

Unreconciled Allocation Update – December 2011

Source data

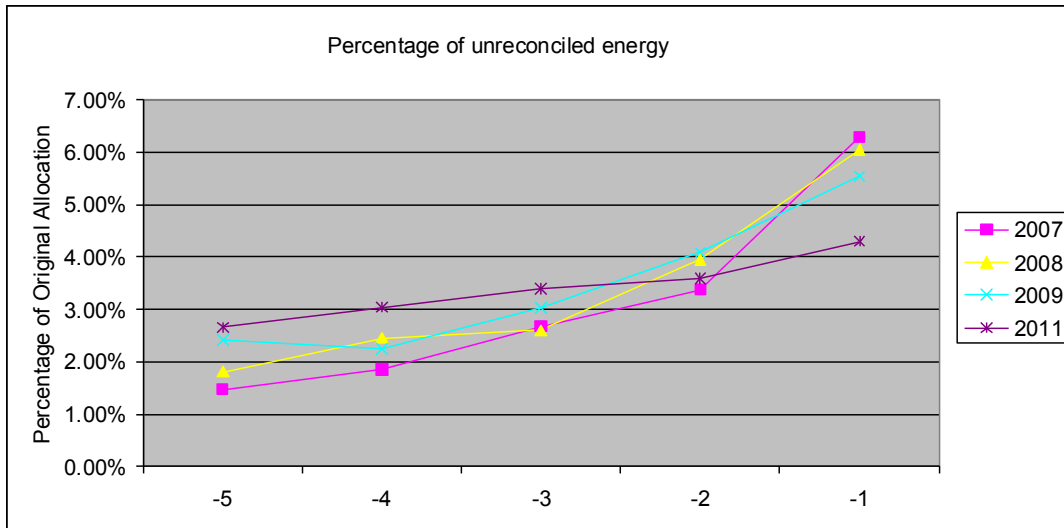
Xoserve has updated the analysis originally included in the Modification 0395 Proposal, to include the position as at 31 December 2011.

Data extracted from UKLink system shows the amount of original NDM LSP Allocation for a calendar year which has been subject to meter point reconciliation (following submission of a meter reading by a Shipper) at the first and each subsequent anniversary of the year. The greater the time since the gas year, the more reconciliation takes place, as Shippers submit more meter readings. A percentage of allocation not yet reconciled can be calculated at different points in time.

Percentage Unreconciled from the Original Allocation Figure

ChartYear	ReportYear				
	2007	2008	2009	2010	2011
-5	1.48%	1.82%	2.42%	2.15%	2.66%
-4	1.86%	2.45%	2.24%	2.72%	3.04%
-3	2.67%	2.60%	3.04%	3.39%	3.40%
-2	3.38%	3.97%	4.09%	4.13%	3.59%
-1	6.30%	6.05%	5.54%	4.99%	4.31%

Measure: Include the position 5 years back



Estimate of Unreconciled Energy

The historic percentage of reconciliation can be determined by comparing the actual NDM LSP reconciliation energy against original allocation for those reconciliation periods for those meter points. This can provide an **estimate** of the amount of reconciliation which might flow for the remaining unreconciled allocation. However the actual amount could differ considerably, depending on the circumstances. Reconciliation amounts cannot be forecasted reliably without accurate meter readings.

Historic data shows a trend of net credits, which could suggest that further NDM LSP credits have yet to flow. All estimates have been valued using the 2011 calendar year average SAP price of 1.912 p/kWh (unweighted average of 365 days). Actual reconciliations will use the applicable SAP rates for the affected days, in proportion to the original allocation.

The following data is the position as at 31/12/2011 for five calendar years and shows an estimate for the amount of energy (kWh and £) that may be yet to flow as credits to NDM LSP. Each year has a different applicable reconciliation percentage based on actual

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reconciliations, which has been used in the calculation. Historic reconciliation performance may not be a reliable guide to actual future reconciliations.

Calendar Year	Historic Reconciliation Percentage	Unreconciled Estimate of Rec (mWhrs)	Unreconciled Estimate of Rec £000
2007	-4.62%	-187,084	-3,577
2008	-5.98%	-274,455	-5,247
2009	-4.59%	-202,738	-3,876
2010	-2.47%	-138,807	-2,654
2011	-1.85%	-361,009	-6,902

