

Update for June 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.

June 2016 Update

Xoserve is pleased to report that the procurement process has entered its final stage: all contract terms have been agreed with the preferred bidder. On Monday June 13th the regulated “Standstill” period began, which allows two weeks for unsuccessful bidders to lodge formal challenges to the appointment.

Assuming we do not receive any challenges, we will sign contracts in two weeks’ time and at that stage we will finally be able to announce the identity of the new appointee.

Although we have slipped a little behind the high level timeline presented at December 2015 UNCC, we now expect the new AUGE to begin work in early July, with a view to meeting the first AUG Framework deadline of 1 February 2017.

Update on Threats/Challenges to Target Timescales

- No high impact threats identified at present
- No medium impact threats identified at present
- Low impact threats:
 - Unsuccessful bidder(s) challenge the appointment during the standstill period – assessed as low risk, due to the robust procurement exercise undertaken
 - Xoserve staff availability – very limited activity remaining
 - Key AUG deliverable dates not clear due to proposed changes to Framework document – impact further reduced following approval of UNC Modification 0572 (Amendment to Definition of an AUG Year) – does not have impact on the AUGE’s deliverable dates)