

AUG Year Review Report for 2022/23

Purpose of the Document

This document is a report to the UNC Committee, in accordance with section 7.4 of the Framework for the Appointment of an Allocation of Unidentified Gas Expert (the “Framework”), which summarises the outcome of the Review of the AUG Expert Year 2022/23, in other words the preparation of the AUG Statement and Table of Weighting Factors to apply for the Gas Year 2023/24.

Executive Summary

Xoserve published a request for feedback on the AUG (Allocation of Unidentified Gas) Year 2022/23 process on 22 May 2023, and asked for responses by 12 June 2023. The invitation was issued via the Joint Office’s general distribution list and was also highlighted at the May UNC Committee meeting.

Feedback was received from the AUG Expert.

The AUG Expert thanked industry stakeholders for their engagement and feedback throughout this year’s process. The AUG Expert also thanked Xoserve/Correlia for maintaining an open dialogue throughout the year on the various in-flight UNC Modifications related to the AUG service.

Introduction

At the end of each AUG Year Xoserve, in its role as the CDSP, is required to conduct a review of the activities and performance of the AUGE and relevant industry parties, for the creation of the AUG Statement and table. This report details the approach to the review for the AUG Year 2022/23 (the preparation of the AUG Statement and Table of Weighting Factors to apply for the Gas Year 2023/24) and the review feedback. There was no negative feedback or recommendations for improvement.

Terminology used in this Document

AUG	Allocation of Unidentified Gas
AUGE	Allocation of Unidentified Gas Expert
AUGS	Allocation of Unidentified Gas Statement
CDSP	Central Data Services Provider, i.e. Xoserve
Correla	Xoserve's Managed Services Supplier for central services
Engage Consulting	The provider of the AUGE service to the gas industry during the review year (2022/23)
The Framework	The Framework for the Appointment of an Allocation of Unidentified Gas Expert (UNC Related Document)
UIG	Unidentified Gas
UNC	Uniform Network Code
UNCC	Uniform Network Code Committee

Approach to the Review

Xoserve requested the Joint Office of Gas Transporters to circulate an open letter to all UNC parties to request feedback for the AUG year 2022/23 and any suggestions for improvements. The distribution list for the letter included the AUGE, Gas Shippers, Large Gas Transporters, Ofgem and the Joint Office of Gas Transporters. The letter is reproduced in Appendix 1.

The request was issued on 22 May 2023, and asked for responses by 12 June 2022.

Areas to consider for feedback included:

- The AUG Framework document, e.g. timeline, clarity of scope and responsibilities
- The AUGE for such areas as communication, industry engagement, query responses etc.
- The industry, e.g. for support for the process and timeliness/relevance of responses to consultations
- Xoserve e.g. for the provision of information

We received feedback from the AUGE.

Key points raised in the feedback are reproduced in the following section.

Summary of Feedback by Topic Area

Organisation	Response	Comments
1. The AUG Framework document, e.g. timeline, clarity of scope and of responsibilities		
The AUGE	Positive	Recent changes brought forward by a shipper to the AUG Framework Document [to remove the clause which previously excluded Distribution Network Shrinkage from the AUGE's scope] have highlighted the relative ease with which such changes to the Terms of Reference that govern our activities can be given effect.
3. The industry, e.g. for support for the process and timeliness/relevance of responses to consultations		
The AUGE	Positive	We thank industry stakeholders for their engagement and feedback provided throughout the annual process. We are grateful for a pragmatic discussion of the methodology despite the ongoing industry developments in changing the AUGE framework.
4. Xoserve and Correla e.g. for the provision of information		
The AUGE	Positive	<p>We have maintained an open and productive dialogue with Correla and have supported discussions around the contractual implications of a potential short-notice termination of the requirement for the AUGE [as proposed by UNC Modifications 0831 and 0831A], whilst planning for continuous service provision in the case it is needed.</p> <p>We thank Correla for maintaining a dialogue with us on potential methodology or commercial impacts. It will be particularly important to maintain an open dialogue and level of flexibility as we look forward to the coming year of constructive collaboration with industry.</p>

Useful Links

Joint Office of Gas Transporters website page for the 2023/24 AUG Statement	https://www.gasgovernance.co.uk/AUGStatement2324
Final AUG Statement for Gas Year 2023/24	https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2023-04/Final%20AUG%20Statement%202023-2024%201.5.pdf
Final AUG Table for Gas Year 2023/24	https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2023-04/AUG%20Table%20for%202023_24_Final.pdf
The Framework for the Appointment of an Allocation of Unidentified Gas Expert (18 May 2023 version)	https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2023-05/Framework%20for%20the%20Appointment%20of%20an%20Allocation%20of%20Unidentified%20Gas%20Expert%20v9.0%20Approved.pdf
UNC Modification 0840	https://www.gasgovernance.co.uk/0840
UNC Modification 0831/0831A	https://www.gasgovernance.co.uk/0831

APPENDIX 1: Text of the Request for Feedback

To:

UNC Parties, including Shippers and Large Gas Transporters

The Joint Office of the Gas Transporters

Ofgem

The AUGE

19 May 2023

Dear Colleague

Allocation of Unidentified Gas (AUG) Process – Request for Feedback

2022/23 saw the seventh application of the post-Nexus Allocation of Unidentified Gas processes, as introduced by UNC Modification 0473. It was the fifth year of applying the updated version of the “Framework for the Appointment of an Allocation of Unidentified Gas Expert”, which was developed in UNC Review Group 0639 (Review of AUGE Framework and Arrangements) to address many of the industry’s concerns with the previous process. The latest Framework document was approved by UNC Committee in June 2018 and can be found under UNC Related Documents:

<https://www.gasgovernance.co.uk/tpddocs>

[Note: UNC Committee approved a change to the Framework in May 2023]

This was the third year in the AUGE role for Engage Consulting Ltd, who were appointed in June 2020. The outputs of the process for 2022/23, which included seven meetings of the UNC AUG Sub-Committee, can be found on the Joint Office website. The AUGE revised the proposed Statement and Table of Unidentified Gas Weighting Factors following the approval of UNC Modification 0840 and the revised Table was approved at an extraordinary UNC Committee on 26 April.

UNC AUG Sub-Committee: <http://www.gasgovernance.co.uk/aug>

26 April UNC Committee: <https://www.gasgovernance.co.uk/uncc/260423>

Final AUG Statement and Table: <https://www.gasgovernance.co.uk/AUGStatement2324>

The AUG Framework includes a requirement for the Central Data Services Provider (the “CDSP” – Xserve) to seek feedback on “the activities and performance of the AUGE and the industry for the creation of the AUGS” and to report to the UNC Committee (section 7.4 of the revised Framework).

APPENDIX 1: Text of the Request for Feedback

I would like to request your feedback on the events of the AUG Expert Year 2022/23, i.e. the development of the AUG Statement and Table of UIG Weighting Factors for Gas Year 2023, and any suggestions for improvements.

Areas on which you may consider providing feedback include:

- The AUG Framework document, e.g. timeline, clarity of scope and responsibilities
- The AUG for such areas as: communication, industry engagement, query responses etc.
- The industry, e.g. for support for the process and timeliness/relevance of responses to consultations
- Xoserve/Correla, e.g. for the provision of information

The intention is to produce a review report on the 2022/23 process for presentation to July 2023 UNCC meeting, including any recommendations for further improvement.

Please submit your responses to analytical.services@xoserve.com by Monday 12 June 2023. Please advise whether you are happy for your feedback to be made public (which will probably be as an appendix to the report).

If you have any questions regarding this topic please do not hesitate to contact me via the email address below.

Kind regards

Fiona Cottam

Customer Operations Team Manager

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