

2.0 AiGT Shrinkage Analysis Update

7/12/18

Andy Finch - I can provide the following update with no significant progress.

“On behalf of the AIGT I have continued to follow up with GDN spokesperson on Shrinkage Shahin.Ali@wwutilities.co.uk on 12/11/18 who is representing the GDNs response to shrinkage about the NDA & the DNVGL report, which so far is outstanding. John Barrett (AIGT Chair) has been updated and indeed invited Shahin to respond to the AIGT at the 13th December AIGT meeting, on behalf of the GDN shrinkage strategy progress. With no NDA in place, the IGTs are concerned to discuss/ to share the report and criteria used by the GDNs with the AIGT audience to collate a understanding and our collective response in Q1 2019.”

Open Action: Await the outputs from the Shahin.Ali@wwutilities.co.uk presentation to the AIGT, if the NDA is agreed by each IGT.

13/12/18

I would like to provide an update for IGTA meeting on 14/12, regrettably I am unable to attend, as I am already committed to a meeting in Newcastle with Northern Power Grid.

The AIGT forum meet today in London and discussed with Shahin.Ali@wwutilities.co.uk the shrinkage reporting that the GDNs have raised, we have been having various conversations with WWU who are leading the industry debate with the AIGT members.

The IGTs position remains in 2018 that shrinkage from our PE networks does not constitute a shrinkage concern.

The original shrinkage model was designed after concerns for the GDNs cast iron mains, and working towards a GDN PE system, with a due diligence provided by Advantica (now DNVGL) in 2002/03.

The AIGT members have requested that Shahin.Ali@wwutilities.co.uk provides the methodology behind the legacy model, so that IGTs can understand more about the legacy approach.

We have committed as a group to revisit the IGT individual calculations, but with advancements in PE design and installation standards our shrinkage position remains unchanged, this is more for understanding for new IGT members who were not active networks in 2002/03 period.

I trust the above clarifies the AIGT members position, that we continue to work with the industry taking legacy approach forward to a future energy network.

Regards

Andrew