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# Modification 432 Gas Settlement Reform, cost benefit case information – reduced reconciliation variance

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# Modification 432 cost benefit information

- An area of industry benefit from the Nexus functionality is the potential for reduced reconciliation variance (the difference between allocated and actual energy)
- The periodic AQ functionality will provide for more frequent AQ reviews thus improving gas allocation and reducing the reconciliation variance.
- Each Shipper is to be provided with information for their own portfolio regarding non-daily metered allocation and average reconciliation variance.
- The industry position for a twelve month period (July 2011 – June 2012) is broadly:
  - **Total NDM LSP allocation 117,673,443 mWh**
  - **Average reconciliation variance -4.5%**

# Modification 432 cost benefit information

- Shippers may be able to describe the benefits of reduced reconciliation variance e.g. improved data for gas purchasing etc.
- The industry may be able to utilise the national figures to make an assessment of benefits as a result of modification 432