

Email Subject: Note to AUGGE re: Update on progress of the AUGS for 2013/14 methodology

Date: 17 December 2012

Organisation: British Gas

Email Abstract:

Clive,

Further to your letter dated 11th December, we are concerned with the current progress of this year's process and the 11th hour curveball, which was completely unexpected.

We believe that it is completely unacceptable, given the amount of time and effort that the industry has expended on this year's process, for the work of the AUGGE to not be completed fully and as required and expected under the code. We note that no valid explanations have been provided to explain the failure to meet the timescales.

Before this issue is discussed at the UNCC on 20th December we believe that it is necessary for the further information to be released prior to the meeting detailing information relating to the *'three unexpected operational issues'* which *'impacted the production of the AUGS w/c 3rd December'*. Further we would appreciate it if you could expand on the relevant options that you refer to.

This information will help to ensure that all industry parties understand the issues which you have faced/are facing and to fully understand the implications and options.

The AUG statement is critical to the correct allocation of £m's of unidentified gas between the SSP and LSP sectors and it is not acceptable that any existing cross subsidy between market sectors is not addressed by a failure to deliver.

It is important that the AUGGE only concerns itself with the requirements of the code and their obligation to provide to the industry the best estimate for UG. We are mindful that during this year's discussion the AUGGE has repeatedly stated that the consumption method will produce a more accurate result and have made some significant progress in terms of allocation of theft across sectors. The potential to take a backward step in progress to a, knowingly less accurate result, previous result is unacceptable.

All actions that need to be taken by the AUGGE should be taken to ensure delivery of the work as required.

Regards,

Graham Wood
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Email

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Version 1.0

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