

UNCC AUG Sub-Committee Minutes
Friday 14 April 2023
via Microsoft Teams

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
David Speake	(DSp)	Engage Consulting (AUGE)
Deborah Sherlock	(DSh)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
James Hill	(JH)	Engage Consulting (AUGE)
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Neil Cole	(NC)	Correla on behalf of Xoserve
Sallyann Blackett	(SB)	E.ON
Sophie Dooley	(SD)	Engage Consulting (AUGE)
Steve Mulinganie	(SM)	Gazprom Energy

Please note these minutes do not replicate 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 papers are available at: <https://www.gasgovernance.co.uk/aug/140423>.

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting and explained the main emphasis of the meeting was to consider the revised AUG Statement.

1.1. Approval of Minutes (10 March 2023)

BF noted an amendment to the minutes from the previous meeting, the updated minutes from the previous meeting were approved.

1.2. Approval of Late Papers

There were no late papers to consider.

1.3. Review of Outstanding Actions

No Outstanding Actions from the previous meeting.

2. Consideration of Revised AUG Statement

David Speake (DSp) advised that based on consultation responses and updated data extracts for Unidentified Gas (UIG) forecasts; consumption forecasts have been updated resulting in a revision to the Weighting Factors.

DSp provided a presentation for the meeting, including confirmation of final Weighting Factors; the assessment process for Gas Year 2024-2025 and the Next Steps.

The proposed Final Weighting Factors were confirmed as follows:

Proposed Final Weighting Factor Table


Proposed Final Weighting Factors for Gas Year 2023-2024

EUC BAND	CLASS	CLASS			
		1	2	3	4
1	1ND	54.77	54.77	54.77	87.26
	1PD	180.59	180.59	180.59	609.61
	1NI	5.74	844.42	155.89	615.26
	1PI	47.13	47.13	155.89	615.26
	2ND	73.33	73.48	73.33	145.41
	2PD	60.83	60.83	73.33	145.41
	2NI	5.74	294.31	85.15	297.90
	2PI	85.15	131.76	85.15	297.90
	3	5.74	55.35	47.93	54.72
	4	5.74	57.43	58.67	62.88
5	5.74	66.28	57.44	61.96	
6	5.74	67.88	55.17	63.76	
7	5.74	69.29	55.09	70.34	
8	5.74	59.76	54.86	57.90	
9	5.74	29.73	26.32	27.73	

Change between Final for 2023 - 2024 and Final 2022 - 2023

EUC BAND	CLASS	CLASS			
		1	2	3	4
1	1ND	0.0%	-1.4%	-0.3%	-0.3%
	1PD	0.0%	0.0%	2.0%	2.9%
	1NI	-0.1%	-2.9%	-1.0%	-5.6%
	1PI	0.0%	0.0%	-1.0%	-5.6%
	2ND	0.0%	0.0%	-0.2%	-0.1%
	2PD	0.0%	0.0%	-0.2%	-0.1%
	2NI	0.0%	3.3%	0.2%	1.1%
	2PI	0.0%	0.0%	0.2%	1.1%
	3	0.1%	-0.2%	-0.2%	-0.2%
	4	0.0%	-0.3%	-0.1%	-0.1%
5	0.0%	0.0%	-0.1%	-0.1%	
6	0.0%	0.0%	-0.2%	-0.4%	
7	0.0%	-0.1%	-0.3%	-0.1%	
8	0.0%	0.0%	-0.3%	0.1%	
9	0.0%	-0.1%	0.0%	-0.1%	

Note that the relative numbers are comparable with previous Statements, but the absolute numbers are not



Post Meeting Note:

Following approval of Urgent UNC Modification 0840, the above Proposed Table of UIG Weighting Factors has been superseded. The final version can be found on in the Revised AUG Statement and on the AUG Statement 2023/24 page: <https://www.gasgovernance.co.uk/AUGStatement2324>

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Whilst providing a view of the Annual Assessment – Reasons found on Slide 8, SM noted, the theft data that is provided is determined as theft beyond the meter, in which case it is a Supplier matter. SM has compared the AUG reporting of Theft with the Retail Energy Code (REC) reporting of Theft volumes and there appears to be a significant difference, with AUG reporting volumes 6 times more than REC.

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With this in mind, SM suggested that the AUG interacts with the REC to see if the reasons for the difference in reporting can be determined.

DSP confirmed that AUG is aiming to interact with REC next year to gain an understanding of the background of the methodology that is used. DSP suggested the AUG could present back to the Committee their thoughts on Theft in June/July after they have had discussions with REC.

SM noted that some form of cross-industry steering group which includes REC, AUG, Shippers, Suppliers, Transporters and Xoserve.

DSP provided some context for the 2024-2025 assessment which includes:

- Network Shrinkage
- Model Error
- Theft (Estimation Methodology)
- Prepayment costs and Modification 0840 (Urgent) - Equalisation of prepayment and non-prepayment AUG factors
- Unfound contributors
- Consumption trends
- Negative (and temporary) UIG
- Diminishing returns
- Increasing UIG share to Theft
- Modification 0831 - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method
- Alternative Modification 0831A - Allocation of LDZ UIG to Shippers (Class 3 and 4) Based on a Straight Throughput Method

- Cost of living

The AUGE initial view on areas that are most applicable and likely to score highly are:

- Theft
- Model Error
- Consumption Trends

3. Next Steps

The AUG Statement and Table are to be presented to the Uniform Network Code Committee (UNCC) Meeting on 20 April 2023.

Fiona Cottam (FC) provided a draft view of the presentation that will be provided for the consideration of the Final AUG Table of UIG Weighting Factors for 2023/24 on 20 April 2023. This presentation can be viewed for informational purposes here: www.gasgovernance.co.uk/aug/140423.

The presentation includes impacts of the current in-flight Modifications and the impact they may have on the 2023/24 Statement and Table, which are:

- Modification 0831 - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method
 - No impact on the Final AUG Table of UIG Weighting Factors for 2023/24
 - SM noted he is expecting an amendment to this Modification as discussed at Distribution Workgroup in March 2023, it will only be covering Class 1 sites now.
- Alternative Modification 0831A - Allocation of LDZ UIG to Shippers (Class 3 and 4) Based on a Straight Throughput Method
 - The AUGE's Table would cease to apply from 3 months after implementation, replaced with flat sharing to Classes 3 and 4 only.
- Modification 0840 (Urgent) - Equalisation of prepayment and non-prepayment AUG factors
 - FC noted, if Ofgem provides a decision for this Modification before 20 April 2023, and, as this Modification would require the AUGE to recalculate pairs of Weighting Factors by Class and EUC to apply a single factor, the AUG Table would be republished.
 - FC will create a duplicate set of slides for UNCC in case a decision is made by Ofgem which may change the Final AUG Table at short notice before the UNCC meeting.
 - SM asked, if Ofgem approve the change to be implemented following 20 April UNCC meeting, would the AUG Table be resubmitted to UNCC for approval? FC advised she will discuss the impact of that scenario if it arises with Joint Office.

Post Meeting Note:

Following approval of Urgent UNC Modification 0840, the AUGE updated the proposed Table of UIG Weighting Factors. The Table was approved at an extraordinary meeting of UNC Committee on 26 April 2023: UNCC (26 April 2023) Extraordinary | Joint Office of Gas Transporters (gasgovernance.co.uk).

The final version of the Table can be found on in the Revised AUG Statement and on the AUG Statement 2023/24 page: <https://www.gasgovernance.co.uk/AUGStatement2324>.

4. Any Other Business

None

5. Diary Planning

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

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Time/Date	Paper Publication Deadline	Venue	AUG Sub-Committee Agenda
No further meetings are planned as yet, Joint Office will issue a notification when the next meeting date has been finalised, this is likely to be late June 2023.			