

## **UNC Modification Proposal 0229 – Charging Methodology - Proposed Overview**

**1. The Allocation of Unallocated Gas Expert (AUGE) shall prepare an initial Allocation of Unallocated Gas Statement ('Statement') detailing the methodology by which it considers volumes of unallocated gas should be:**

- a) calculated for the twelve months from April; and**
- b) attributed between supply points based on their contribution to the overall volume of unallocated gas.**

**2. The AUGE shall ensure that the methodology:**

- (a) is transparent and objective ;**
- (b) does not discriminate between shippers;**
- (c) does not result in cross-subsidies between shippers or between supply points; and**
- (d) facilitates effective competition between gas shippers and between gas suppliers.**

**3. In preparing the methodology contained in the Statement, the AUGE shall ensure that it has:**

- (a) been able to access data from relevant market participants;**
- (b) consulted shippers on the proposed methodology and allowed them a formal period of not less than 28 days within which to make written representations; and**
- (c) taken into account comments made by respondents or explain why it would not be appropriate to do so by reference to para 2 above.**

**4. The Statement shall be submitted to UNCC for approval by [???**

**After the initial Statement**

**5. In each subsequent year, the AUGE shall submit a Statement to the UNCC regarding the application of the existing charging methodology detailing the –**

- (a) the extent to which, in the AUGE's opinion, the existing relevant methodology achieved and /or continues to achieve the objectives as set out in para 2 above; or**
- (b) basis on which the objectives contained in para 2 above could more closely be achieved by modification of the charging methodology.**

**6. Where para 5(b) applies, the AUGE shall ensure that any proposed modifications, suggested by the AUGE itself or shippers, have been subject to a minimum 28-day consultation process. For the purposes of para 5(b), the Statement referred to in para 5 shall detail:**

- (i) the change or changes as originally proposed for the modification;**
- (ii) the change or changes proposed better facilitate the objectives contained in para 2; and**
- (iii) the consultation responses (if any) made by relevant shippers.**

