












UNC Request Workgroup Report	At what stage is this document in the process?
<h1>UNC 0639R:</h1> <h2>Review of AUGE Framework and Arrangements</h2>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 5px;">01 Request</div> <div style="margin-bottom: 5px;">02 Workgroup Report</div> <div style="margin-bottom: 5px;">03 Final Modification Report</div> <div style="margin-bottom: 5px;"> </div> </div>
<p>Purpose of Request:</p> <p>The AUGE framework and arrangements have been in place for some time and cover pre and post Nexus. The purpose of the review will be to determine if any changes to its arrangements are appropriate.</p>	
	<p>The Workgroup recommends that the Panel consider the closure of the Request.</p>
	<p>High Impact: Shippers</p>
	<p>Medium Impact:</p>
	<p>Low Impact:</p>

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About this document:		
This report will be presented to the panel on 17 May 2018.		steve.mulinganie@gazprom-energy.com
The panel will consider whether the Request should be closed.		 0799 097 2568
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1 Request Summary

Why is the Request being made?

The AUGE framework and arrangements have been in place for some time and cover both the period both pre and post Nexus. The purpose of the review group will be to determine if any changes to its arrangements are appropriate.

Scope

The Workgroup would be asked to consider the current arrangements for the AUGE and to identify any changes needed to the existing arrangements based on both feedback given as part of the AUGE review process, as well as any relevant issues Workgroup participants consider should be subject to the review. The Workgroup will also be asked to consider the contracting and procurement arrangements set out in the AUGE Framework document.

Impacts & Costs

The areas that may be impacted are discussed in the Scope section.

Recommendations

It is proposed that this Request is sent to Workgroup for consideration and that a Report should be provided by the 15 March 2018 Panel.

Additional Information

NA

2 Impacts and Costs

Consideration of Wider Industry Impacts

No wider industry impacts identified which would have a specific material negative impact associated with undertaking this review.

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> NA
Operational Processes	<ul style="list-style-type: none"> Could lead to changes to the AUGE process and framework

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> TBC
Development, capital and operating costs	<ul style="list-style-type: none"> TBC

Impact on Users	
Contractual risks	<ul style="list-style-type: none"> • TBC
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> • TBC

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	<ul style="list-style-type: none"> • None expected
Development, capital and operating costs	<ul style="list-style-type: none"> • None expected
Recovery of costs	<ul style="list-style-type: none"> • None expected
Price regulation	<ul style="list-style-type: none"> • None expected
Contractual risks	<ul style="list-style-type: none"> • None expected
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> • None expected
Standards of service	<ul style="list-style-type: none"> • None expected

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> • None expected.
UNC Committees	<ul style="list-style-type: none"> • There may be impacts on reporting and responsibilities set out for the UNCC in the current arrangements.
General administration	<ul style="list-style-type: none"> • None expected
DSC Committees	<ul style="list-style-type: none"> • None expected

Impact on Code	
Code section	Potential impact
	<ul style="list-style-type: none"> • Changes may be required to UNC to give effect to any proposal and a modification proposal may be an output of this review.

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	<ul style="list-style-type: none"> • None expected
General	Potential Impact
Legal Text Guidance Document	<ul style="list-style-type: none"> • None expected

Impact on UNC Related Documents and Other Referenced Documents	
UNC Modification Proposals – Guidance for Proposers	<ul style="list-style-type: none"> None expected
Self Governance Guidance	<ul style="list-style-type: none"> None expected
TPD	Potential Impact
Network Code Operations Reporting Manual (TPD V12)	<ul style="list-style-type: none"> None expected
UNC Data Dictionary	<ul style="list-style-type: none"> None expected
AQ Validation Rules (TPD V12)	<ul style="list-style-type: none"> None expected
AUGE Framework Document	<ul style="list-style-type: none"> Review may lead to changes to the document
Customer Settlement Error Claims Process	<ul style="list-style-type: none"> None expected
Demand Estimation Methodology	<ul style="list-style-type: none"> None expected
Energy Balancing Credit Rules (TPD X2.1)	<ul style="list-style-type: none"> None expected
Energy Settlement Performance Assurance Regime	<ul style="list-style-type: none"> None expected
Guidelines to optimise the use of AQ amendment system capacity	<ul style="list-style-type: none"> None expected
Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)	<ul style="list-style-type: none"> None expected
LDZ Shrinkage Adjustment Methodology	<ul style="list-style-type: none"> Any changes to the regime impacting Upstream may impact on the determination of Shrinkage
Performance Assurance Report Register	<ul style="list-style-type: none"> None expected
Shares Supply Meter Points Guide and Procedures	<ul style="list-style-type: none"> None expected
Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency	<ul style="list-style-type: none"> None expected
Standards of Service Query Management Operational Guidelines	<ul style="list-style-type: none"> None expected
Network Code Validation Rules	<ul style="list-style-type: none"> None expected
OAD	Potential Impact
Measurement Error Notification Guidelines	<ul style="list-style-type: none"> None Expected

Impact on UNC Related Documents and Other Referenced Documents	
(TPD V12)	
EID	Potential Impact
Moffat Designated Arrangements	<ul style="list-style-type: none"> None Expected
IGTAD	Potential Impact
	<ul style="list-style-type: none"> None Expected
DSC / CDSP	Potential Impact
Change Management Procedures	<ul style="list-style-type: none"> None Expected
Contract Management Procedures	<ul style="list-style-type: none"> None Expected
Credit Policy	<ul style="list-style-type: none"> None Expected
Credit Rules	<ul style="list-style-type: none"> None Expected
UK Link Manual	<ul style="list-style-type: none"> None Expected

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"> None Expected
Gas Transporter Licence	<ul style="list-style-type: none"> None Expected

Other Impacts	
Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"> None Expected
Operation of the Total System	<ul style="list-style-type: none"> None Expected
Industry fragmentation	<ul style="list-style-type: none"> None Expected
Terminal operators, consumers, connected system operators, suppliers, producers and other noncode parties	<ul style="list-style-type: none"> None Expected

3 Terms of Reference

Background

The AUGE framework and arrangements have been in place for some time and cover pre and post Nexus.

The purpose of the review group will be to determine if any changes to its arrangements are needed.

Topics for Discussion

- Understanding the objective
- Issues relating to the current AUGE framework and arrangements
- Consideration of the feedback from this year's AUGE review
- Consideration of the existing contracting arrangements and timetable.

Outputs

Production of a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including a draft Modification where appropriate.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.

4 Modification(s)

None.

5 Recommendation

The workgroup invites the Panel to:

- DETERMINE that Request 0639R should be closed.

Conclusions:

The Workgroup reviewed a number of documents related to the AUG, to identify potential process and regime changes, including the following items:

- 2016/17 – AUG Year Review Report
- 2016/17 – AUG Review Non-Confidential Responses
- AUG Review Comments provided by DNV GL
- Indicative AUG timeline for 2017/18 statement and table
- AUG Framework Document

Workgroup members identified 7 issues as part of the review of the above information and considered what could be done to resolve them. Full details can be found in the issues log published alongside this report but a summary table can be found below:

Issue	Action	Proposal	Supporting Information
1. Scope of the AUG – what is included/not included.	A number of options were identified as a way forward.	?	
2. How interaction with third parties should work and how to deal with conflict of interest issues.	Section 5 of the AUG Framework was reviewed and it was identified that amendments to the wording in paragraph 5.1.7 could be considered to remove any potential for bias from the process.	[TBC - It is proposed that the AUG Framework is updated to include the revised wording.]	[Amended Framework Document.]
3. How feedback is treated throughout the AUG process (including the formal consultation period). Linked to issue R063905 (overall process improvements).	Paragraph 7.1.3 defines the consultation period as 42 calendar days. The workgroup considered the merits of 42 days and whether it would be beneficial to move to a shorter 21-day consultation period.	General consensus was that 42 days is too long and a shorter consultation timeframe was proposed of [21] calendar days.	Draft future AUG timeline. Amended Framework Document.
4. Review/clarification of UNC, UNCC process and AUG Framework documents in relation to voting requirements. Should the voting be related to the methodology, the weightings table or both.	A draft future AUG timeline/process had been put forward by the Proposer and this was reviewed by the Workgroup.	It was proposed that the UNCC meeting in May will consider both the final AUGS and Table. This means that only one UNCC voting meeting is required and as a result the process time is reduced.	Draft future AUG timeline. Amended Framework Document.
5. The AUG process needs to have sufficient rigor, transparency, feedback opportunities and checkpoints. In particular, the AUG statement and AUG table need to be reviewed to decide what needs to be done to align them and clarification on when the tables should be	A draft future AUG timeline/process had been put forward by the Proposer and this was reviewed by the Workgroup.	There was general support for the following AUG process improvements: <ul style="list-style-type: none"> • an earlier initial industry meeting in Oct/Dec. • reduce the consultation period (see issue 3) • incorporation of 	Draft future AUG timeline. Amended Framework Document.

published and whether they can be changed or not.		additional stakeholder engagement. <ul style="list-style-type: none"> change the rules to clarify that the UNCC meeting in May will consider final AUGS and Table (see issue 4). 	
6. Role of Joint Office to support the AUG Process in terms of providing secretariat for the AUG meetings and providing a transparent communication vehicle for all AUG documents.	Following a request from Xoserve for the Joint Office to support the AUG process, the UNCC agreed that Joint Office would provide the secretariat for the AUG meetings and the Joint Office website would provide information on the meeting dates and papers.	No further action required.	
7. Confusion of terminology - UIG and UG.	The proposal that unidentified gas at initial allocation (D+5) should be referred to as initial UIG and unidentified gas at 'line in the sand' (Code cut-off date) should be referred to as 'final UIG', was reviewed by looking at the definitions in UNC Section H 2.6.	?	

It should be noted that a Modifications does not need to be raised to accommodate the changes proposed. It is recommended that the Request be closed and the proposals are progressed via the UNCC.