

Update for May 2016 UNCC on Procurement of new AUGE (Modification 0473)

Modification 0473 is due to be implemented in parallel with Modification 0432 (Project Nexus Settlement). Mod 0473 requires the procurement of a new “Allocation of Unidentified Gas Expert” (AUGE).

A Stakeholder Evaluation Panel was established, to give a small cross-section of Industry representatives a meaningful input to the selection process. Xoserve is keeping UNCC informed of progress.

May 2016 Update

Xoserve continues to make progress with the selection process, applying the Criteria for Appointment that were provided by UNCC.

Xoserve is continuing to undertake contract negotiations with the preferred bidder (as selected in late March at the last meeting of the Stakeholder Evaluation Panel). However, the identity of the preferred bidder will not be made public at this stage, due to commercial confidentiality. The negotiations are progressing as planned, with both companies’ lawyers now taking the lead.

The high level timeline presented at December 2015 UNCC is still valid and we still expect to be able to announce the appointment of a new AUGE on or around the June 2016 UNCC meeting.

Update on Threats/Challenges to Target Timescales

- No high impact threats identified at present
- No medium impact threats identified at present
- Low impact threats:
 - Evaluation Panel availability – no longer relevant as schedule of meetings is now complete
 - Xoserve staff availability – contingency resources remain available
 - Key AUG deliverable dates not clear due to proposed changes to Framework document – impact reduced following discussions at November meeting (UNC Modification 0572 – Amendment to Definition of an AUG Year – does not have impact on the AUGE’s deliverable dates)