

# Framework for the Appointment of an Allocation of Unidentified Gas Expert

## **Key to Changes**

Housekeeping change

FGO update

Proposed change following RG0639

### Document Control

Version	Date	Reason for Change
2.0	17 June 2010	Approved by Uniform Network Code Committee
3.0	24 February 2011	Additions following first AUG Expert appointment process
4.0	19 March 2014	Updated to take account of UNC Modification 0473
4.1	28 March 2014	Updated to take account of 19 March Meeting
4.2	01 April 2014	Updated to take account of Xoserve comments
4.3	14 April 2014	Updated to take account of 02 April meeting
5.0	15 April 2014	Baselined
5.1	06 May 2014	Incorporation of Transition process.
5.2	12 May 2014	Update of Transition table
6.0	06 June 2014	Baselined and minor corrections
6.1	22 July 2014	Minor corrections
6.2	19 August 2014	Minor corrections
6.3	29 August 2014	Change to clause 6.5.2
6.4	02 October 2014	Minor corrections
6.5	21 January 2016	Updated to align with UNC Modification 0473
7.0	20 April 2017	Change to clause 7.1.8
8.0	18 January 2018	Change to clause 5.1.2
8.1	08 June 2018	<b>Proposed Updates</b> to align with UNC Modification 0565 Central Data Service Provider: General framework and obligations Plus proposed changes as discussed under Review Group 0639, updated following May and June RG Meetings

## Development of Rules

- 1 The requirement to publish the “**Allocation of Unidentified Gas Document**” is specified in Section V12.2 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 Gas Transporter’s obligation to prepare the Framework, while the Document Control Section records changes which have been made to the Framework. The document is published on the Joint Office of Gas Transporters website, [www.gasgovernance.co.uk](http://www.gasgovernance.co.uk)
- 3 This Framework 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 M5.3.3;
- c) ECQ Methodology as referenced in Section Q6.1 .1(c);
- 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) the Allocation of Unidentified Gas Document referenced in Section E9.1.1;
- f) the Customer Settlement Error Claims Process Guidance Document referenced in Section E1.3.10; and
- g) the Performance Assurance Framework Document referenced in paragraph 16.1.1(d).

#### 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**

1.1 Unless otherwise stated, terms in this “**AUGE Document**” entitled “**Framework for the Appointment of an Allocation of Unidentified Gas Expert**” (“this Framework”) shall have the meanings given to them in the Uniform Network Code (“UNC”). Such terms will be capitalised within quotation marks where first used in the Framework.

1.2 In this Framework:

“**The Committee**” - The Uniform Network Code Committee (UNCC), or an authorised technical workstream or sub committee appointed by the UNCC to administer the AUG Expert process.

“**Code Parties**” – signatories to the Uniform Network Code

“**Generic Terms of Reference**” – the standard terms of reference to be applied as basis of the contracts between the **Central Data Services Provider (the “CDSP”)** and the “**AUG Expert**” for the compilation of an “**AUG Statement**”.

“**Stakeholder Evaluation Sub-Committee**” – a group of interested parties (including the CDSP), drawn from or nominated by The Committee, who will participate in the development of procurement materials (including terms and conditions) and the selection of a preferred tenderer for the role of AUG.

“**AUG Technical Workgroup**” – an open meeting of interested parties, at set points throughout the annual cycle, to review and provide guidance/support to the AUG and discuss issues raised relating to the AUG Methodology and Table

## 2. **The Framework**

The process described here sets out the means by which the AUG Expert is appointed, how the AUG Statement is published on the Joint Office of Gas Transporters website ([www.gasgovernance.co.uk](http://www.gasgovernance.co.uk)) and outlines the high level process to be followed for the creation of a methodology to calculate the “**UGS Weighting Factors**” to apportion Unidentified Gas.

### **3. Responsibilities under the tender process for the position of AUG Expert**

3.1 The Committee will delegate its obligations for the definition of criteria for appointment and for overseeing the selection process to the Stakeholder Evaluation Sub-Committee.

3.2 The Stakeholder Evaluation Sub-Committee will:

3.2.1 Produce a clear set of criteria for the appointment of the AUG Expert detailing (without limitation):

- (a) the ability of the AUG Expert to produce a methodology and subsequent AUG Statement which shall be in line with the Generic Terms of Reference, contained in this Framework plus any other criteria agreed by The Committee;
- (b) the evaluation of the cost of undertaking the role of the AUG Expert over the period stated in the tender document;
- (c) the consideration of the relevant knowledge and expertise of the candidates;
- (d) ability of the prospective AUG Experts to follow and take into account relevant industry developments; and
- (e) Details of how much weight/percentage should be placed for each of the criteria when assessing each tender.
- (f) Terms and Conditions under which the service will be procured

3.3 The Stakeholder Evaluation Sub-Committee will:

3.3.1 use the criteria developed under 3.2.1 to assess each submitted tender bid;

3.3.2 where more than one prospective candidate responds to the tender for the position of AUG Expert (“the Interested Parties”) the Stakeholder Evaluation Sub-Committee shall:

- (a) Assess the Interested Parties from the criteria specified in the tender document;
- (b) Select and appoint the appropriate Interested Party as the “Prospective AUG Expert”.

3.3.3. organise any meetings held in relation to the AUG Expert appointment;

- 3.3.4 provide legal resource to prepare a tender document;
- 3.3.5 organise the advertisement of the tender to all Interested Parties, in accordance with national and European legislation;
- 3.3.6 communicate to **Code Parties** the progress and outcome of the tender process;
- 3.3.7 invite the Prospective AUG Expert to take up the appointment;
- 3.3.8 where the selected AUG Expert does not accept the appointment, invite the next most favoured AUG Expert in turn; and
- 3.3.9 upon acceptance of appointment, **execute a** contract with the Prospective AUG Expert, in accordance with the Generic Terms of Reference.

#### 4. **Tendering process**

4.1 This section details the processes undertaken by the **CDSP**, to appoint an AUG Expert using a tender process.

4.1.1 The **Stakeholder Evaluation Sub-Committee** will prepare a tender document to be sent when required to all Interested Parties.

4.1.2 The tender will detail:

- (a) that the aim of the tender is to appoint a Party, the AUG Expert, to compile a publicly available methodology and the AUG Statement;
- (b) that the AUG Expert will use the methodology to populate the “**AUG Table**” for an “**AUG Year**” within the UNC;
- (c) that the AUG Expert must provide the necessary information to the Gas Transporters in good time to allow the **publication** of the **final** AUG Table no later than the 1<sup>st</sup> **April** each year;
- (d) the AUG Expert must hold a public consultation to provide an opportunity to allow Code Parties to discuss the methodology and the AUG Statement, **including the AUG Table**, in accordance with the timetable contained within this Framework;
- (e) the requirement to allow **Code Parties** to submit representations and queries with regard to the methodology and the AUG Statement, **including the AUG Table**, in accordance with the timetable contained within this Framework;
- (f) that the AUG Expert must consider adjusting the methodology and the AUG Statement **and AUG Table**, in response to those representations;
- (g) that the AUG Expert must adhere to the Generic Terms of Reference contained within this Framework, as well as any other criteria The Committee notifies to the **CDSP** prior to the tender document being issued; and
- (h) that the AUG Expert maintain good relations with The Committee and the **CDSP**, to be available for discussion with **Code Parties** on any relevant issues, and to answer any general queries promptly.

4.1.3 When issued, the tender will be for **an initial term agreed by the Stakeholder Evaluation Sub-Committee, with an option for extension.**

4.1.4 The CDSP will administer the tender process and will conduct it in accordance with all relevant legislation and generally accepted best practice.

4.1.5 The tender will be set out to ensure that each tender response will in particular detail:

- (a) how the prospective AUG Expert will comply with the Generic Terms of Reference and any other criteria agreed prior to the tender;
- (b) an outline of the method to be used by the prospective AUG Expert, and why such a proposed solution would be suitable;
- (c) an outline of the data that would need to be collated for such use, and the methods to be used for acquiring such data;
- (d) the likely time for such work to be carried out;
- (e) the cost of performing the services;
- (f) contact details that a Code Party may use to query any aspect of the tender or the methodology and the AUG Statement or AUG Table when produced. The AUG Expert shall confirm to the CDSP before their appointment that they do not hold any interest or duty which would or potentially would conflict with the performance of their duties under their contract with the CDSP; and
- (g) their independence and impartiality, and their process for identifying and managing conflicts of interest during the lifetime of the contract;
- (h) their ability to interact with other relevant industry bodies and experts across the Gas and Electricity industries to ensure they can benefit from broader industry expertise;
- (j) their acceptance of the proposed terms and conditions under which the service will be provided.

4.1.6 Once all tenders have been received the Stakeholder Evaluation Subcommittee will select in accordance with the previously determined evaluation criteria and weightings the top-ranked tender for appointment.

- 4.1.7 Once the tender process has been completed the CDSP will use reasonable endeavours to contract with the highest ranked acceptable party that wishes to become the AUG Expert by the 1<sup>st</sup> June. If the CDSP fails to execute a contract with the highest ranked party, it will consult with the Stakeholder Evaluation Sub-Committee about the next steps, which could include contracting with the next highest ranked party.
- 4.1.8 In the event that the 1<sup>st</sup> June deadline is not met, The Committee will decide by a majority vote on whether to:
- (a) maintain the current AUG Statement for another year in which case the Gas Transporters will notify the CDSP; or
  - (b) grant additional time to the CDSP and the Stakeholder Evaluation Sub-Committee on the understanding that any additional time granted will not jeopardise the publication of the proposed AUG Statement by 1<sup>st</sup> January of the following year.
- 4.1.9 Alternatively by unanimous vote to apply UGS Weighting Factors that The Committee decides as appropriate, in which case the Gas Transporters will notify the CDSP of such factors;
- 4.1.10 Once the tender process has been completed and the CDSP has contracted with an interested party to be the AUG Expert, the Stakeholder Evaluation Sub-Committee will review the tender process, and detail those improvements to The Committee for possible incorporation into this document.

## 5. **Generic Terms of Reference for Appointed AUG Expert**

5.1 This section will include the main principles the AUG Expert will operate under, once appointed.

5.1.1 The AUG Expert will create the AUG Statement and AUG Table by developing appropriate, detailed methodologies and collecting necessary data.

5.1.2 The decision as to the most appropriate methodologies and data will rest solely with the AUG Expert taking account of any issues raised during the development and compilation of the AUG Statement and AUG Table.

For the avoidance of doubt although UIG includes any LDZ Shrinkage Error, the AUG Expert acknowledges that the process for determining LDZ Shrinkage is laid out in the relevant DNO licences. To avoid dual governance of any LDZ Shrinkage Error, the AUG Expert's role in respect of any LDZ Shrinkage Error is therefore limited to confirming that there are controls in place to ensure that DNOs discharge their licence obligation (that is that there is a methodology and that it is periodically reviewed for confirmation that the methodology remains relevant). The AUG will present any comments or observations on the LDZ Shrinkage model through the annual consultation carried out by the DNOs.

5.1.3 The AUG Expert will determine what data is required from Code Parties (and other parties as appropriate) in order to ensure it has sufficient data to support the evaluation of Unidentified Gas.

5.1.4 The AUG Expert will determine what data is necessary from parties in order to ensure it has appropriate data to support the evaluation of Unidentified Gas.

5.1.5 The AUG Expert 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.

5.1.6 The AUG Expert will use the latest data available where appropriate.

5.1.7 Where multiple data sources exist the AUG Expert will evaluate the data to obtain the most statistically sound solution, will document the alternative options and provide an explanation for its decision.

5.1.8 Where data is open to interpretation the AUG Expert will evaluate the most appropriate methodology and provide an explanation for the use of this methodology.

- 5.1.9 Where the AUG Expert considers using data collected or derived through the use of sampling techniques, then the AUG Expert will consider the most appropriate sampling technique and/or the viability of the sampling technique used.
- 5.1.10 The AUG Expert will present at a meeting the AUG Statement, including the AUG Table, in draft form (the “proposed AUG Statement”), to Code Parties seeking views and will review all the issues identified submitted in response.
- 5.1.11 The AUG Expert will provide the AUG Statement, including the AUG Table, to the Gas Transporters for publication who will then provide the AUG Statement and Table to the CDSP.
- 5.1.13 The AUG Expert will ensure that all data that is provided to it by parties will not be passed on to any other organisation, or used for any purpose other than the creation of the methodology and the AUG Statement and Table.
- 5.1.14 The AUG Expert 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.
- 5.1.15 The AUG Expert will act with all due skill, care and diligence when performing of its duties as the AUG Expert and shall be impartial when undertaking the function of the AUG Expert, ensuring that any values derived will be equitable in their treatment of Code Parties.
- 5.1.16 The AUG Expert will compile the methodology and AUG Statement and AUG Table in accordance with this Framework.

## **6. Responsibilities for the creation of the AUG Statement**

### 6.1 Code Parties provision of data or information to the AUG Expert

Where, the AUG Expert requests data from Code Parties for the purpose of preparing the AUG Statement **and Table**, the Code Parties shall use all reasonable endeavours to provide the information requested within the timescales requested. Such timescales having being previously notified to the Code Parties.

### 6.2 Code Parties Raising issues for consideration during the consultation period.

Code Parties may submit **relevant** topic areas for consideration by the AUG Expert during the consultation process. The submission must include a clear explanation of the topic, the reasons why this topic is relevant to the AUG Statement **or AUG Table**, any accompanying data or **if relevant** suggestions as to how the data may be obtained by the AUG Expert. Each topic **area** submitted by a Code Party will be published (including the details of the Code Party) to the industry as part of the AUG Expert's consultation response. However specific information provided and marked confidential will not be generally published.

The AUG Expert will **publish a written** response to the topic detailing whether it is in or out of the scope of work and the rationale to support this, **whilst respecting the confidentiality of the original information.**

### 6.4 Code Parties Raising issues for consideration outside of the consultation period.

Code Parties may submit **relevant** topic areas for consideration by the AUG Expert outside the consultation process. The submission must include a clear explanation of the topic, the reasons why this topic is relevant to the AUG Statement **or AUG Table**, any accompanying data or suggestions if relevant as to how the data may be obtained by the AUG Expert.

**The AUG Expert will publish the submission and a written response to the topic raised outside of the consultation process, detailing whether it is in or out of the scope of work and the rationale to support this, whilst respecting the confidentiality of the original information.**

**If the AUG Expert considers that the topic is within the scope of its work, it will log the topic and will consider it during the development of the next applicable AUG Statement **or AUG Table.****

### 6.5 The Committee – AUG Expert submissions review actions

6.5.1 The AUG Expert shall submit documents e.g. AUG Statement, **including the AUG Table**, to The Committee for approval.

## 6.6 Provision of and publication of data

A copy of all data and information requests from the AUG Expert will be published to the industry and will include, but not be limited to the:

- Reason for the request;
- Date the request is made ;
- Information required ;
- Who the request is made to;
- When data is required by.

A record of the outcome of requests will be kept and published (not anonymised). The report will show the response as one of “provided”, “not provided” (i.e. request acknowledged but reason for no provision provided), or “no response to request”.

Where applicable, a copy of the data provided to the AUG Expert by the CDSP will be provided to the industry, generally this will be published on UK Link documents. Where data is confidential or commercially sensitive, the fact that the data had been provided will be published, an organisation may request a copy of the information pertaining to them from the CDSP. For example:

- a) The AUG Expert requests throughput totals for an LDZ. This would be provided to the AUG Expert and published to the industry.
- b) The AUG Expert requests a breakdown of Shipper User’s market shares. This would be provided to the AUG Expert and a publication of the provision of this data made to the industry. A Shipper User may then request a copy of the data relating solely to their business.

## 7. Creation of AUG Statement Document

7.1 This section covers the activities and timescales for the creation, submission to The Committee and publication of the AUG Statement by the AUG Expert.

<i>Step</i>	<i>Requirement</i>	<i>Responsible Party</i>	<i>Latest date for delivery</i>
1	Establish a timetable for the coming AUG Year: book meeting dates for all key industry meetings for the year, and communicate those to the industry.	Code Administrator in conjunction with CDSP	31 May
2	<p>Present an overview of the approach to developing the AUGS for the coming year at an <b>Introductory Meeting</b> with the AUG Technical Workgroup, including (but not limited to):</p> <ul style="list-style-type: none"> <li>• Overview of high level approach to the assignment for coming year;</li> <li>• Overview of proposed changes to methodology since the previous year;</li> <li>• Summary of Industry issues and key changes (e.g. UNC Mods) since previous year and impact on methodology</li> <li>• Update on the log of items carried over from the previous year</li> <li>• Proposed data sources for all causes of UIG to be included in the methodology</li> </ul> <p>Industry parties may provide feedback on the approach and the data sources, for consideration by the AUGE.</p>	AUGE	Late June/early July
3	Provide the industry with monthly updates on progress with the development of the AUGS, including availability of data, new topics identified and any key issues which may impact on the Methodology	AUGE	Monthly from July to April

<i>Step</i>	<i>Requirement</i>	<i>Responsible Party</i>	<i>Latest date for delivery</i>
4	<p>Present an update on the development of the AUGS for the coming year at an <b>Early Engagement Meeting</b> with the AUG Technical Workgroup, including (but not limited to):</p> <ul style="list-style-type: none"> <li>• latest view of data sources for all topics and availability of data</li> <li>• update on development of the AUGS and Table for the coming year, including any new items to be added to the Methodology for the coming year.</li> </ul> <p>Industry parties may provide feedback on the proposed data sources and outline of the approach.</p>	AUGE	Late September/early October
5	<p>Provide a proposed AUG Statement, including AUG Table, to the CDSP for presentation and publication. The proposed AUG Statement and presentation must detail:</p> <ol style="list-style-type: none"> <li>a) How the AUG Expert has adhered to the Generic Terms of Reference</li> <li>b) The methodology to be used by the AUG Expert, and why such a process is considered to be the most appropriate approach ;</li> <li>c) The data has been collated so far for such use, and the methods to be used for acquiring any further data; and</li> <li>d) The Draft UGS Weighting Factors for use in populating the AUG Table.</li> <li>e) Any specific matters the AUGE Expert wishes to draw to the industry’s attention</li> </ol>	AUG Expert	1st January
6	<p>At a meeting of the AUG Technical Workgroup, present and discuss the proposed AUG Statement and Table to be held as soon as possible after the proposed AUG Statement document has been published.</p>	AUGE	15 January

<i>Step</i>	<i>Requirement</i>	<i>Responsible Party</i>	<i>Latest date for delivery</i>
7	Once the proposed AUGS has been published, any responses to the AUG Expert <b>on the proposed AUG Statement and Table</b> must be received by the <b>CDSP</b> within <b>21</b> calendar days. The <b>CDSP</b> will then provide these responses to the AUG Expert as they are received or no later than 1 working day after submission	Code Parties	<b>22 January</b>
8	The AUG Expert will consider any responses made, and will provide feedback for discussion at a meeting of the AUG Technical Workgroup.	AUGE	<b>15 February</b>
9	The AUG Expert will review the AUG Statement <b>and Table</b> in light of any comments (received in Steps 7 and 8), and will adjust the AUG Statement <b>and Table</b> where it believes appropriate. The proposed AUG Statement document, as modified by the AUG Expert in accordance with this Step, will be republished the Joint Office of Gas Transporters website.	AUGE	<b>5 March</b>
10	At a meeting of the <b>AUG Technical Workgroup</b> , <b>present and discuss</b> the modified AUG Statement <b>and Table</b> , along with any changes made, after the modified AUG Statement document has been published.	AUGE	<b>12 March</b>
11	<b>The AUG Expert will review the AUG Statement and Table in light of any comments raised in the meeting referred to in Step 10 and will adjust the AUG Statement and Table where it believes appropriate. For the avoidance of doubt changes can only be made to address specific concerns raised.</b>	AUGE	<b>1 April</b>

<i>Step</i>	<i>Requirement</i>	<i>Responsible Party</i>	<i>Latest date for delivery</i>
12	The AUG Expert will provide the final AUG Statement and Table (as updated as described in Step 11, if appropriate) to the Joint Office of Gas Transporters for publication.	AUGE	1 April
13	Attend a meeting to present the final AUG Statement and Table, along with any changes made, prior to the formal meeting of the Committee as described in Step 14. The purpose of the meeting is to inform interested parties, who can provide input to the meeting of The Committee via their elected representatives.	AUGE	5 days prior to the UNCC meeting (Step 14)
14	The Committee will consider the final AUG Statement at its next scheduled meeting. The Committee shall approve the final AUG Statement, in the form presented by the AUG Expert, unless it unanimously agrees changes to any part of the document. The approved AUG Statement will be treated as the final AUG Statement.	UNCC	Scheduled April UNCC meeting
15	The Committee will consider the final AUG Table at its next scheduled meeting and will act in accordance with TPD E9.4.3 (h).	UNCC	Scheduled April UNCC meeting
16	The Gas Transporters will provide the AUG Table containing the approved UGS Weighting Factors to the CDSP for inclusion in the AUG Table for the coming AUG Year.	GTs	30 April

7.2 The Committee’s final determination in this process shall be binding on Code Parties.

7.3 If the AUG Expert is unable to prepare final UGS Weighting Factors, for whatever reason, then the Committee will determine the UGS Weighting

Factors. **The Gas Transporters will notify the CDSP accordingly of the AUG Table containing the approved UGS Weighting Factors.**

- 7.4 At the end of each AUG Year, regardless of any AUG Statement outcome, the CDSP shall seek feedback from the industry, including the AUG Expert, on the activities and performance of the AUG Expert and industry for the creation of the AUG Statement and Table. The CDSP shall produce a report for The Committee.