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Background to the AUGE

<p>1. What is the AUGE?</p>	<p>The Allocation of Gas Expert (the “AUGE”) is an independent gas industry expert whose role is to develop the Table of Weighting Factors which are used to share out Unidentified Gas (UIG) each day. Material relating to the development of the methodology document and the Table of Weighting Factors can be found on the Joint Office website, under Industry Information, organised by Gas Year: https://www.gasgovernance.co.uk/augenex.</p>
<p>2. Where can I find the rules about the AUGE and their appointment?</p>	<p>The role is defined in UNC Section E (can be accessed via Joint Office website: https://www.gasgovernance.co.uk/tpd)</p> <p>There is more detail in the UNC Related Document “Framework for the Appointment of an Allocation of Unidentified Gas Expert” which can also be found on the Joint Office website: https://www.gasgovernance.co.uk/tpddocs</p>

<p>3. Who chooses and appoints the AUGE?</p>	<p>The Central Data Services Provider (the "CDSP" i.e. Xoserve) has a UNC obligation to appoint an AUGE, with support from a Panel of Gas Industry Stakeholders (the "Stakeholder Evaluation Panel")</p>
<p>4. Who is the AUGE?</p>	<p>The AUGE service is currently provided by Engage Consulting Limited who can be contacted at this address: auge@engage-consulting.co.uk</p> <p>Questions about the development of the AUG Statement and Table should be directed to the AUGE.</p> <p>Questions about the application of the Table of Weighting Factors in Xoserve's systems or the calculation of daily UIG should be directed to Xoserve via the Customer Care Team: https://www.xoserve.com/about-us/about-xoserve/customer-support-team</p>
<p>5. What are the AUGE's outputs?</p>	<p>The AUGE has an obligation to produce an AUG Statement which sets out the methodology that they followed to develop the Weighting Factors, and which also includes the Table of Factors which will apply for a period of three full Gas Years (i.e. commencing 1st October).</p> <p>Please note that there are initial and updated drafts of the AUG Statement before it is formally presented to UNC Committee for consideration in March prior to the October 1st go-live date.</p>

Appointment of the current AUGE

<p>6. Who is the AUGE?</p>	<p>The current AUGE is Engage Consulting Limited who can be contacted at this address: auge@engage-consulting.co.uk</p> <p>They were appointed to the role in August 2025.</p>
<p>7. Why is there a new AUGE for 2025 onwards?</p>	<p>Engage previously held the role for a five-year term from 2020 to 2025. The end of their previous contract coincided with the implementation of UNC Modification 0868 (see below). Xoserve ran a competitive process to procure a new service provider to meet the requirements of the new 3-year cycle.</p>

8. How was Engage Consulting selected?	Xoserve ran a competitive process, with support from a Panel of Gas Industry Stakeholders (the "Stakeholder Evaluation Panel") and followed all the steps set out in UNC and the AUG Framework (see above for links)
9. Who else submitted a bid to be the AUGE?	Information about the workings of the procurement exercise is confidential.
10. How long has Engage Consulting been appointed for?	Engage Consulting has been appointed for an initial 3-year cycle.
11. How is the AUGE service funded?	Provision and management of an AUGE service provider are Data Services Contract (DSC) obligations on Xoserve. They are both under Service Area 1: Manage Shipper Transfers, which is 100% funded by Gas Shippers for Financial Year 2025/26, via their core DSC charges.

The work and outputs of the AUGE

12. When did Engage Consulting start work, and when will we see their first outputs?	<p>Engage Consulting started work straight away in August 2025. They will provide updates and consult industry representatives at the bi-monthly UNC AUG Subcommittee.</p> <p>There is a separate page for each year's AUG table and workings: https://www.gasgovernance.co.uk/augenex</p>
13. What is the timeline for the development of the AUG Statement and Table?	<p>The timetable is set out in the AUG Framework document (see Question 2 above).</p> <p>Xoserve published "Indicative Annual Timeline" for the 3-year AUGS preparation process, which is published on the AUG Sub-Committee homepage: https://www.gasgovernance.co.uk/aug</p>

<p>14. How are Shippers and other interested parties involved in the development of the Statement and Table?</p>	<p>There are 6 meetings of the UNC AUG Sub-Committee in the annual cycle for interested parties to meet with the AUGE and hear more about the proposed methodology, and provide input to the process. There are formal windows to provide feedback on the draft AUG Statement and Table during the development cycle.</p> <p>Information about the AUG Sub-Committee can be found on the Joint Office website: https://www.gasgovernance.co.uk/aug</p> <p>Please see the Framework document (Question 2) and timeline (Question 1) for more details.</p>
<p>15. Where can I find the latest Table of Weighting Factors?</p>	<p>Each AUG Statement (including the Table) and supporting material is published on its own page on Joint Office website: https://www.gasgovernance.co.uk/augenex</p>
<p>16. The Weighting Factor for my End User Category (EUC) Class combination is much higher/lower than others – what does that mean?</p>	<p>The AUGE reviews the UIG Weighting Factors as part of the development process based on the latest data, so they can change in each new Statement.</p> <p>It is the relative size of the factors compared to other EUCs/Classes that matters, not their absolute value. The higher the Weighting Factor, the higher the proportion of UIG that the EUC/Class combination would attract. A Factor of 100 is the benchmark figure for an “average” allocation: anything above that figure represents UIG allocation that is higher than the industry average position.</p>
<p>17. How do I contact the AUGE?</p>	<p>Engage Consulting has a dedicated mailbox for industry contact: auge@engage-consulting.co.uk</p>

The use of the UIG Weighting Factors in gas settlement processes

<p>18. Does the AUGE decide the daily level of UIG?</p>	<p>No, Unidentified Gas (UIG) is the balancing figure in each LDZ each day (since June 2017 when the Project Nexus suite of systems and settlement rules were introduced).</p> <p>The AUGE just determines the factors by which that UIG will be shared out, based on End User Category and Product Class.</p>
<p>19. How are the UIG Weighting Factors used in daily settlement?</p>	<p>In summary, the Factors are used to calculate a "Weighted Throughput" for each Gas Shipper in each LDZ and UIG is then shared out on the basis of that Weighted Throughput. The aim is to target UIG to the market sectors in proportion to their estimated contribution to UIG.</p> <p>For more information please review Xoserve's help centre page on UIG which includes links to training and education material, especially the Education Pack:</p> <p>https://www.xoserve.com/help-centre/demand-attribution/unidentified-gas-uig</p>
<p>20. Why are there different factors for each Class and End User Category (EUC) combination?</p>	<p>The AUGE reviews the differing contribution to UIG of the various Classes and EUCs. The Factors reflect their relative contribution to UIG.</p>
<p>21. Which invoice is UIG billed on?</p>	<p>Since the Project Nexus suite of changes in June 2017, daily UIG is not billed on a separate invoice.</p> <p>As UIG now forms part of a Shipper's overall daily gas allocation, it is part of the daily Energy Balancing position for each Shipper. The Shipper's overall daily imbalance is worked out using all inputs and trades acquired minus all outputs (DM sites, NDM sites, UIG) and trades sold which gives the overall imbalance for the gas day and Shipper.</p> <p>If the value is positive then the Shipper has over delivered and they are cashed out at SMP sell price. If the value is negative, they have under delivered and this is cashed out at SMP buy price. Final allocations after D+5 (5 days after the end of the Gas Day) are used for final imbalance and cash out.</p>

<p>22. What gas price is used for UIG charges?</p>	<p>There is no uniform price for UIG under the new settlement arrangements.</p> <p>UIG is part of the Shipper's daily allocation of gas that it needs to purchase and deliver to the total system, otherwise the imbalance will be settled out at cash out prices (see Question 21).</p>
<p>23. Is the UIG allocation reviewed after the end of the Gas Day/month/Gas Year?</p>	<p>Allocated UIG is final five days after the end of the Gas Day (referred to as "D+5").</p> <p>UIG is subject to UIG reconciliation as meter readings are received for individual meter points. As each individual site receives a positive or negative reconciliation, there is an equal and opposite UIG reconciliation within that LDZ, which is re-shared using the prevailing UIG Weighting Factors and the latest throughput.</p> <p>For more details please see the Xoserve UIG Education Pack (Question 20).</p>
<p>24. Which sites get charged UIG (e.g. do CSEP and DM sites attract UIG?)</p>	<p>UIG is shared out to all live LDZ meter points, based on the UIG Weighting Factors and Weighted Throughput. This includes:</p> <ul style="list-style-type: none"> - Daily and Non-Daily Metered sites - Telemetered LDZ sites - CSEP (Independent Gas Transporter) sites <p>UIG is not allocated to meter points on the NTS (National Transmission System) nor to sites without a registered Shipper.</p>
<p>25. Where can I find out the total amount of UIG each day?</p>	<p>Daily UIG by LDZ is now available on National Gas' data portal, under Demand/LDZ Actual/UIG, for both the D+1 and D+6 values.</p> <p>https://data.nationalgas.com/find-gas-data</p> <p>UNC parties can access older data on UIG on Xoserve's UKLink Documents secure website: Folder 18/ Demand Estimation/ UIG: "LDZ UIG Values". It is updated at least weekly.</p> <p>UK Link Docs URL:</p> <p>https://www.xoserve.com/products-services/data-products/uk-link-system/accessing-secure-documents</p>

UIG levels and individual allocations

<p>26. What causes Unidentified Gas?</p>	<p>Please see the latest AUG Statement (see question 1 above)</p> <p>There is also a large amount of information on the Xoserve website:</p> <p>https://www.xoserve.com/help-centre/demand-attribution/unidentified-gas-ug/</p>
<p>27. I'm a Gas Shipper – how can I check my UIG allocations?</p>	<p>As mentioned in Question 26 above, Xoserve publishes the daily UIG quantities and percentages on its secure website.</p> <p>We also publish breakdowns of daily energy allocation by LDZ, Class and EUC, and Class 3 and 4 daily aggregate AQs by LDZ and EUC. These are published monthly on UKLink Documents secure area – Folder 18 – UIG. Shippers can use this information to model the size of the overall market on a day and their weighted share of that market.</p>
<p>28. Where can I get more help with UIG calculations?</p>	<p>If the UIG Education material and other information have not provided the answers that you are looking for, please review the links on the Xoserve Help and Support pages:</p> <p>https://www.xoserve.com/help-and-support/</p> <p>There is the facility to raise a Support Request on those pages.</p>
<p>29. I'm a Gas Supplier (not a Shipper) – how can I check my UIG charges?</p>	<p>You will need to contact your Gas Shipper to understand their charging methodology for UIG.</p>
<p>30. How do I predict my UIG allocations?</p>	<p>Overall UIG levels are influenced by a number of external factors, including total LDZ inputs, Daily Metered energy and the accuracy of NDM Allocations.</p> <p>Your individual allocation of UIG depends on the total level in the market and your share of throughput by EUC/Class compared to the overall market.</p>
<p>31. What's the difference between initial and final UIG?</p>	<p>"Initial UIG" is the term sometimes used for allocated UIG at Gas Day+5 close-out, while "final UIG" is the position after all meter point reconciliations have been processed (or when the Code Cut-Off date, often called the "Line in the Sand" is reached, where no more reconciliations or adjustments can be processed).</p>

<p>32. How long can UIG keep changing?</p>	<p>The UIG position for a particular month will continue to change until the “Line in the Sand” is reached (this is the Code Cut-Off date as referred to in UNC) and no more reconciliation or adjustments can be processed.</p> <p>Since July 2025 all reconciliation energy has been shared out across the affected period of the original error. This means that Shippers can still attract positive or negative UIG reconciliation for their updated throughout back to the Code Cut-Off date.</p> <p>Please note that Code Cut-Off Date rules will change in April 2026 to apply a rolling 2-year cut-off, due to the interactions of two UNC Modifications. These are explained in more detail at the end of this document.</p>
<p>33. What happens if I move sites to Class 3, will my UIG allocation reduce?</p>	<p>If the Weighting Factor for Class 3 is lower than for the current Class of the site, then yes, proportionally UIG allocation would be lower. But total UIG is unchanged, so the more sites move to lower Weighting Factors, the more UIG all sites will pick up to compensate.</p>

UNC Modification 0862 “Amendments to the current Unidentified Gas Reconciliation Period arrangements” (XRN 5784)

<p>34. What is this change?</p>	<p>This Modification was implemented in July 2025 and changes the sharing of all UIG reconciliation to match the period of the original reconciliations. It removed the concept of a 12-month “pot” for sharing out UIG. The matching approach was already in use for Significant LDZ measurement errors and the Annual LDZ Shrinkage assessment.</p>
<p>35. How does this affect the AUGE’s methodology?</p>	<p>This does not affect the AUGE’s methodology because they assess likely levels of UIG at the Code Cut-Off date and they are not concerned with the timing of the reconciliations.</p>
<p>36. When was this change implemented?</p>	<p>The changes took effect from July 2025 onwards (for the June 2025 Billing Period and onwards).</p>
<p>37. Where can I find out more?</p>	<p>UNC Modification 0862: https://www.gasgovernance.co.uk/0862 Xoserve Change Pack XRN5784: https://www.xoserve.com/change/customer-change-register/xrn-5784-modification-0862-amendments-to-the-current-unidentified-gas-reconciliation-period-arrangements/</p>

UNC Modification 0868 “Change to the current Allocation of Unidentified Gas Statement frequency & scope”

<p>38. What is this change?</p>	<p>This Modification changes the preparation process for the AUGS to a three-year development cycle commencing in 2025, with the outputs of the first cycle applying from 1 October 2028.</p>
<p>39. How does this affect the AUGE's methodology?</p>	<p>This does not affect the AUGE's methodology because their outputs will be unchanged, however the timing of key deliverables and industry interactions will change due to the more elongated period.</p> <p>The new process also includes a greater focus on Value-Add Activities and the AUGE will consult the industry on possible initiatives throughout the cycle.</p>
<p>40. When was this change implemented?</p>	<p>The change was implemented in February 2025 but the first development cycle began in August 2025 with the start of a new AUGE contract.</p>
<p>41. What happens between Gas Year 2025 and the first outputs of the new process in 2028?</p>	<p>UNC Modification 0873 (Allow specific roll-over for the AUG Table 2025/26) was approved and implemented in 2024 and specifies that the Gas Year 2025/26 table will also apply for the following two Gas Years (2026/27 and 2027/28). This will bridge the period of development of the first AUG Statement under the new arrangements, up to 30 September 2028.</p> <p>UNC Modification 0873: https://www.gasgovernance.co.uk/0873</p>
<p>42. Where can I find out more?</p>	<p>UNC Modification 0868: https://www.gasgovernance.co.uk/0868</p> <p>Xoserve overview of the new timeline: https://www.gasgovernance.co.uk/aug</p>

UNC Modifications 0886V and 0896 (Changes to the UNC Code Cut-off Date and Period)

<p>43. What is the change?</p>	<p>Together these two Modifications will change the Code Cut-Off Date (sometimes referred to as the Line in the Sand) from a 3-4 year cut-off to a rolling 2-year cut-off.</p> <p>The Code Cut-Off Date applies to all reconciliations and adjustments, including UIG reconciliations, and prohibits any items beyond the cut-off date from being processed.</p>
<p>44. How does this affect the AUGE's methodology?</p>	<p>This change could affect the levels of "final" UIG, because all reconciliation and adjustments will cease after 2 years rather than 3 to 4. The AUGE will need to take account of this when assessing "final" UIG for the three years covered by the AUG Statement.</p>
<p>45. When will this change be implemented?</p>	<p>The changes will both be implemented on 1 April 2026, at which date the Code Cut-Off Date will become 1 April 2024. The cut-off date will then move forward by a further month on 1 May 2026 (to 1 May 2024) and every month thereafter.</p>
<p>46. Where can I find out more?</p>	<p>https://www.gasgovernance.co.uk/0886</p> <p>https://www.gasgovernance.co.uk/0896</p>