

# UNC 0831: Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method



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# Why change?



- UIG has been an issue in the industry for decades
- Project Nexus changed the focus of UIG
- The two AUGE's have produced very different allocations
- Discussions, meetings, modifications, etc., on UIG have occurred for many years with no real progress
- UNC 0781R favoured a throughput method due to fairness
- UIG cannot be accurately determined for each cause
- Electricity has used a similar throughput method since competition began with very little change or discussion
- Current method causes uncertainty and risk to shippers
- A future AUGE could result in bigger swings to allocation

# Options



- Review Group 0781R looked at a number of options to amend the UIG allocation methodology
- The favoured option was the throughput allocation method
- The 0781R Workgroup Report stated that a UNC modification was required to implement this solution

# Solution



- The annual AUGE process and statement will cease to exist
- The UIG table will be permanently set with the same factor allocated to all EUCs and class types

# Is this Modification an Alternative?



- This modification is not an alternative
- However, an alternative or alternatives may be raised to not apply the throughput allocation to all customer types.

# Recommended Steps



- The Proposer recommends that this modification should be:
  - Not subject to Self-Governance because it impacts “Competition in, or commercial activities related to, the shipping, transportation or supply of gas”
  - Subject to a workgroup assessment to develop the modification for 6 months



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## Document Control Sheet

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## Revision History

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2.0	16 September 2020	TBC	Document Control Added