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To:

UNC Parties, including Shippers and Large Gas Transporters The Joint Office of the Gas Transporters Ofgem The AUGE

28 May 2015

Dear Colleague

Allocation of Unidentified Gas (AUG) Process - Outcome of Review

At the end of each AUG year (i.e. after 31st March) the Gas Transporters are required to conduct a review of "the activities and performance of the AUG Expert (the "AUGE") and the industry for the creation of the AUG Statement". This requirement is set out in the *Guidelines* for the Appointment of an Allocation of Unidentified Gas Expert and the provision of the Allocation of Unidentified Gas Statement (section 6.1) (the "Guidelines").

As the Transporter Agency, Xoserve wrote to UNC parties, Ofgem and the AUGE on 7th April 2015, via the Joint Office of Gas Transporters' UNC distribution list, to initiate the review of the 2014/15 process (i.e. the development of the Statement and Table for 2015/16). We also publicised the review at the April 2015 UNCC meeting. A link to that invitation can be found below or under the AUGE Communications (Statement 4) page on Joint Office website: http://www.gasgovernance.co.uk/sites/default/files/2015%20AUG%20Review%20Invitation.pdf

This was the fourth full AUG Year and therefore this was the fourth such review.

As in previous years we allowed three weeks for responses. This year we did not receive any responses to our request for feedback. For comparison, in 2014 we received only one response, from a Shipper which commented on the outcome of the process, rather than its operation.

Whilst we have not received any responses to this year's review, we note that the AUG process followed the Guidelines very closely this year and successfully delivered the required services. In particular, the AUG Statement was accepted by UNCC on September 2nd 2014 and the Final AUG Table was adopted at February 2015 UNCC. This year, in response to previous industry feedback, the Final Table included a reconciliation to the Draft Table values.

If you have any questions or comments regarding this communication, please do not hesitate to contact me via the email address below.

Yours sincerely

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