

**UNCC AUG Sub-Committee Minutes**  
**Friday 11 March 2022**  
**via teleconference**

**Attendees**

Alan Raper (Chair)	(AR)	Joint Office
Maitrayee Bhowmick-Jewkes (Secretary)	(MBJ)	Joint Office
Andrew Green	(AG)	Waters Wye Associates
Carl Whitehouse	(CW)	Shell Energy
Dan Fittock	(DF)	Corona Energy
Dave Morley	(DM)	Ovo Energy
David Speake	(DS)	Engage Consulting (AUGE)
Fiona Cottam	(FC)	Correla on behalf of Xoserve
James Doyle	(JD)	Out Fox the Market
Jonathan Kiddle	(JK)	Engage Consulting (AUGE)
Louise Hellyer	(LH)	Total Energies
Mark Jones	(MJ)	SSE
Neil Cole	(NC)	Correla on behalf of Xoserve
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Sophie Dooley	(SD)	Engage Consulting (AUGE)
Steve Mulinganie	(SM)	Gazprom Energy

Copies of all papers are available at: <https://www.gasgovernance.co.uk/aug/110322>

**1. Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting and explained the main emphasis of the meeting was to consider the Revised Allocation of Unidentified Gas (AUG) Statement.

**1.1. Approval of Minutes (18 February 2022)**

The minutes from the previous meeting were approved.

**1.2. Approval of Late Papers**

The Committee approved the late papers submitted by Correla in relation to Action 0201 and AOB item 6.1 AUGE Management Review.

**1.3. Review of Outstanding Actions**

**Action 0201: 050 – LDZ Meter Error** - Engage (JK) to consider a forecast to incorporate the large meter error that is currently under investigation.

**Update:** Jonathan Kiddle (JK) stated the forecast to incorporate large meter errors will be considered further in 2023/24 AUG Statement. The Workgroup agreed to keep the action open. **Carried Forward**

**Action 0401:** Correla (FC) to contact all Shippers with sites in EUC08 in Class 3 and ask them to review whether there was AMR fitted at those sites, and update UK Link if necessary.

**Update:** Neil Cole (NC) advised Correla have been engaging with customers and the data gathered has been provided to the AUGE (Allocation of Unidentified Gas Expert). Fiona Cottam (FC) suggested that the action can now be closed. Steve Mulinganie (SM) asked whether an indication of the level of correction to be expected can be expected. FC accepted noting this would be provided at the next meeting.

**New Action 0301:** Correla (FC) to provide an update on the level of correction to be expected from the information derived from the EUC08 sites in Class 3.

**Closed.**

**Action 0201:** *Reference Question 1 – Methodology – Small Sample Size and Impact* – Correla (FC) & Engage (JK) to look to prepare a draft Strawman for development of a formal communication process between the AUG Sub-Committee and the Performance Assurance Committee.

**Update:** David Speake (DS) presented a slide to address this action. For a detailed update, please refer to the published slides on the meeting page.

DS proposed a twice-yearly touchpoint between AUG Sub-Committee and PAC. DS suggested this could be initiated by presenting the AUG Issues Log at the April PAC meeting and review any feedback offline. SM agreed that the proposed April-October touchpoints would be useful.

Dave Morley (DM) asked whether the AUGE had identified any significant efficiencies through this process. DS advised that efficiencies had been identified, including the insight from the work the AUGE were carrying out.

The Workgroup discussed the Issues Log to be presented at PAC and agreed that it should be updated and presented at April's AUG meeting before being shared at the May PAC meeting. AR confirmed, following this, for future years the touchpoints will remain April and October.

**Closed**

**Action 0202:** *Reference Question 1 – Methodology – Actions 22/1a and 22/1c* – Engage (JK) to prepare a draft, simplified Business Case for consideration at the next Committee meeting.

**Update:** This topic is covered under Agenda item 3.0. **Closed**

**Action 0203:** *Reference Question 2 - Investigations – 010 Theft of Gas – Smart vs Traditional Meters* - Engage (JK) to prepare a proposed methodology for consideration at a future Committee meeting.

**Update:** JK advised this topic will be included in the 2023/24 AUG Statement and an investigation will be carried out prior to any findings being shared. **Carried Forward**

**Action 0203:** *Reference the '2022 Allocation of Unidentified Gas Expert (AUGE) Management (MOD 0782)' Report* – Xoserve (CD) to consider the feedback provided and provide a progress update at the March Committee meeting.

**Update:** This topic is covered under Agenda item 6.1. **Closed**

## 2. AUG 2022/2023 Timeline (Recap)

AR provided a very brief onscreen review of the 'Indicative AUG Timeline for Analysis Year 2021/22 (Preparation of Statement and Table for Gas Year 2022/23)' presentation, noting this was the penultimate step in finalising the AUG Statement.

### 3. Consideration of Revised AUG Statement

JK presented the Revised AUG Statement to the Committee. For a detailed update, please refer to the published slides on the meeting page.

DS highlighted that he had an action to liaise with the Retail Energy Code Company (RECCo) to find out when the REC outputs on Gas Theft would be available. DS advised that this is still a work in progress and when the output is available, it will be made available to the whole industry and not just RECCo. DS added that the industry may be consulted on defining the methodology as well. A further update will be provided when available.

The Committee discussed the AUG Advisory Services proposed by the AUGE. Key comments raised are captured below:

- Reporting to PAC: The Committee agreed with the approach proposed by the AUGE.
- Unidentified Gas (UIG) at Allocation: AR asked how this item was added as a contractual extra under the Advisory Services. JK explained that this was covered under the pre-authorised budget. FC added that the Uniform Network Code Committee (UNCC) approves the recommendations from the AUG Committee for the AUGE to do additional work outside their contract and had approved of this.

AR asked the Committee for their views. FC noted that the current approach was focused on UIG and the line in the sand approach and calculating initial UIG would be a separate piece of work. DS added that some of the work for this would be carried out within the AUG scope for the next year. AR suggested that pre-authorising the spend and time for this work may be beneficial.

- Data quality: Andrew Green (AG) stated that a log of data quality issues be kept as part of the AUG process and questioned why this was added as an additional service. JK explained that this does not impact the AUGE's core activities and therefore considered as an additional piece of work and follow-up activities are not presently carried out.

FC added that the AUGE contributes to the data quality issues or settlement performance issues that are currently captured. Whilst there is a link between the work the AUGE carries out and the data quality issues log, it was not formally included in the AUGE's scope of works.

SM noted that the PAC addressed data quality issues as a matter of course and questioned whether there was any value in paying the AUGE to do this work. JK explained that the work being proposed by the AUGE would include non-settlement data related issues which was outside PAC's remit, adding that any non-billable and non-PAC issues would be included in this log.

SM suggested whether this service should be included in the AUGE's scope would depend on whether PAC agreed that this work was outside PAC's remit. DS noted he would redesign the proposal around PAC's response and bring it back to the Committee.

- Market incentive: AR suggested that a deeper dive was perhaps necessary for the costs and what would be included under this topic. FC noted that the Performance Assurance Framework Document stated that PAC retains the discretion to develop an incentive mechanism.

JK asked whether this item should be brought back to the Committee at the next meeting with more granularity regarding costs.

Louise Hellyer (LH) noted that the clarity around the costs was not just for the AUGE costs but also potential benefits relating to improved allocation.

JK noted that the cost would not just be a percentage but a monthly cost dependant on the seasonal normal variable.

LH stated a further review of this was perhaps necessary as it remains unclear how it would be utilised.

DS stated the AUGE would try to provide more granularity on the level of detail required and the next steps.

**New Action 0302:** Engage (DS) to provide more granularity on level of detail required around the proposed market incentive advisory service being proposed as well as next steps.

#### 4. Next Steps

AR confirmed the Committee would review the advisory services included in the Revised AUG Statement at the next meeting.

#### 5. Any Other Business

##### 6.1 Xoserve 2022 Allocation of Unidentified Gas Expert (AUGE) Management (MOD 0782)

AR noted that a draft version of this report was discussed at the last Committee meeting and asked if this was the final version. FC stated that it might be premature to claim this was the final version as there was still opportunity to make additional changes.

FC explained to the Committee that under UNC Modification 0782 - *Creation of Independent AUGE Assurer (IAA) role* a new IAA was going to be introduced. Dan Fittock (DF) highlighted that the IAA role was still in the process of being defined.

FC noted that Xoserve have some concerns as there is a lack of clarity around the role which they are being asked to procure. Xoserve have requested an audit manager carry out a review of Xoserve's internal management of the AUGE in preparation for this. Following it, this report was collated proposed a higher level of oversight of Xoserve/Correla and the AUGE.

FC added that Xoserve are looking to enhance the report further and that its statutory auditors could be asked to undertake audit activities once the report is finalised.

SM stated that as long as a party's concerns can be highlighted to the IAA and it is validated, this role will be of benefit to the industry.

FC noted that the final version of the report would be presented at the next meeting. To assist in this, FC requested the Committee to review and provide comments to Xoserve by.

**New Action 0303:** All AUG Committee Members to review the draft Xoserve 2022 Allocation of Unidentified Gas Expert (AUGE) Management (MOD 0782) Report and provide comments to Xoserve by close-of-play Friday 18 March 2022, after which Xoserve would produce the final report within the next 10 days to review at the next meeting.

AR noted that Modification 0782 suggested that the IAA would work in parallel with the AUGE during the AUG Statement production process. He asked if the proposed auditor would work in the same way or would they carry out their audit after the event. FC explained that it would sit in between, potentially carrying out the audit during the AUG Statement consultation phase.

## 6. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Venue	AUG Sub-Committee Agenda
Friday 08 April 2022	Microsoft Teams Meeting	Standard Agenda items

### Action Table (as at 11 March 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0201	14/01/22	2.0	<b>050 – LDZ Meter Error</b> - Engage (JK) to consider a forecast to incorporate the large meter error that is currently under investigation.	Engage (JK)	<b>Carried Forward</b> Update due TBC
AUG 0203	18/02/22	4.	<i>Reference Question 2 - Investigations – 010 Theft of Gas – Smart vs Traditional Meters</i> - Engage (JK) to prepare a proposed methodology for consideration at a future Committee meeting.	Engage (JK)	<b>Carried Forward</b> Update due TBC
AUG 0301	11/03/22	1.3	Correlá (FC) to provide an update on the level of correction to be expected from the information derived from the EUC08 sites in Class 3.	Correlá (FC)	<b>Pending</b> Update due 08/03/22
AUG 0302	11/03/22	3.0	Engage (DS) to provide more granularity on level of detail required around the proposed market incentive advisory service being proposed as well as next steps.	Engage (DS)	<b>Pending</b> Update due 08/03/22
AUG 0302	11/03/22	6.1	All AUG Committee Members to review the draft Xoserve 2022 Allocation of Unidentified Gas Expert (AUGE) Management (MOD 0782) Report and provide comments to Xoserve by close-of-play Friday 18 March 2022, after which Xoserve would produce the final report within the next 10 days to review at the next meeting.	All	<b>Pending</b> Update due 08/03/22