

Guidelines for the Appointment of an Allocation of Unidentified Gas Expert

Document Control

Version	Date	Reason for Change
0.1	20 March 2009	Initial Draft

Development of Rules

1. The requirement to publish the XXX Name of Document XXX is specified in Section X.X of the Transportation Principal Document (TPD) of the Uniform Network Code (UNC). This section also provides for the document to be published and revised from time to time. The provision reads :
“Each Document shall be kept up to date and published by the Transporters on the Joint Office of Gas Transporters website.”
2. The Rules set out below meet the Transporter’s obligation to prepare Guidelines, while the Document Control Section records changes which have been made to the Guidelines. The document is published on the Joint Office of Gas transporters website, www.gasgovernance.com.
3. These guidelines can only be modified in accordance with the requirements set out in paragraph 12 of Section V of the UNC Transportation Principal Document, which reads as follows:

“UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION V - GENERAL

12 GENERAL PROVISIONS RELATING TO UNC RELATED DOCUMENTS

12.1 Purpose

The purpose of this Section is to establish generic governance arrangements in respect of the following UNC Related Documents (each a “**Document**” and collectively the “**Documents**”):-

- (a) Network Code Operations Reporting Manual as referenced in Section V9.4;
- (b) Network Code Validation Rules referenced in Section M1.5.3;
- (c) ECQ Methodology as referenced in Section Q6.1.1(c); and
- (d) Measurement Error Notification Guidelines for NTS to LDZ and LDZ to LDZ Measurement Installations as referenced in OAD Section D 3.1.5

(e) Allocation of Unidentified Gas Statement referenced in section xxx

12.2 Publication Requirements

Each Document shall be kept up to date and published by the Transporters on the Joint Office of Gas Transporters website.

12.3 Modifications

Should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Code Committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote.

12.4 Approved Modifications

12.4.1 In the event that a proposed modification is approved by a majority vote of the Uniform Network Code Committee, the modification shall be implemented. Where the Uniform Network Code Committee fails to achieve majority approval the proposed modification shall be considered in accordance with the provisions set out in Section 7 of the Uniform Network Code Modification Rules unless the Uniform Network Code Committee determines otherwise.

12.4.2 Each revised version of a Document shall be version controlled and retained by the Transporters. It shall be made available on the Joint Office of Gas Transporters website.

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1. Definitions

Unless otherwise stated, terms in these XXX Name of Document XXX (“**these Guidelines**”) shall have the meanings given to them in the Uniform Network Code. Such terms will be capitalised within quotation marks where first used in the Guidelines.

In these Guidelines:

“**Allocation of Unidentified Gas Expert or AUGE**”- an independent measurement expert who has been appointed by the Committee, to undertake the compilation of an Allocation of Unidentified Gas Statement. As a consequence of appointment, the Independent Technical Expert will subsequently be in the employment of the Transporters by means of a contractual arrangement for the purposes of the compilation of the Allocation of Unidentified Gas Statement.

“**Allocation of Unidentified Gas Statement or AUGS**” - a document compiled by the “**Allocation of Unidentified Gas Expert**”, detailing the process undertaken and methodology used in the determination of the value of Unidentified Gas .

“**The Committee**” - The UNCC, or an authorised technical workstream or sub committee appointed by the UNCC to administer the AUGS process.

“**Generic Terms of Reference**” – the standard terms of reference to be applied as basis of the contracts between the Transporters and the Allocation of Unidentified Gas Expert for the compilation of a Allocation of Unidentified Gas Statement.

“**Unidentified Gas**” - the values derived by the AUGE using the process and methodology detailed within the AUGS to populate the Large Supply Point Unidentified Gas allocation table contained within Annex xxxx Section E of the Transportation Principal Documents of the UNC

2. The Guidelines

These guidelines set-out the means by which the AUGS is appointed and how the AUGS is published on the Joint Office of Gas Transporters website (www.gasgovernance.com) and outline the high level process to be followed for the creation of a methodology to calculate the materiality of Unidentified Gas.

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3. Responsibilities under the tender process for the position of AUGE

- The Committee will :
 - Produce a set of criteria for the appointment of the AUGE including;
 - the ability for the AUGE to produce an AUGS in line with the Generic Terms of Reference contained in this document plus any other criteria agreed by the Committee.
 - The evaluation of the cost of undertaking the role of the AUGE over the period stated in the tender document.
 - the consideration of the relevant knowledge and expertise of the candidates;
 - prospective AUGS' ability to follow and take into account relevant industry developments.
 - And to use those criteria to derive a methodology to assess each submitted tender bid.
 - Where more than one prospective candidate indicates interest in the position of AUGS, the committee shall:
 - Assess each tender bid against the tender assessment methodology;
 - Collate aggregated scores for nominated AUGS from the criteria specified in the tender document;
 - Rank the proposed AUGS from 1-n (1 least favoured, n most favoured) and
 - Endorse the appropriate person to the Gas Transporters as the AUGE;
 - Review the proposed terms of reference and approve terms of reference for use in the AUGS; and
 - Identify any improvements that may be made to the tender process, and recommended to the UNCC they be incorporated into these guidelines
- The Gas Transporters will:
 - Organise any meetings held in relation to the AUGE appointment.
 - Provide legal resource to prepare a tender document in conjunction with the Committee.
 - Organise the advertisement of the tender to all interested Parties, in accordance with national and European legislation.
 - Communicate to Users the progress and outcome of the tender process, including all relevant documentation.
 - Invite the endorsed AUGE to take up the appointment;
 - Where the favoured AUGE does not accept the appointment, invite the next most favoured AUGE in turn.
 - Upon acceptance of appointment, establish the contract with the AUGE, including the agreed terms of reference.
 - Have the right to use the Joint Office to discharge any obligations placed upon them by this document.

- Code Parties will:
 - Bear its own costs including without limitation costs of providing documentation, information, data, submissions or comments, and all costs and expenses of all witnesses and other persons retained by it.
 - Comply with any reasonable request for data or assistance from the AUGE to help the AUGE ascertain the magnitude of the Unidentified Gas error.
- The AUGE, once appointed as such:
 - Will act with all due skill, care and diligence when the performance of its duties as the AUGE and shall be impartial when undertaking the function of the AUGE, ensuring that any values derived will be equitable in their treatment of end users.
 - Shall compile the AUGS in accordance with the guidelines within this document
 - The AUGE shall confirm to the Gas Transporters before his appointment that he does not hold any interest or duty which would or potentially would conflict with the performance of his duties under his contract with the Gas Transporters.

If after his appointment the AUGE becomes aware of any interest or duty which conflicts or potentially conflicts with the performance of his duties under his contract with the Gas Transporters, the AUGE shall inform the Gas Transporters forthwith of such conflict giving full details thereof.

The Gas Transporters shall forward any such information to all Users and Committee Members as soon as reasonably practicable.

Any User or Committee Member may within 5 Business Days of the disclosure of any such conflict or potential conflict object to the appointment or continued appointment of an AUGE, in which case the AUGE shall not be or shall cease to be appointed and a new AUGE shall be selected and appointed by the Gas Transporters.

- Shall ensure that all data provided by Code Parties will be held confidentially, and where any data, as provided or derived from that provided, is published then it shall be in a form where the source of the information cannot be reasonably ascertained.

4. Tendering process

This section details the processes undertaken by the Committee, to appoint an AUGE using a tender process.

- The Committee will, in conjunction with the Gas Transporter, prepare a tender document to be sent annually to all interested parties by the 1st October.
- The tender will detail the requirement:
 - To compile a publically-available methodology statement, the AUGS.
 - To use the AUGS to derive the volumes of Unidentified Gas, that will be used to populate the Large Supply Point Unidentified Gas allocation table within the UNC.
 - To provide the Unidentified Gas volumes to the Gas Transporters in good time to allow calculation of the relevant charges.
 - To hold public consultation meetings to provide an opportunity to allow Code Parties to discuss the AUGS, in accordance with the timetable contained within this document.
 - To allow Users to submit representations and queries with regard to the AUGS in accordance with the timetable contained within this document.
 - To consider adjusting the AUGS in response to those representations if the AUGE feels it would improve the process.
 - To adhere to the Generic Terms of Reference contained within these guidelines, as well as any other criteria the Committee includes within the contract.
 - To maintain good relations with the Committee and the Gas Transporters, to be available for discussion with Users on any relevant issues, and to answer any general queries promptly.
- When issued, the tender will be for an initial 1-5 year contract, as determined by the Committee.
- The Committee will advertise the tender to all interested Parties via the Gas Transporters including, if applicable, the Official Journal of the European Union.
- All tenders response must be submitted by any interested party, in an acceptable format to the Gas Transporters by the 1st December.
- Each tender response will detail:
 - How the AUGE will comply with the Generic Terms of Reference
 - The methodology to be used by the prospective AUGE, and why such a process would be suitable
 - The data that would need to be collated for such use, and the methods to be used for acquiring such data.
 - The likely time for such work to be carried out
 - The cost of producing the AUGS
 - Contact details that a Code Party may use to query any aspect of the tender or the AUGS when produced.
 - Their Independence and Impartiality.

- Once the tender have been received, then the Committee will then rank the prospective AUGES in order of preference (1 to n, where 1 is the least favoured and n the most favoured) using the tender assessment methodology, taking into account the following:
 - relevant knowledge and expertise of the candidates
 - cost of service provision
 - ability to take into account industry developments
 - the suitability of the methodology proposed
 - the equitability of the values that will be derived.
- All prospective AUGES will, if so requested, present their proposals to the Committee at an appropriate time.
- Once all AUGES' tenders have been assessed, then the Committee will endorse the top-ranked tender to the Gas Transporters for appointment.
- Once the tender process has been completed and the Committee has ranked each prospective tender, the transporters will contract with the highest ranked party that wishes to become the AUGES by the 1st March.
- Once the tender process has been completed and the transporters have contracted with an interested party to be the AUGES, then the Committee will review the tender process, and incorporate any updates that are believed are required to this document.

5. Generic Terms of Reference for Appointed AUGE

This section will include the main principles the AUGE will operate under, once appointed

- The AUGE will create the AUGS by developing appropriate methodologies and collecting necessary data.
- The decision as to the most appropriate methodologies and data will rest solely with the AUGE taking account of any issues raised during the development and compilation of the AUGS.
- The AUGE will determine what data is required from Code Parties in order to ensure appropriate data supports the evaluation of Unidentified Gas.
- The AUGE will determine what relevant questions should be submitted to Code Parties in order to ensure appropriate methodologies and data are used in the evaluation of unidentified error.
- The AUGE will use the latest data available.
- Where multiple data sources exist the AUGE will evaluate the data to obtain the most statistically sound solution, will document the alternative options and provide an explanation for its decision.
- Where data is open to interpretation the AUGE will evaluate the most appropriate methodology and provide an explanation for the use of this methodology.
- Where the AUGE considers using data collected or derived through the use of sampling techniques, then the AUGE will consider the most appropriate sampling technique and/or the viability of the sampling technique used.
- The AUGE will present the AUGS in draft form, to Code Parties and will review all the issues identified submitted.
- The AUGE will consider any query raised by a Code Party with regard to the AUGS or the data derived, and will respond promptly with an explanation on the methodology used.
- The AUGE will provide the final AUGS to the Gas Transporters for publication.
- The AUGE's final determination shall be final and binding on the Parties except in the event of fraud or where the Committee considers it is so clearly erroneous on its face that it would be unconscionable for it to stand.
- Except as provided in the paragraph above, no Party shall commence proceedings in respect of or refer to any court any finding by the AUGE, whether made at any time after his appointment or in his determination.

6. Creation of AUGS Document

This section covers the activities and timescales for the creation of the AUGS document by the AUGE.

- The AUGE must provide a Draft AUGS to the Gas Transporters for publication by the 1st May each year.
- The draft AUGS must detail:
 - How the AUGE has adhered to the Generic Terms of Reference and to any other relevant provisions within its contract.
 - The methodology to be used by the prospective AUGE, and why such a process would be suitable
 - The data that would need to be collated for such use, and the methods to be used for acquiring such data.
 - Contact details that a Code Party may use to query any aspect of the draft AUGS.
- Once published, Users may provide responses to the AUGE via the Gas Transporters, within 28 days. The Gas Transporters will then provide these responses to the AUGE by the 1st June.
- The AUGE will consider any submissions made, and will provide responses to the Gas Transporters for publication to all Code Parties prior to the draft AUGS discussion meeting, which is to be held on, or around, the 1st July.
- The AUGE will be required to organise a meeting, via the Gas Transporters, and provide to Code Parties:
 - an overview of methodology used in AUGS;
 - present data employed in calculation of AUGS
 - the initial results of the AUGS process;
 - its view of any issues raised by Code Parties as a result of submissions.
- Code Parties may raise issues for consideration by the AUGS at this meeting. The AUGE will review the AUGS in light of these comments, as well as any made by Code Parties via submissions, and will adjust the AUGS where it believes appropriate.
- The final AUGS document will be published by the 1st August on the Joint Office website.
- Once the final AUGS documents have been published, the AUGE will then organise a meeting via the Gas Transporters with the Committee for approval of the final document, on or around the 1st September.
- The Committee shall approve the document in the form presented by the AUGE, unless they unanimously agree changes to any part of the document. Any changes directed by the Committee in this fashion will be implemented by the AUGE immediately.
- Once the AUGS has been approved by the Committee, the AUGS will produce the final Unidentified Gas volumes, and send them to the Gas Transporters for inclusion in the Large Supply Point unidentified gas allocation table.

7. Query process

This section covers how Code Parties may raise any issues or queries once the final AUGS has been published.

- Once the final AUGS document has been approved by the Committee, then Code Parties may submit any subsequent queries to the AUGE and Committee, using the AUGS query form.
- If any Code Party submits a query, via the Gas Transporters, to the AUGE and the Committee, then the AUGE must respond to the Code Party within 28 days detailing its response.
- The AUGE is obliged to consider the query and submit its response, as well any proposed changes, to the Committee for consideration within 28 days.
- The Committee will consider both the query and the AUGS response as soon as the AUGE has provided its response.
- After considering both the query and response, the Committee may propose a change to the Final AUGS document. Any change will be deemed to have been approved, unless the Committee has indicated a unanimous vote opposing the change to the AUGE within 28 days, or the 1st January, whichever is sooner.

8. Charge Calculation

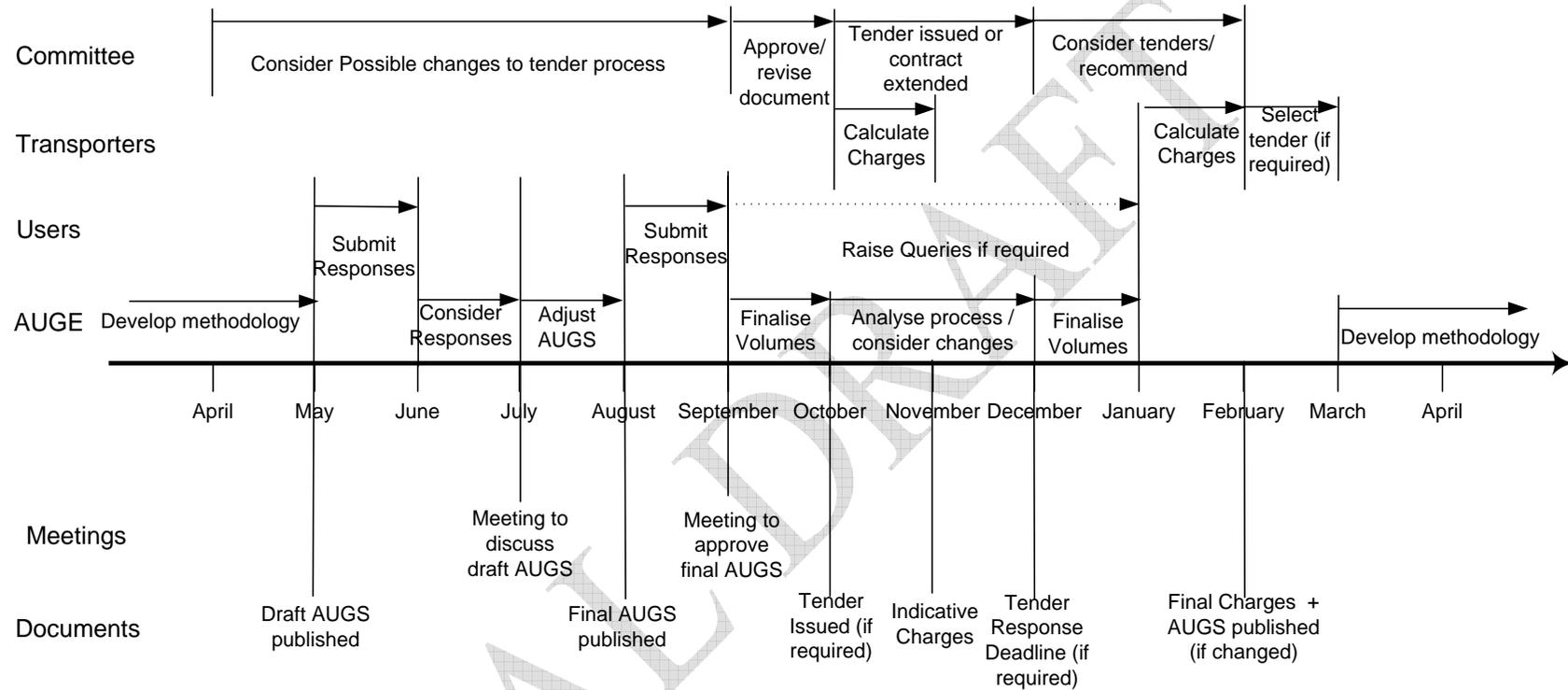
- The Gas Transporter shall be responsible for calculating and publishing the charges to be levied in accordance with the UNC when allocating Unidentified Gas costs to Code Parties.
- These charges will be published at the following times:
 - When the indicative Unidentified Gas volumes are received from the AUGE, the indicative charges will be published by the 1st November.
 - When the final Unidentified Gas volumes are received from the AUGE, the final charges by the 1st February.
- These charges will be published alongside any other charges that the Transporters are obligated to publish in accordance with its transportation licence.
- If, for whatever reason, the AUGS does not produce values that may be used to populate the Large Supply Point Unidentified Gas allocation table, then the Transporters will use the most recent values derived by any previous tender process. In the event that no valid values are available, then a zero value will be used for all aspects of the Large Supply Point Unidentified Gas allocation table.

9. Contract Extension

- Once the tender process has been completed and the transporters have contracted with an interested party to be the AUGE, then the Committee will review the tender process, and incorporate any updates that are believed are required to this document.
- Once the final AUGS document has been published by the Gas Transporters, then the Committee will decide by majority decision to either extend the contract or to issue a new tender by the 1st October.
- If the Committee decides to extend the contract with the incumbent AUGE, then no tender process will need to be undertaken, and the current contract which the AUGE operates under will be extended for a further period.

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10. AUGS timeline



11. AUGS query form

Originator details	
Code Party	
Code Party Contact	
Telephone number:	
Fax number:	
Email address:	

Issue Description

Anticipated Impact on the AUGS process

Date of Submission:	
Signed	

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