

## **UNC Workgroup 0639R Minutes**

### **Review of AUG Framework and Arrangements**

**Friday 08 June 2018**

**Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

#### **Attendees**

Chris Shanley (Chair)	(CS)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Fiona Cottam	(FC)	Xoserve
Mark Bellman	(MBe)	ScottishPower
Neil Cole	(NC)	Xoserve
Steve Mulinganie	(SM)	Gazprom

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0639/080618>

#### **1. Introduction and Status Review**

##### **1.1. Approval of Minutes (02 May 2018)**

The minutes of the previous meeting were approved.

#### **2. Consideration of Updates Framework Document**

FC presented the updated Framework for the Appointment of an Allocation of Unidentified Gas Expert, highlighting the key changes that had been made since last month's meeting, these included:

Adding two new definitions for the Stakeholder Evaluation Panel and the AUG Technical Workgroup. The group considered the wording and suggested some minor enhancements, which were recorded within the document. The group agreed that any reference to the Joint Office should be to the Code Administrator to be consistent with the UNC. SM enquired about the role and control of the AUG Technical Workgroup. He enquired what the viaries of the committee would be, and the Terms of Reference of the group. The group considered the role of the Workgroup and agreed to use terminology consistent with that used in the definition for "The Committee" where an authorised technical workstream or subcommittee can be appointed by the UNCC. It was agreed that the AUG Technical Workgroup would become the AUG Technical Workstream and the Stakeholder Evaluation Panel would become the Stakeholder Evaluation Sub Committee.

FC highlighted that any reference to the CDSP in connection with the Stakeholder Evaluation Sub Committee may no longer be required as CDSP would be defined as one of the parties included in this subcommittee.

SM highlighted that the recent decision letter issued by Ofgem referred to an explicit objective in developing a methodology in determining unidentified gas and asked whether the generic TOR should have a section which allows making a change in the framework. It was viewed that this could be managed within the Terms and Conditions with the AUG. FC also explained that there is a current clause within the contract which allows a re-opener/change.

SM enquired about the tendering exercise, and the possibility of starting a tendering process to test the market and assess whether the current contract is value for money. It was agreed that this would be a worthwhile exercise and should be initiated for 2019/20.

Having reviewed the Framework for the Appointment of an Allocation of Unidentified Gas Expert document and considered some further changes the group agreed that this was now in a position to be considered by the UNCC for formal amendment.

### 3. Approval of Amended AUG Timeline

FC provided a visual representation of the draft AUG Timeline.

### 4. Development of Request Workgroup Report

CS presented the draft Request Workgroup Report

SM wished to understand at what point the procurement exercise would need to start. He wished to understand the cutover process and the timing required. FC referred to the scenario where the AUGE relationship could be deemed insufficient or there has been a material breach and the preferred solution would be to appoint a replacement AUGE.

Given the current AUGE had been in place 2 years (3 years by the time the procurement process has been conducted), it was considered a good point to undertake a procurement exercise to determine what is available in the market.

MB enquired if the AUGE has at any point cast a view on the balance of unidentified gas and if they have done what they should have reasonably done, i.e. provided a view on the main drivers behind UIG. CS explained that the AUGE are looking at improved modelling for next year and in particular around theft of gas.

SM referred to the temporary model errors and the factors for unidentified gas. MB had a view that theft for example was not a major factor of unidentified gas, and that there is a model error related to the permanent unidentified gas. The workgroup briefly discussed the concept of permanent unidentified gas and that it is not likely to change.

The group also considered the role of the Performance Assurance Committee (PAC) and the role it could play. The independent role of the PAC was discussed and the potential remedies to improve performance in areas that affect unidentified gas.

CS facilitated a review of the Workgroup Report and noted a number of required changes, capturing the recommendations of the Workgroup. It was anticipated that the Request Workgroup Report could be submitted to the June UNC Panel along with the updated Framework document being submitted to the UNCC for approval.

### 5. Review of Outstanding Actions

**0501:** CDSP (FC) to provide an updated timeline diagram inline with discussions and feedback in time for consideration at the June 2018 Workgroup meeting.

**Update:** See item 3.0. **Closed**

**0502:** *Reference to Framework document paragraphs 3.1.1 and 3.2 proposals/amendments* - Cadent (CW) to await provision of an updated Framework document before seeking a legal view on the impact of UNC TPD Section E provisions (i.e. potential breach of obligations etc.) on proposals.

**Update:** FC believed that a view had been provided by CW and there were no concerns on the potential impacts. **Closed**

**0503:** CDSP (FC) to update the Framework document inline with Workgroup discussions and feedback in time for consideration at the next Workgroup meeting.

**Update:** See item 2.0. **Closed**

### 6. Next Steps

CS confirmed that the next steps would be to:

- Provide the Request Workgroup Report to the June UNC Panel.
- Submit the updated Framework Document to the UNCC to the approve changes.

## 7. Any Other Business

FC confirmed that the AUGÉ contract summary document had been published on the Xoserve secure website.

To access the Xoserve website: <https://www.xoserve.com/index.php/our-systems/extranet-secured-sites/>. To access the secure environment parties will need to submit a Secure Site Access Request Form via <https://www.xoserve.com/index.php/about-us/secure-site-access-form/>.

### **Post Meeting Note:**

To find the AUG Contract summary on UK Link Docs;  
Folder "31 MOD 0473 data provision"  
Subfolder "02. AUGÉ Contract Summary"

## 8. Diary Planning

No further meetings were planned.

**Action Table (as at 08 June 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	02/05/18	3.	To provide an updated timeline diagram inline with discussions and feedback in time for consideration at the June 2018 Workgroup meeting.	CDSP (FC)	<b>Closed</b>
0502	02/05/18	4.	<i>Reference to Framework document paragraphs 3.1.1 and 3.2 proposals/amendments</i> - Cadent (CW) to await provision of an updated Framework document before seeking a legal view on the impact of UNC TPD Section E provisions (i.e. potential breach of obligations etc.) on proposals.	Cadent (CW)	<b>Closed</b>
0503	02/05/18	4.	To update the Framework document inline with Workgroup discussions and feedback in time for consideration at the next Workgroup meeting.	CDSP (FC)	<b>Closed</b>