

The Joint Office, Gas Transporters,
shippers and other interested parties

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Dear Colleague

UNC 639R covers a review of the AUG Framework and Arrangements to identify if any improvements can be made going forward. The AUGÉ has been invited to the review meeting on 31st January to provide feedback from their perspective. The AUGÉ welcomes the opportunity to input into the process. Our input will be limited to provision of feedback only and not any potential design discussions. The table below provides a record of the key points for consideration.

	Comment	Impact
1	The timescale between the end of the consultation period and the publishing of the second draft AUGS limits the extent that issues raised can be investigated and addressed before the next statement is submitted.	Any significant changes to the AUG methodology arising from the consultation must wait until the following year. This can have a material impact on the factors and can be difficult for the code parties to understand/accept.
2	Industry meetings have taken place where matters relating to UG have been discussed without the presence of the AUGÉ. The framework mentions the AUG Expert being "available for discussion with Users on any relevant issues" but does not specifically mention attendance at industry meetings as part of the scope. Update – we are working with Xoserve to better identify industry meetings where observing/input by the AUG could be beneficial.	The AUG Expert may miss important information that impacts the AUG methodology. There is also the risk that incorrect assumptions are made that the AUG Expert could comment on to reduce confusion/delays. i.e. The knowledge and expertise of the AUG Expert on UG may not be fully utilised.
3	The AUGÉ's use of experts from the wider DNV GL team has been questioned in the past. The AUG framework could clarify the extent of the AUGÉ.	One of the benefits of DNV GL's role as the AUG Expert is the access to consultants to investigate/advise on certain topics (e.g. domestic meter errors, leakage, etc.). If this was not permitted it would restrict the AUG Expert's ability to prepare a detailed methodology backed up with sound analysis and may then require contracting other 3 rd parties to provide this expertise instead.

4	Difficulties arise when the AUG framework and legal contract differ, especially as the contract is a private document.	The AUG Expert may not be able to investigate issues within agreed budget without going through change control resulting in delays to investigate matters arising during an AUG year.
5	Related to the above, scope may be constrained beyond what is in the framework due to funding arrangements in the contract. Note there are facilities in place to cover things like new modifications and their potential impact on the methodology but it is not a blank cheque.	Analysis may not be carried out due to agreed levels of funding for a given year.
6	Inclusion of the AUG table within drafts of the AUGS may prejudice the review process and creates confusion with the production of a further final table after the final AUGS has been approved.	Industry code parties may focus on the figures rather than the methodology during review which may impact judgement.
7	The recent change to the framework made to exclude shrinkage error states that UIG includes LDZ Shrinkage. This should actually state that UIG includes LDZ Shrinkage Error . It would also be helpful to state that CSEP shrinkage is a separate issue which is not covered by this statement.	This is an example of where confusion happens between the terminology of UIG and UG. Whilst the AUG Expert understands that this means determination of Shrinkage and any associated Shrinkage Error remains in the remit of the GT's the wording could be misinterpreted.
8	Inconsistencies exist between the UNC TPD and the AUG framework. The TPD requires the AUG to specify "for each Unidentified Gas Source and for each Category of System Exit Point a weighting factor". It also defines the format of the AUG table including separate factors for "Metered CSEPs"	Multiple tables / formats resulting in confusion over which table is the right one.

Sincerely
for DNV GL

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