

UNC Workgroup 0782 Minutes
Creation of Independent AUGÉ Assurer (IAA) role
Thursday 25 November 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
Dan Wilkinson	(DA)	EDF Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Eddie Proffitt	(EP)	Major Energy Users' Council
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Luke Reeves	(LR)	EDF Energy
Mark Field	(MF)	Sembcorp Energy UK
Mark Jones	(MJ)	SSE
Richard Pomroy	(RP)	Wales & West Utilities
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Sally Hardman	(SH)	SGN
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0782/251121>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 February 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (28 October)

RHa noted a small change had been submitted and showed a change marked version of the minutes, Workgroup approved the Minutes.

1.2. Approval of Late Papers

Workgroup agreed to accept the late paper which was a copy of an Ofgem decision letter from 2010, published on 23 November 2021. This was accepted on the basis that the material was already available in the public domain.

1.3. Review of Outstanding Actions

None to discuss

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Consider alignment of other work being carried out in respect of AUGE process

DA expressed his concern about the proposed IAA role, specifically how the IAA would interact with the AUGE and noted he cannot see how the role specification can progress without a review of the AUGE Framework as there appears to be key statements within the Modification that would effectively amend the Framework. DA made the statement that the current AUGE operates in accordance with the current Framework, a future AUGE will operate to any future Framework.

DA advised he has reviewed the Framework Document and encouraged others to review it and noted that the AUGE would be in its 3rd year of operation if the IAA commences April 2023.

RH noted that it was not clear in the Modification whether the new arrangements would be expected to impact an existing AUGE or whether the new arrangements would coincide with the timeline/cycle for recruitment of a further AUGE?

2.2. The Framework for the Appointment of an Allocation of Unidentified Gas Expert can be found here: <https://www.gasgovernance.co.uk/tpddocs>. **Initial Representations**

The Initial representation received from Citizen's Advice was covered indirectly and will be covered more specifically at the next meeting.

Citizen Advice:

It is unclear why the material issue of 0782 is not included as part of the issues to be reviewed under 0781R when 0781R is intended as an extensive review - especially as both Modifications are proposed by the same proposer.

As the issue in 0782 is a proposal which could be considered within 0781R, there appears a high risk that progressing both Modifications would lead to a duplication of work for all parties involved. The advancement of 0782 also presupposes any potential discussions that would take place in the workgroup of 0781R.

Both Modifications progressing simultaneously appears to be an ineffective use of panel, JO and industry time and resources.

2.3. Terms of Reference

As additional questions have been referred from Panel, and Joint Office are in receipt of an initial representation from Citizen Advice, a specific Terms of Reference will be published alongside the Modification at <http://www.gasgovernance.co.uk/0782>

3.0 Amended Modification

Gareth Evans (GE) provided an overview of the amendments he proposes to Modification 0782.

Section 5 Solution

Appointment of the IAA

Addition: the CDSP will be expected to commence work on tendering for the IAA as soon as this Modification is approved;

Activities of the IAA

Addition: The primary functions of the IAA:

- a) Assess the AUGE's compliance with the Framework through continuous engagement with the AUGE, reporting to the industry periodically on progress.
- b) Suggest any proposed improvements to the AUGE as part of its engagement under 4a.
- c) Report any Non-Compliance findings to the AUGE sub-committee (see BR 7) .
- d) Develop any remedies to any Non-Compliance findings where the IAA deems it necessary.

Addition: The IAA will be required to provide regular reports to the industry on its findings regarding the AUGE's compliance with the Framework, in addition to issuing any Non-Compliance findings.

Activities of the AUGE

Addition: The AUGE will be required to provide full access to allow the IAA to assess the AUGE's compliance with the Framework.

GE provided a short update on the main questions that were raised as part of the October 2021 Workgroup discussions. For a detailed update, please refer to the published slides on the meeting page: <https://www.gasgovernance.co.uk/0782/251121>.

The presentation covered the following main topics. Where there was specific interaction regarding particular slides with the Workgroup members, this has been captured within the minutes for each section of the presentation.

IAA/AUGE engagement

- *We see the IAA role as a continuous process, with regular interaction with AUGE as it works.*
- *IAA will be expected to engage with the AUGE during development of methodology.*
- *There will not be a formal timetable for the IAA to report or delivery to industry.*
- *IAA will align with the internal work schedule of the AUGE firstly and then report to industry in line with the AUG timetable.*
- *Have provided mission statement in the solution.*
- *Creation of a rigid delivery timeline in the UNC will impair process.*
- *IAA is expected to inform industry on its work. Currently reflected in BR 9: " The IAA will be required to provide regular reports to the industry on its findings regarding the AUGE's compliance with the Framework, in addition to issuing any Non-Compliance Findings."*
- *IAA will also be expected to engage with industry: BR7: "Users will be able to report any perceived non-compliance to the IAA who will required to respond to the User in a reasonable timeframe. The IAA will not be required to act on the report by the User".*
- *Confident that CDSP can deliver an effective contract to achieve this, overseen by the Contract Management Committee.*

When DA noted his concern that the IAA role will be seen as opportunity to suggest that the AUGE has not performed correctly and there needs to be a clear framework against which the IAA is operating, GE said accepted this, but he would not advocate it being in the Uniform Network Code.

When RHa asked why the role is not simply a part of the existing role of Contract Manager, Steve Mulinganie (SM) commented that the Contract Manager is supposedly the Uniform Network Code Committee (UNCC), but the UNCC are unable to discharge the obligations. Rhys Kealley (RK) suggested Xoserve could be the Contract Manager as they have internal

quality checking measures in terms of the contract between Xoserve and the AUGE. He added this is a key question to address as part of the Review.

DA commented that the AUGE contract is a very polarising subject and that historically where some parties have been happy with the output, others have not been. The way the contract is executed, the Framework describes the sole discretion of the AUGE.

GE reminded Workgroup that when concerns with the output of the AUGE were raised by parties with UNCC, it was found there was no mechanism for concerns to be addressed or properly looked into.

When questioned, GE clarified the purpose of the IAA role is not to investigate the contract between Xoserve and the AUGE, it is to ensure the AUGE complies with the methodology.

David Morley (DMo) asked, GE clarified that the requirement for data mechanisms need to be robust. DMo said that it is hard to understand the methodology without understanding the numbers that sit behind it, he felt it is integral to understand both.

Referring to Bullet Point 4 on slide 2 of the presentation “*IAA will align with the internal work schedule of the AUGE firstly and then report to industry in line with the AUG timetable.*” DA advised that interaction between the IAA and the AUGE will impact the AUGE timetable.

When DA questioned the ‘How’ section in the Modification, where it refers to the IAA directing remedial actions and setting out a ‘report setting out its work for the year’, GE explained the IAA engages with the AUGE; the IAA forms a view and then the IAA interacts with the AUGE. GE agreed to revisit this section to explain further what is meant in this section.

Workgroup concluded at this point; the remaining 2 slides were not considered.

4.0 Development of Workgroup Report

This was not discussed at this meeting.

5.0 Next Steps

RHa confirmed that Panel Questions; the Initial Representation and approval of the Terms of Reference will be considered at the next Workgroup.

RHa also confirmed that GE will submit an amended Modification based on the discussions by Workgroup so far.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Monday 10:00 13 December 2021	5pm 02 December 2021	Microsoft Teams	<ul style="list-style-type: none"> • Panel Questions • Initial Representation consideration • Approval of Terms of Reference • Review of amended Modification
Thursday 10:00 27 January 2022	5pm 18 January 2022	Microsoft Teams	<ul style="list-style-type: none"> • Standard Agenda

Action Table (as at 25 November 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					