

**UNC Workgroup 0767 Minutes
Incorporation of AUGE Framework Document into the UNC main
body**

Thursday 22 July 2021

via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alan Raper	(AR)	Joint Office (<i>Observer</i>)
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Dave Mitchell	(DMi)	SGN
David Addison	(DA)	Xoserve
Ellie Rogers	(ER)	Xoserve
Guv Dosanjh	(GD)	Cadent
Jenny Rawlinson	(JW)	BU UK
Kate Lancaster	(KL)	Xoserve
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	British Gas
Rhys Kealley	(RK)	British Gas (<i>0767 only</i>)
Richard Pomroy	(RP)	WWU
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0767/220721>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 November 2021.

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (24 June 2021)

The minutes from the previous Workgroup were approved.

1.2. Approval of Late Papers

None to approve.

1.3. Review of Outstanding Actions

Action 0501: GE to look at how General Terms - Section A - Dispute Resolution works, specifically Expert Determination paragraph 2.1.3 and compare with the Data Service Contract.

Update: Modification to be replaced with New Modification. **Closed.**

Action 0502: GE to develop a rationale for the inclusion of an independent review body that would sit outside of the current framework.

Update: Modification to be replaced with New Modification. **Closed.**

2.0 Review Of Alternative Options – Independent Audit/Review

Steve Mulinganie (SM) confirmed that Modification 0767 had been put on hold, whilst discussions continue on an alternative approach which is to introduce an assurance process such as an independent audit with the capability to review and challenge compliance with the framework set out and without the need to use the UNC dispute process.

The preference would be for the assurance process / independent verification to run alongside the AUG process, to ensure compliance with the framework.

SM suggested that Modification 0767 could be withdrawn and asked for views from the Workgroup on the alternative approach and if a further Modification would be required.

Rhys Kealley (RK) questioned whether the assurance piece was necessary. He asked if the concept of the framework could be outlined to help parties understand the benefits and potential costs. RK summarised the scope he had envisaged the assurance process covering, which included compliance with the framework and cross-checking methodologies.

SM explained with the nature of the AUG process Shippers do not know what is in the contract or what the touch points are. The independent verification would be looking for assurances and to provide confidence that the process undertaken and duties discharged are in line with the rules.

Ellie Rogers (ER) believed a Modification would be required to introduce any assurance/audit framework into the UNC and to specify how non-compliance would be dealt with.

SM explained the intent to withdraw Modification 0767 rather than amending it, due to the alternative approach being substantially different. SM hoped to provide a draft Modification for a Pre-Modification discussion in August.

Alan Raper (AR) concurred that a new Modification would be required and suggested this may need to consider the consequences of non-compliance and the powers of halting the process, which may be a complex Modification rather than simply undertaking an assurance exercise.

AR asked about the potential reporting requirements, or a compliance function for the correction and monitoring of the AUG process.

The Workgroup briefly considered the potential interactions with the UNCC.

RHa asked what the difference would be between an independent audit and assertive contract management. RK explained that with the contract management approach Shippers do not have the visibility. SM believed the process needs to be subject to oversight especially when there are large values at risk.

The Workgroup briefly considered the Reconciliation by Difference (RbD) Audit Sub-Committee process (used in the past) and the procurement for appointing an auditor.

Mark Jones (MJ) asked if there would be an issue around accessing data and visibility to the terms within the contract between Xoserve and the CDSP.

The Workgroup agreed to consider the alternative approach in more detail next month as a pre-Modification discussion.

2.1. Issues and Questions from Panel

2.1.1. Consider whether the existing UNC appeals process is appropriate for use with this Modification.

Not discussed.

2.1.2. Consider whether this Modification is suitable for Self- Governance.

Not discussed.

2.1.3. Consider the potential effect of this Modification on the contractual relationship between the CDSP and the AUGE.

Not discussed.

3.0 Next Steps

Further consideration to be given on the concept of an independent assurance/audit review as a pre-Modification discussion at the Distribution Workgroup in August.

4.0 Other Business

None.

5.0 Diary Planning

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

No further meetings were planned due to the proposer's intention to withdraw Modification 0767.

Action Table (as of 22 July 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	27/05/21	2.0	GE to look at how General Terms - Section A - Dispute Resolution works, specifically Expert Determination paragraph 2.1.3 and compare with the Data Service Contract.	June 2021	GE	Closed
0502	27/05/21	2.0	GE to develop a rationale for the inclusion of an independent review body that would sit outside of the current framework.	June 2021	GE	Closed