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2015/16 Allocation of Unidentified Gas process – **Update**

UNCC 18 December 2014

Fiona Cottam

- Allocation of Unidentified Gas (AUG) year runs from April to following March each year
- AUG Expert develops a Statement (methodology) and Table (values) for an AUG year
- Preparation, consultation and approval processes take over a year - work starts Jan/Feb to be ready for April the following year

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Discussion at November UNCC

- AUG Statement for 2015/16 approved by UNCC on 3rd September
- Draft AUG Table for 2015/16 published 27 October 2014
- Final Table due for publication by 1st February 2015
- Statement and Table cover period 1 April 2015 to 31 March 2016
- UKLink Replacement date 1 October 2015
- **General agreement that 2016/17 Statement/Table not required**
- **Action to report back on how this arrangement could be managed under current UNC and whether a Mod is required**

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Preferred Option – Transitional Mod

- A Transitional Mod could specify that no AUG Statement or Table will be required for a year beginning on or after the **"Project Nexus Implementation Date"**
- Transitional Text to fall away after Project Nexus Implementation, along with all other AUG Text and Guidelines
- National Grid will request this to be included in forthcoming Project Nexus Transitional Modification

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Review of Relevant UNC provisions

- UNC E10 covers AUG process – places obligations on GTs for “each AUG Year”
 - 10.2.3 “Without prejudice to the requirements of the Allocation of Unidentified Gas Document, **the Gas Transporters may seek guidance or direction of the Committee in relation to anything they propose to do** or any other matter arising in connection with their activities under paragraph 10.2.1 [*appointment and engagement of an AUGE ... for each AUG Year*], **and may act in accordance with such guidance or direction.**”
 - Not clear enough to support non-appointment of an AUGE – Transitional Mod is preferred option?

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Relevant AUG Guidelines provisions

- No apparent flexibility to not appoint an AUGE, however:
 - 9.5 “If, for whatever reason, the AUGS* does not produce volumes, The Committee will meet as soon as possible and to either decide by unanimous vote to apply volumes that The Committee decides as appropriate or to roll over any previous Unidentified Gas volumes from a previous year.”
 - Could be used to rollover volumes if required past March 2016
 - Note: updated SAP rates are not required in a rollover – actual bills use actual average SAP for month

* Apparent typo – should be AUGE?

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- Is UNCC view still the same – no Statement/Table required for 2016/17?
- National Grid will request this to be included in forthcoming Project Nexus Transitional Modification

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