

AUG Year Review Report for 2021/22

Purpose of the Document

This document is a report to the UNC Committee, in accordance with section 7.4 of the Framework for the Appointment of an Allocation of Unidentified Gas Expert (the “Framework”), which summarises the outcome of the Review of the AUG Expert Year 2021/22, in other words the preparation of the AUG Statement and Table of Weighting Factors to apply for the Gas Year 2022/23.

Executive Summary

Xoserve published a request for feedback on the AUG (Allocation of Unidentified Gas) Year 2021/22 process on 20 May 2022, and asked for responses by 10 June 2022. The invitation was issued via the Joint Office’s general distribution list and was also highlighted at the May UNC Committee meeting.

Feedback was received from two parties: from a Gas Shipper and from the AUG Expert. The Gas Shipper gave generally positive feedback on the process and on the AUG’s outputs.

The AUG Expert felt that the AUG process worked well and thanked industry stakeholders for their engagement and feedback. The AUG also thanked Joint Office and Xoserve/Correla for their support.

Introduction

At the end of each AUG Year Xoserve, in its role as the CDSP, is required to conduct a review of the activities and performance of the AUGE and relevant industry parties, for the creation of the AUG Statement and table. This report details the approach to the review for the AUG Year 2021/22 (the preparation of the AUG Statement and Table of Weighting Factors to apply for the Gas Year 2022/23), the review feedback and recommendations implemented or with the potential to be implemented for the current and forthcoming AUG years.

Terminology used in this Document

AUG	Allocation of Unidentified Gas
AUGE	Allocation of Unidentified Gas Expert
AUGS	Allocation of Unidentified Gas Statement
CDSP	Central Data Services Provider, i.e. Xoserve
Correla	Xoserve's Managed Services Supplier for central services
Engage Consulting	The provider of the AUGE service to the gas industry during the review year (2021/22)
The Framework	The Framework for the Appointment of an Allocation of Unidentified Gas Expert (UNC Related Document)
PAC	UNC Performance Assurance Committee
UIG	Unidentified Gas
UNC	Uniform Network Code
UNCC	Uniform Network Code Committee

Approach to the Review

Xoserve requested the Joint Office of Gas Transporters to circulate an open letter to all UNC parties to request feedback for the AUG year 2020/21 and any suggestions for improvements. The distribution list for the letter included the AUGE, Gas Shippers, Large Gas Transporters, Ofgem and the Joint Office of Gas Transporters. The letter is reproduced in Appendix 1.

The request was issued on 20 May 2022, and asked for responses by 10 June 2022.

Areas to consider for feedback included:

- The AUG Framework document, e.g. timeline, clarity of scope and responsibilities
- The AUGE for such areas as communication, industry engagement, query responses etc.
- The industry, e.g. for support for the process and timeliness/relevance of responses to consultations
- Xoserve e.g. for the provision of information

Feedback was received from:

- one Gas Shipper
- the AUGE

Key points raised in the feedback are reproduced in the following section, along with Xoserve's response.

Summary of Feedback by Topic Area

Organisation	Response	Comments
1. The AUG Framework document, e.g. timeline, clarity of scope and of responsibilities		
The AUGE	Positive	We believe that the process contained within the AUGE Framework document has worked well and as intended, with delivery milestones clearly defined and opportunities for discussion and stakeholder feedback scheduled as part of the annual delivery cycle. Importantly, the AUGE framework document continues to ensure the independence and impartiality of the AUGE.
2. The AUGE for such areas as communication, industry engagement, query responses etc.		
Gas Shipper	Positive	<ul style="list-style-type: none"> • Good communication, this has improved • A smoother process this year

3. The industry, e.g. for support for the process and timeliness/relevance of responses to consultations

The AUGE	Positive	<p>We thank industry stakeholders for their engagement and feedback provided throughout the annual process. We have enjoyed collaborative and pragmatic debate this year on several elements of our methodology and the result has been positive for our methodology, and has also triggered worthwhile process improvement and data cleanse activity.</p> <p>The Joint Office of Gas Transporters have provided professional oversight and governance of the AUG Sub-Committee sessions which act as our formal touchpoints to interested industry parties. We thank them for facilitating the open and engaging discussions that contribute to a robust UIG allocation methodology.</p>
A Gas Shipper	Positive	<p>We like the links between AUGE and PAC to make sure governance is more joined up.</p>
A Gas Shipper	Areas for Improvement	<p>It is disappointing that [UIG Weighting Factor] values are still so volatile and we hope that work continues on stabilisation</p> <p>Xoserve Response A recent UNC Review Group (0781R – Review of the Unidentified Gas Process) assessed a number of alternative approaches to sharing out or funding UIG: year on year stability of UIG shares was one of the assessment criteria. A UNC Modification would be required to implement any of the alternative options.</p>

4. Xoserve e.g. for the provision of information

The AUGE	Positive	<p>We continue to enjoy a strong working relationship with Xoserve/Corella and thank them for their support in delivery of the AUG service.</p> <p>Between Engage and Corella, we have also established an ongoing forum for technical discussion as we develop improvements to the UIG calculation methodology.</p> <p>Additionally, we have adjusted our internal plans slightly to allow for an extended window for review and feedback by Xoserve/Corella on a pre-release draft statement before it is published to industry. These measures are intended to better leverage Xoserve/Correlle colleagues' deep subject matter expertise as critical challenge and support to us, whilst safeguarding the impartiality and independence of the AUGE.</p>
-----------------	-----------------	--

Useful Links

Joint Office of Gas Transporters website page for the 2022/23 AUG Statement	https://www.gasgovernance.co.uk/AUGStatement2223
Final AUG Statement for Gas Year 2022/23	https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2022-03/Final%20AUG%20Statement%202022-2023%20v1.3.pdf
Final AUG Table for Gas Year 2022/23	https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2022-04/AUG%20Table%20for%202022_23_Final.pdf
The Framework for the Appointment of an Allocation of Unidentified Gas Expert	https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2018-08/Framework%20for%20the%20Appointment%20of%20an%20Allocation%20of%20Unidentified%20Gas%20Expert%20v8.1_0.pdf
UNC Review Group (0781R – Review of the Unidentified Gas Process)	https://www.gasgovernance.co.uk/0781

APPENDIX 1: Text of the Request for Feedback

To:
UNC Parties, including Shippers and Large Gas Transporters
The Joint Office of the Gas Transporters
Ofgem
The AUGÉ

19 May 2022

Dear Colleague

Allocation of Unidentified Gas (AUG) Process – Request for Feedback

2021/22 saw the sixth application of the post-Nexus Allocation of Unidentified Gas processes, as introduced by UNC Modification 0473. It was the fourth year of applying the updated version of the “Framework for the Appointment of an Allocation of Unidentified Gas Expert”, which was developed in UNC Review Group 0639 (Review of AUGÉ Framework and Arrangements) to address many of the industry’s concerns with the previous process. The latest Framework document was approved by UNC Committee in June 2018 and can be found under UNC Related Documents: <https://www.gasgovernance.co.uk/tpddocs>

This was the second year in the AUGÉ role for Engage Consulting Ltd, who were appointed in June 2020. The outputs of the process for 2021/22, which included seven meetings of the UNC AUG Sub-Committee and which concluded at April’s UNC Committee meeting, can be found on the Joint Office website. The AUGÉ’s proposed Statement and Table of Unidentified Gas Weighting Factors for Gas Year 2022/23 was approved at April UNC Committee.

UNC AUG Sub-Committee: <http://www.gasgovernance.co.uk/aug>

April UNC Committee: <https://www.gasgovernance.co.uk/uncc/210422>

Final AUG Statement and Table: <https://www.gasgovernance.co.uk/AUGStatement2223>

The AUG Framework includes a requirement for the Central Data Services Provider (the “CDSP” – Xoserve) to seek feedback on “the activities and performance of the AUGÉ and the industry for the creation of the AUGS” and to report to the UNC Committee (section 7.4 of the AUG Framework).

I would like to request your feedback on the events of the AUG Expert Year 2021/22, i.e. the development of the AUG Statement and Table of UIG Weighting Factors for Gas Year 2022/23, and any suggestions for improvements.

Areas on which you may consider providing feedback include:

- The AUG Framework document, e.g. timeline, clarity of scope and responsibilities
- The AUGÉ for such areas as: communication, industry engagement, query responses etc.
- The industry, e.g. for support for the process and timeliness/relevance of responses to consultations
- Xoserve/Correlia, e.g. for the provision of information

APPENDIX 1: Text of the Request for Feedback

The intention is to produce a review report on the 2021/22 process for presentation to July 2022 UNCC meeting, including any recommendations for further improvement. Xoserve is currently appointing a “recognised external auditor” to undertake an annual detailed review and report on the AUGÉ’s compliance with its contractual and UNC obligations: any relevant observations and recommendations from this feedback process will also be shared with the auditor, once appointed.

Please submit your responses to **analytical.services@xoserve.com** by **Friday 10th June 2022**. Please advise whether you are happy for your feedback to be made public (which will probably be as an appendix to the report).

If you have any questions regarding this topic please do not hesitate to contact me via the email address below.

Yours sincerely

Fiona Cottam
Customer Operations
Team Manager, Correla on behalf of Xoserve