

Framework for the Appointment of an Allocation of Unidentified Gas Expert

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Document Control

Version	Date	Reason for Change
2.0	17 June 2010	Approved by Uniform Network Code Committee
3.0	24 February 2011	Additions following first AUG Expert appointment process
4.0	19 March 2014	Updated to take account of UNC Modification 0473
4.1	28 March 2014	Updated to take account of 19 March Meeting
4.2	01 April 2014	Updated to take account of Xoserve comments
4.3	14 April 2014	Updated to take account of 02 April meeting
5.0	15 April 2014	Baselined
5.1	06 May 2014	Incorporation of Transition process.
5.2	12 May 2014	Update of Transition table
6.0	06 June 2014	Baselined and minor corrections
6.1	22 July 2014	Minor corrections
6.2	19 August 2014	Minor corrections
<u>6.3</u>	<u>29 August 2014</u>	<u>Change to clause 6.5.2</u>

Development of Rules

- 1 The requirement to publish the “**Allocation of Unidentified Gas Document**” is specified in Section V12.2 of the Transportation Principal Document (TPD) of the Uniform Network Code (UNC). This section also provides for the document to be published and revised from time to time. The provision reads:
“Each Document shall be kept up to date and published by the Transporters on the Joint Office of Gas Transporters website
- 2 The Rules set out below meet the Gas Transporter’s obligation to prepare the Framework, while the Document Control Section records changes which have been made to the Framework. The document is published on the Joint Office of Gas Transporters website, www.gasgovernance.co.uk
- 3 This Framework can only be modified in accordance with the requirements set out in paragraph 12 of Section V of the UNC Transportation Principal Document, which reads as follows:

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“UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT SECTION V – GENERAL

12 GENERAL PROVISIONS RELATING TO UNC RELATED DOCUMENTS

12.1 Purpose

The purpose of this Section is to establish generic governance arrangements in respect of the following UNC Related Documents (each a “Document” and collectively the “Documents”):-

- a) Network Code Operations Reporting Manual as referenced in Section V9.4;
- b) Network Code Validation Rules referenced in Section M1.5.3;
- c) ECQ Methodology as referenced in Section Q6.1 .1(c); and
- d) Measurement Error Notification Guidelines for NTS to LDZ and LDZ to LDZ Measurement Installations as referenced in OAD Section D 3.1.5
- e) ~~the Allocation of Unidentified Gas Document referenced in Section E9.1.1; and~~
- f) ~~the Customer Settlement Error Claims Process Guidance Document referenced in Section E1.3.1Q.~~

12.2 Publication Requirements

Each Document shall be kept up to date and published by the Transporters on the Joint Office of Gas Transporters website.

12.3 Modifications

Should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Code Committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote.

12.4 Approved Modifications

12.4.1 In the event that a proposed modification is approved by a majority vote of the Uniform Network Code Committee, the modification shall be implemented. Where the Uniform Network Code Committee fails to achieve majority approval the proposed modification shall be considered in accordance with the provisions set out in Section 7 of the Uniform Network Code Modification Rules unless the Uniform Network Code Committee determines otherwise.

12.4.2 Each revised version of a Document shall be version controlled and retained by the Transporters. It shall be made available on the Joint Office of Gas Transporters website.

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Contents

1.	Definitions	5
2.	The Framework	6
3.	Responsibilities under the tender process for the position of AUG Expert.....	7
4.	Tendering process	9
5.	Generic Terms of Reference for Appointed AUG Expert	12
6.	Responsibilities for the creation of the AUG	14
7.	Creation of AUG Statement Document	16
8.	Transition Process	18

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1. Definitions

1.1 Unless otherwise stated, terms in this “**Allocation of Unidentified Gas Document**” (“**this Framework**”) shall have the meanings given to them in the Uniform Network Code. Such terms will be capitalised within quotation marks where first used in the Framework.

1.2 In this Framework:

“**The Committee**” - The Uniform Network Code Committee (UNCC), or an authorised technical workstream or sub committee appointed by the UNCC to administer the AUG Expert process.

“**Code Parties**” – signatories to the Uniform Network Code

“**Generic Terms of Reference**” – the standard terms of reference to be applied as basis of the contracts between the Gas Transporters and the *AUG Expert* for the compilation of an *AUG Statement*.

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2. The Framework

The process described here sets out the means by which the AUG Expert is appointed, how the AUG Statement is published on the Joint Office of Gas Transporters website (www.gasgovernance.co.uk) and outlines the high level process to be followed for the creation of a methodology to calculate the allocation factors to apportion Unidentified Gas.

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3. Responsibilities under the tender process for the position of AUG Expert

3.1 The Committee will:

3.1.1 Produce a clear set of criteria for the appointment of the AUG Expert detailing (without limitation);

- (a) the ability of the AUG Expert to produce a methodology and subsequent AUG Statement which shall be in line with the Generic Terms of Reference, contained in this Framework plus any other criteria agreed by The Committee;
- (b) the evaluation of the cost of undertaking the role of the AUG Expert over the period stated in the tender document;
- (c) the consideration of the relevant knowledge and expertise of the candidates;
- (d) ability of the prospective AUG Experts to follow and take into account relevant industry developments; and
- (e) Details of how much weight/percentage should be placed for each set of criteria.

3.1.2 Review this Framework and submit for approval to the UNC Modification Panel any proposed amendments.

3.2 The Gas Transporters will use all reasonable endeavours to:

3.2.1 use the criteria developed by The Committee to assess each submitted tender bid;

3.2.2 where more than one prospective candidate responds to the tender for the position of **AUG Expert** (“the Interested Parties”) the Gas Transporters shall:

- (a) Assess the Interested Parties from the criteria specified in the tender document;
- (b) Select and appoint the appropriate Interested Party as the “Prospective AUG Expert”.

3.2.3 identify any improvements that may be made to the tender process, and detail those improvement to The Committee;

3.2.4 organise any meetings held in relation to the AUG Expert appointment;

3.2.5 provide legal resource to prepare a tender document;

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- 3.2.6 organise the advertisement of the tender to all Interested Parties, in accordance with national and European legislation;
 - 3.2.7 communicate to Users the progress and outcome of the tender process;
 - 3.2.8 invite the Prospective AUG Expert to take up the appointment;
 - 3.2.9 where the selected AUG Expert does not accept the appointment, invite the next most favoured AUG Expert in turn; and
 - 3.2.10 upon acceptance of appointment, establish the contract with the Prospective AUG Expert, in accordance with the Generic Terms of Reference.
- 3.3 The Gas Transporters will require the AUG Expert:
- 3.3.1 to act with all due skill, care and diligence when performing of its duties as the AUG Expert and shall be impartial when undertaking the function of the AUG Expert, ensuring that any values derived will be equitable in their treatment of Code Parties.
 - 3.3.2 to compile the methodology and AUG Statement in accordance with this Framework

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4. Tendering process

4.1 This section details the processes undertaken by the Gas Transporters, to appoint an AUG Expert using a tender process.

4.1.1 The Gas Transporters will prepare a tender document to be sent when required to all Interested Parties.

4.1.2 The tender will detail:

- (a) that the aim of the tender is to appoint a Party, the AUG Expert, to compile a publicly available methodology and the AUG Statement;
- (b) that the AUG Expert will use the methodology to populate the AUG Table for AUG Year within the UNC;
- (c) that the AUG Expert must provide the necessary information to the Gas Transporters in good time to allow the update of the AUG Table by the 1st July each year. ;
- (d) the AUG Expert must hold a public consultation to provide an opportunity to allow Code Parties to discuss the methodology and the AUG Statement, in accordance with the timetable contained within this Framework;
- (e) the requirement to allow Users to submit representations and queries with regard to the methodology and the AUG Statement in accordance with the timetable contained within this Framework;
- (f) that the AUG Expert must consider adjusting methodology and the AUG Statement in response to those representations;
- (g) that the AUG Expert must adhere to the Generic Terms of Reference contained within this Framework, as well as any other criteria The Committee notifies to the Gas Transporters prior to the tender document being issued; and
- (h) that the AUG Expert maintain good relations with The Committee and the Gas Transporters, to be available for discussion with Users on any relevant issues, and to answer any general queries promptly.

4.1.3 When issued, the tender will be for an initial 1-5 year contract, as determined by the Gas Transporters.

4.1.4 The Gas Transporters will go through a tender process and will conduct it in accordance with all relevant legislation and generally accepted best practice.

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4.1.5 Each tender response will in particular detail:

- (a) how the prospective AUG Expert will comply with the Generic Terms of Reference and any other criteria agreed prior to the tender;
- (b) an outline of the method to be used by the prospective AUG Expert, and why such a proposed solution would be suitable;
- (c) an outline of the data that would need to be collated for such use, and the methods to be used for acquiring such data;
- (d) the likely time for such work to be carried out;
- (e) the cost of performing the services;
- (f) contact details that a Code Party may use to query any aspect of the tender or the methodology and the AUG Statement when produced. The AUG Expert shall confirm to the Gas Transporters before their appointment that they do not hold any interest or duty which would or potentially would conflict with the performance of their duties under their contract with the Gas Transporters; and
- (h) their independence and impartiality.

4.1.6 Once all tenders have been received the Gas Transporters will select in accordance with the evaluation criteria the top-ranked tender for appointment.

4.1.7 Once the tender process has been completed the Gas Transporters will use reasonable endeavours to contract with the highest ranked acceptable party that wishes to become the AUG Expert by the 1st August. Gas Transporters will consider contracting with the next highest ranked party if they fail to reach agreement with the immediately previous higher ranked party.

4.1.8 In the event that the 1st August deadline is not met, The Committee will decide by a majority vote on whether to:

- (a) maintain the current AUG Statement for another year; or
- (b) grant additional time to the Gas Transporters on the understanding that any additional time granted will not jeopardize the publication of the Draft AUG Statement.

4.1.9 Alternatively by unanimous vote to apply allocation factors that The Committee decides as appropriate;

4.1.10 Once the tender process has been completed and the Gas Transporters have

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contracted with an interested party to be the AUG Expert, the Gas Transporters and The Committee will review the tender process, and incorporate any updates that are believed are required to this document.

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5. Generic Terms of Reference for Appointed AUG Expert

- 5.1 This section will include the main principles the AUG Expert will operate under, once appointed.
- 5.1.1 The AUG Expert will create the AUG Statement by developing appropriate, detailed methodologies and collecting necessary data.
- 5.1.2 The decision as to the most appropriate methodologies and data will rest solely with the AUG Expert taking account of any issues raised during the development and compilation of the AUG Statement.
- 5.1.3 The AUG Expert will determine what data is required from Code Parties (and other parties as appropriate) in order to ensure appropriate data supports the evaluation of Unidentified Gas.
- 5.1.4 The AUG Expert will determine what data is available from parties in order to ensure appropriate data supports the evaluation of Unidentified Gas.
- 5.1.5 The AUG Expert will determine what relevant questions should be submitted to Code Parties in order to ensure appropriate methodologies and data are used in the evaluation of unidentified error.
- 5.1.6 The AUG Expert will use the latest data available where appropriate.
- 5.1.7 Where multiple data sources exist the AUG Expert will evaluate the data to obtain the most statistically sound solution, will document the alternative options and provide an explanation for its decision.
- 5.1.8 Where data is open to interpretation the AUG Expert will evaluate the most appropriate methodology and provide an explanation for the use of this methodology.
- 5.1.9 Where the AUG Expert considers using data collected or derived through the use of sampling techniques, then the AUG Expert will consider the most appropriate sampling technique and/or the viability of the sampling technique used.
- 5.1.10 The AUG Expert will present the AUG Statement in draft form (the “Draft AUG Statement”), to Code Parties seeking views and will review all the issues identified submitted in response.
- 5.1.11 The AUG Expert will provide the Draft and Final AUG Statement to the Gas Transporters for publication.
- 5.1.12 The Committee’s final determination in this process shall be binding on Users.

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5.1.13 The AUG Expert will undertake to ensure that all data that is provided to it by all parties will not be passed on to any other organisation, or used for any purpose other than the creation of the methodology and the AUG Statement.

5.1.14 The AUG Expert shall ensure that all data provided by Code Parties will be held confidentially, and where any data, as provided or derived from that provided, is published then it shall be in a form where the source of the information cannot be reasonably ascertained.

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6. Responsibilities for the creation of the AUG Statement

6.1 Gas Transporters

At the end of each AUG Expert year, regardless of any AUG Statement outcome, the Gas Transporters shall seek feedback from the industry, including the AUG Expert, on the activities and performance of the AUG Expert and industry for the creation of the AUG Statement. The Gas Transporters shall produce a report for The Committee

6.2 Code Parties provision of data or information to the AUG Expert

Where, the AUG Expert requests data from Code Parties for the purpose of preparing the AUG Statement, the Code Parties shall use reasonable endeavours to provide the information requested within the timescales requested. Such timescales having being previously notified to the Code Parties.

6.3 Code Parties Raising issues for consideration during the consultation period.

Code Parties may submit topic areas for consideration by the AUG Expert during the consultation process. The submission must include a clear explanation of the topic, the reasons why this topic is relevant to the AUG Statement, any accompanying data or suggestions as to how the data may be obtained by the AUG Expert. Each topic submitted by a Code Party will be published (including the details of the Code Party) to the industry as part of the AUG Expert's consultation response.

The AUG Expert will provide a response to the topic detailing whether it is in or out of the scope of work and the rationale to support this.

6.4 Code Parties Raising issues for consideration outside of the consultation period.

Code Parties may submit topic areas for consideration by the AUG Expert outside the consultation process. The submission must include a clear explanation of the topic, the reasons why this topic is relevant to the AUG Statement, any accompanying data or suggestions as to how the data may be obtained by the AUG Expert. Each topic submitted by a Code Party will be published (including the details of the Code Party) to the industry as part of the AUG Expert's consultation response.

The AUG Expert will log the topic and will consider it during the development of the next applicable AUG Statement

6.5 The Committee – AUG Expert submissions review actions

6.5.1 The AUG Expert shall submit documents e.g. AUG Statement, to The Committee for approval. The Committee shall act in accordance with 7.1.8 when approving the AUG Statement.

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6.6 Provision of and publication of data

A copy of all data and information requests from the AUG Expert will be published to the industry as and when the request is made e.g. date, information request, request made to, data required by.

A record of all responses by organisation name (not anonymised), will be maintained and published. The report will show the response as one of “provided”, “not provided” (i.e. request acknowledged but reason for no provision provided), or “no response to request”.

Where applicable, a copy of the data provided to the AUG Expert by the Gas Transporters will be provided to the industry, most likely published on UK Link documents. Where data is confidential or commercially sensitive, the fact that the data had been provided will be published, an organisation may request a copy of the information pertaining to them from the Gas Transporters. For example:

- a) The AUG Expert requests throughput totals for an LDZ. This would be provided to the AUG Expert and published to the industry.
- b) The AUG Expert requests a breakdown of shipper market shares. This would be provided to the AUG Expert and a publication of the provision of this data made to the industry. A shipper may then request a copy of the data relating to their business

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7. Creation of AUG Statement Document

7.1 This section covers the activities and timescales for the creation, submission to The Committee and publication of the AUG Statement by the AUG Expert.

7.1.1 The AUG Expert must provide a Draft AUG Statement to the Gas Transporters for presentation and publication by the 1st February each year.

7.1.2 The Draft AUG Statement and presentation must detail:

- (a) How the AUG Expert has adhered to the Generic Terms of Reference and to any other relevant provisions within its contract;
- (b) The methodology to be used by the AUG Expert, and why such a process would be suitable;
- (c) The data has been collated so far for such use, and the methods to be used for acquiring any further data; and
- (d) Draft allocation factors for use in populating the AUG table.

7.1.3 Once published, any responses to the AUG Expert must be received by the Gas Transporters within 42 calendar days. The Gas Transporters will then provide these responses to the AUG Expert as they are received or no later than 15th March.

7.1.4 The AUG Expert will consider any submissions made, and will provide feedback for discussion at the meeting, which is to be held as soon as possible after the 15th March.

7.1.5 The AUG Expert will review the AUG Statement in light of any comments (received in 7.1.3 & 7.1.4), and will adjust the AUG Statement where it believes appropriate.

7.1.6 The Draft AUG Statement document, as revised by the AUG Expert in accordance with 7.1.4, will be republished by the 30th April on the Joint Office of Gas Transporters website.

7.1.7 The AUG Expert will arrange a meeting to discuss the Draft AUG Statement (as revised), along with any changes made, to be held as soon as possible after the Draft AUG Statement document, as revised has been published.

7.1.8 Once the Draft AUG Statement (as revised) document have been published, the Gas Transporters will organise a meeting with The Committee and the AUG Expert for approval of the final document before the 1st June. The Committee shall approve the Draft AUG Statement, in the

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form presented by the AUG Expert, unless they unanimously agree changes to any part of the document. Any changes directed by The Committee in this fashion will be implemented by the AUG Expert immediately. The approved Draft AUG Statement will be treated as the ~~final~~ AUG Statement.

7.1.9 Once approved by the Committee, the AUG Expert will produce the Unidentified Gas allocation factors in a format consistent with the UNC requirements, and send them to the Gas Transporters for inclusion in the AUG Table for AUG Year by the 30th June .

7.1.10 The Gas Transporters will publish the populated AUG ~~T~~able by the 1st July

7.1.11 If the AUG Expert does not submit Unidentified Gas allocation factors to the Gas Transporters, for whatever reason, then the Gas Transporters will treat the indicative Unidentified Gas volumes as the final Unidentified Gas volumes.

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8. Transition Provisions

- 8.1 This section of the framework document will only apply until the first publication of the AUG Table as described in 7.1.10
- 8.2 Until the circumstances in 7.1.10 first occurs, the AUG Table contained in section 8.3 shall be used by the Gas Transporters in determining the Allocation Factors for apportioning Unidentified Gas:
- 8.3 AUG Table:

Supply Meter Point Classification	Allocation Factor (by EUC Band)	
	EUC Band 1	EUC Band 2-9
Class 1	0	0
Class 2	0	0
Class 3	1.17	1.28
Class 4	1.17	1.28

- 8.4 The Committee may at any time, resolve by unanimous vote, to require the Gas Transporters to use a revised AUG Table as derived by the Committee, giving 28 calendar days' notice when doing so.

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