



Modification 0473 – AUG Framework

UNCC Update 20 August 2015

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- Modification 0473 – Project Nexus – Allocation of Unidentified Gas – now approved by Ofgem
- Re-introduces concept of an Allocation of Unidentified Gas Expert in a post-Nexus world
- New AUGE will determine weighting factors for distribution of UG rather than a total UG quantity
- Implementation Date aligned to Project Nexus Implementation Date

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Today's Objectives

- Update on Role of UNCC
- Update on Indicative Timelines

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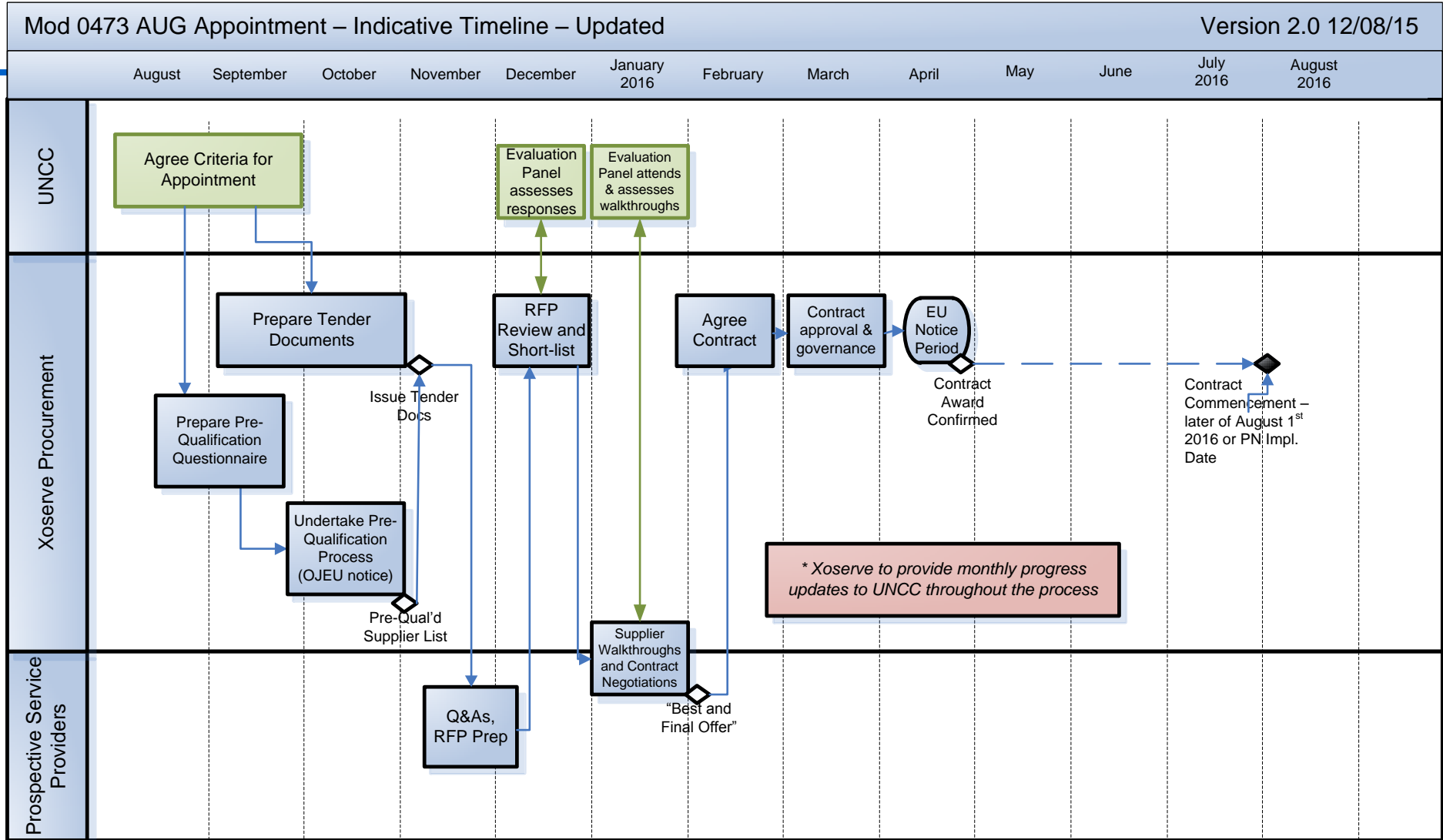
- Framework document states that UNCC will produce a clear set of criteria for appointment of an AUG Expert
- Criteria required prior to contact with potential service providers – essential input to our procurement activity
- Northern Gas will lead development of 0473 criteria at UNCC meetings
 - Working assumption of 2 meetings to agree criteria
- Aspiration of UNCC for input to subsequent stages of selection process
 - Process timeline updated ...

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Possible Procurement Timeline - Updated



Legend

- ◆ UNC/AUG Framework Requirement
- ◇ Non-UNC/AUG Framework Milestone/Event

Subject to final legal approval

UNCC Input to Selection Process – Key Considerations

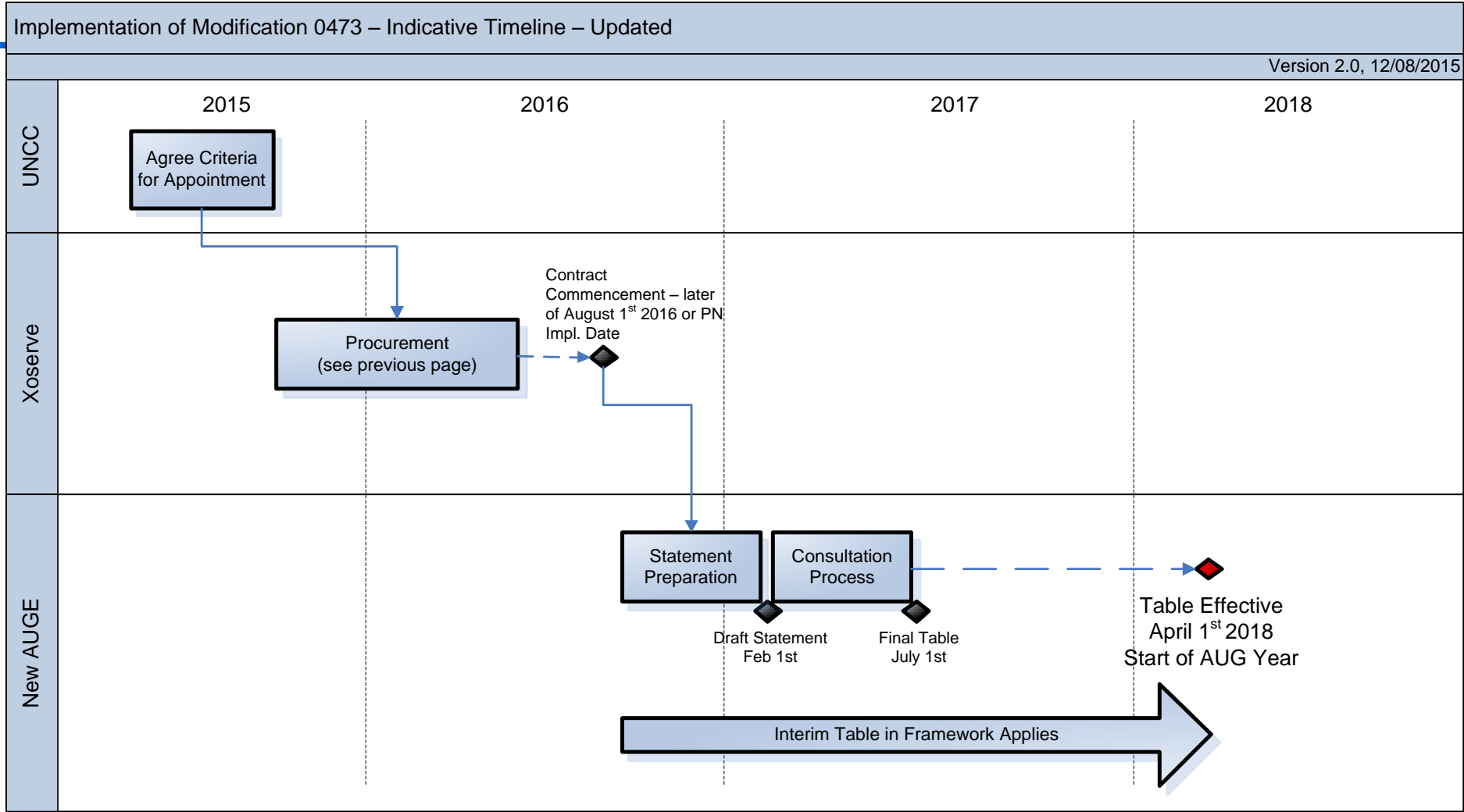
- Proposed approach is subject to final approval by Xoserve Legal Team
- Suggest establishment of a small Evaluation Panel – consisting of Shippers [and Transporters?]
- Would require confidentiality agreements for all Evaluation Panel members
- Would require consistent attendance at Evaluation Panel meetings – dates will be agreed well in advance
- Xoserve remains the contracting party and runs the selection process

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Indicative Overall Timeline – Updated



Legend

- AUG Framework Requirement
- UNC Milestone

Dependencies for the Procurement exercise

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- Receipt of Appointment Criteria from UNCC prior to issue of Request for Proposal
- Implementation of Modification 0473 – to coincide with main Project Nexus Settlement Mod
- Formal approval of Framework document by UNCC soon after Project Nexus Implementation
- Any AUGE contract could not go live prior to Project Nexus Implementation – new service does not exist
 - Contract award could be confirmed earlier

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- UNCC agreement of Criteria for Appointment
 - required prior to issue of Request for Proposal
- Final approval of approach by Xoserve Legal team
- UNCC views on creation of Evaluation Panel
- Finalise timetable once Criteria for Appointment received and agree key dates
- Xoserve to provide monthly updates to UNCC throughout the process

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