DNV-GL

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Date: Our reference:

8 December Gazprom Response – Additional

2014 Information

Dear Colleague

Following our response to comments made by Gazprom regarding the interim UG figures published on 01/11/2014, Xoserve have conducted further research into the three sites that were identified as contributing to DM market sector Unidentified Gas. The dummy MPRNs of these three sites are as follows:

23244652 (NO, AQ=60,000,000 KWh) 23252637 (SW, AQ=67,843,002 KWh) 23345620 (WM, AQ=106,211,000 KWh)

In the interim UG figures, each contributed to DM Orphaned UG. The results of these additional investigations, as supplied by Xoserve, are as follows:

23244652

The AQ of this MPR was previously nominated and offered at a much lower value, and it is therefore very likely that the AQ is incorrect and in reality the site falls well below the DMM threshold.

23252637

This has been identified as a duplicate MPR. The original MPR of which this is a duplicate has an AQ well below the DMM threshold.

23345620

This MPR had a datalogger attached recently, and is likely to be confirmed (as DM) shortly.

It can be seen from these results that neither site 23244652 (AQ below DMM threshold) nor site 23252637 (a duplicate MPR) contribute to DM UG. In addition, whilst there is no suggestion that information about site 23345620 is erroneous, it is likely to be confirmed shortly and will therefore not contribute to UG in the forecast year. Even if it is not confirmed for some reason, the estimated UG from it will not be sufficient to cross the inclusion threshold of 4GWh, and hence UG from it would not be incorporated into the figures.

Note that the question of why sites with such large AQs contribute so little UG was answered in our original response to the Gazprom query and details can be found in that document.

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As also stated in the original response to Gazprom, the only other site that has contributed DM UG at any stage was the DMV Shipperless SSrP site 2181019. This site was decommissioned in April 2014.

Therefore, *unless any new sources of DM UG are uncovered*, the final UG figures for the 2015/16 formula year will contain no UG from the DM market sector.

Sincerely for DNV GL

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