToG & AUGE contributors	1218 + 1,674 = 2,892 GWh	REC + *AUGE	Allocated as a daily value shared as a function of throughput for Class 2, 3 & 4 Supply Points
Residual Upstream Contributor (RUC)	See Business Rule 8 below	CDSP	Will be the balancing factor used to allocate any daily remaining energy to relevant DNO

BR4. To Reflect the difference between the use of the system in the Winter Vs the Summer the Total Energy Value will be shaped i.e. for Jan 15% of the TEV would be smeared. This would then be allocated as a function of throughput on the relevant day (See 15 below).

Example Table:

Jan	15%
Feb	12%
Mar	11%
Apr	9%
May	8%
Jun	4%

Jul	3%
Aug	4%
Sep	4%
Oct	7%
Nov	10%
Dec	13%

BR5. The Total Energy Value will be allocated to relevant Shippers by allocating a daily share of the Total Energy Value for each relevant Gas Day to the relevant Shippers with Class 2, Class 3, and Class 4 Supply Points in the relevant Distribution Network as a function of throughput.

BR5 Note 1: For the avoidance of doubt, the TEV will be calculated on an annual basis and will be fixed for the year. Once created, there will be no reconciliation activity undertaken on the energy values estimated to create the TEV.

BR5 Note 2: In allocating the Total Energy Value (TEV) as a function of throughput we believe it minimises the complexity inherent in the existing arrangements. In addition due to the smaller value of downstream UIG we believe this is a more efficient outcome versus the cost and complexity of the current arrangements. We note that Modifications 0831 & 0831A both move to smear Unidentified Gas as a function of throughput and this modification aligns with that intent i.e. the Total Energy Value (TEV) is smeared as a function of throughput albeit as currently drafted this only applies to Class 2, 3 and 4 Supply Points as per 0831A. <https://www.gasgovernance.co.uk/0831>

BR6. The Allocation of Unidentified Gas Expert or Central Data Service Provider role will be amended to continue to provide the Allocation of Unidentified Gas Expert Contributors energy values for the relevant downstream Contributors, excluding Theft. The Allocation of Unidentified Gas Expert will no longer be required to provide a set of UGS Weighting factors as the proposal is for the Total Energy Value to be shared out to the relevant Registered Users (Shippers) as a function of throughput to the relevant Supply Points for Product Classes 2 to 4.

BR6 Note 1: If the AUGGE is retained a change will be required to the Framework for the Appointment of an Allocation of Unidentified Gas Expert. If the Central Data Service Provider undertakes the work, then this can be addressed in the legal text.

BR7. Product Class 1 consumers would be exempt from these arrangements as they have not been identified as materially contributing to UIG.

BR7 Note 1: We believe it is appropriate to carve out Product Class 1, in line with Modification 0831A, consumers as they have not been identified as materially contributing to Unidentified Gas. If included they would be detrimentally overallocated energy.

BR8. Any Residual Upstream Contributor (RUC) will be allocated to the relevant Distribution Network Operator in which it occurs. Any RUC costs are to be charged via annual transportation changes as per Shrinkage.

6. Impacts & Other Considerations




Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.




Consumer Impacts

The existing Allocation of Unidentified Gas Expert arrangements lead to the application of Unidentified Gas in accordance with UGS Weighting Factors and this is a difficult concept to explain and to forecast for Consumers.

Current Arrangements:

Principle	Current Arrangements	Comments
Transparent		The process provides transparency in terms of how the factors are determined.
Predictable		The determination of UGS Weighting Factors makes the estimation of UIG on a daily basis unpredictable
Stable		The determination of UGS Weighting Factors makes the current arrangements volatile

Proposed Arrangements under this Modification:

Principle	Proposed Arrangements	Comments
Transparent		The process provides transparency in terms of how the energy values are determined and additionally provides a transparent method for the allocation the determined energy.
Predictable		The determination of a Total Energy Value based on defined values in advance of the gas year makes the estimation of UIG on a daily basis predictable and easy to explain to consumers
Stable		The determination of a Total Energy Value based on defined values in advance of the gas year makes the process less volatile enhancing price stability

What is the current consumer experience and what would the new consumer experience be?

As noted above the outcome should be a more improved arrangements and a more straightforward process with an outcome that is more easily understood by Consumers.

Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None

Lower bills than would otherwise be the case Lower price premium from suppliers for UIG uncertainty and lower industry costs due to reduced role for AUGÉ.	Positive
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

TBD

EU Code Impacts

None

Central Systems Impacts

From a system perspective, the CDSP will be required to allocate the Total Energy Value (TEV) as a function of throughput and also allocate any Residual Upstream Contributor (RUC) to DNOs.

From a contractual perspective, if the AUGÉ role remains in place, the CDSP will be required to action a contract variation to amend the scope of the AUGÉ based on this proposal. At high-level, this is to remove the need to consider theft as a contributor and no longer create the UGS weighting factors.

If the AUGÉ role is removed as a result of implementation of either Modification 0831 or 0831A, the CDSP may undertake a procurement exercise to appoint a party to perform the roles required under this proposal which is to estimate the downstream UIG contributors (excluding theft).

6 Relevant Objectives

Impact of the Modification on the Transporters’ Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or	Positive

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

d) A more predictable, stable, and transparent process for UIG allocation will lower the UIG risk to Shipper Users, Suppliers and Consumers and will maintain cost stability which should support increased competition.

f) The optimisation of the AUGER role will lower industry costs and makes the administration of the gas allocation process to Shipper Users more efficient.

7 Implementation

No implementation timescales proposed. However, this Modification should be implemented as soon as reasonably practicable following Authority direction to do so.

8 Legal Text

Text Commentary

TBC

Text

TBC

9 Recommendations

Proposer’s Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply.
- Refer this proposal to a Workgroup for assessment.