



October 2021

UNC Modification 0782

Creation of Independent AUGE Assurer (IAA) role

UNC Modification 0782

Introduction



- To ensure that UIG is allocated between Shippers in accordance with the requirements of the UNC and its subsidiary documents, the industry must use the most accurate and verifiable UIG Allocation Adjustment Factors available to it.
- To ensure this the Framework for the Appointment of an Allocation of Unidentified Gas Expert (“Framework”) sets out how the AUGE process operates and how the AUGE Statement and AUGE table are compiled. The Framework document is nominally overseen by the Uniform Network Code Committee (UNCC).
- At the March 2021 UNCC meeting the UNCC indicated that there were no actions it could take regarding concerns raised about compliance with the Framework, which indicates that there is currently no clear governance process for compliance with the Framework.

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- With no other recourse, shippers concerned about delivery of the Framework raised UNC Modification 0758.
- Whilst raising modifications remains an option for industry parties to pursue it seems inefficient to do so.
- A review group is currently looking more widely at how Unidentified Gas is managed in the market,
- Review group does not result in any changes.
- An interim oversight regime will provide some value therefore.

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Solution



Two key aspects to the solution:

- Create a new role, the Independent AUGE Assurer (IAA), who would be appointed by tender, responsible for determining whether the AUGE has fully complied with the Framework during the creation of the AUGE Statement, directing remedial actions where it believes there are material non-compliances and providing a report setting out its work for the year. This will result in changes to the AUGE contract.
- The UNCC will have the explicit obligation of considering any remedial actions where requested, overriding any formal direction by the IAA through a simple majority vote. We believe the UNCC is best placed to decide how its discharges this obligation.

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Solution – what it is not.



For clarity the IAA role is not proposed to be:

- A passive auditor of the process
 - Does not provide a mechanism for addressing concerns.
 - Adds very little to existing process.
- AUGÉ “2”. The IAA will not be procuring data or running the methodology to create a second set of scaling factors.
 - Does not resolve the potential issue of an AUGÉ Statement not delivering the Framework document.
 - Simply result in two sets of values which inevitably will result in winners being picked for their financial benefit, not whether they are better.

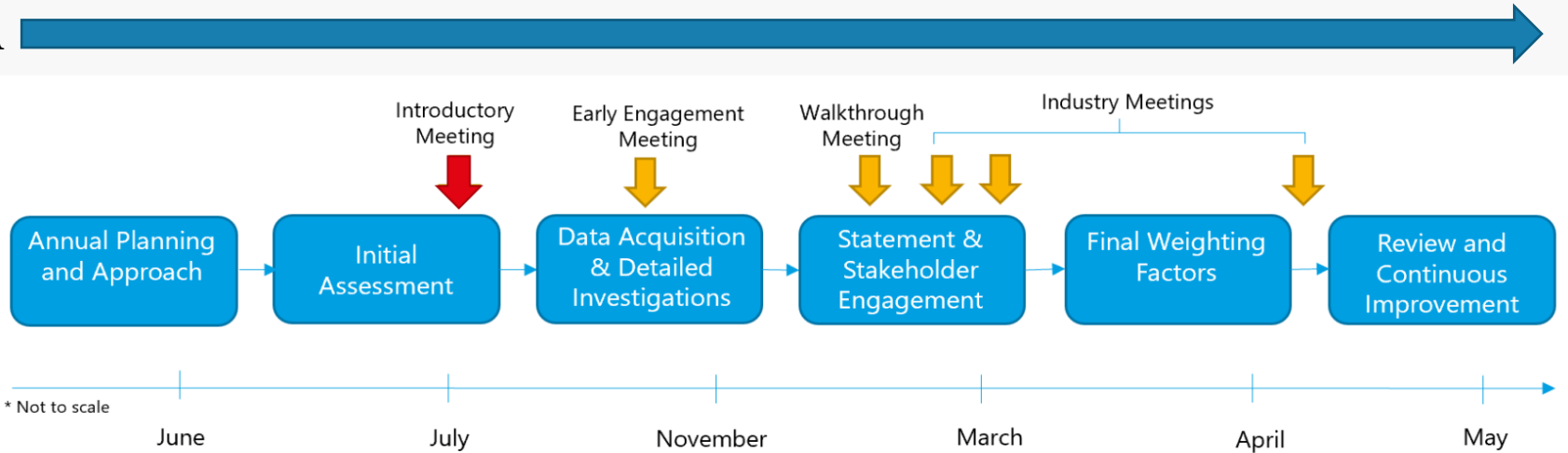
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Timeline



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. IAA will align with the internal work schedule of the AUGE firstly and then report to industry in line with the AUG timetable.

IAA



Source: Engage Consulting