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Our Reference 1314 Revised Proposals  
Your Reference 1314 Revised Proposals

**Notification of Revised Shrinkage Proposals 2013/14**

SGN has undertaken a review of the forecasted shrinkage volumes for 2013/14, this has resulted in a forecasted reduction in shrinkage volume for South, South East and Scotland local distribution zones.

The original Initial and Final Shrinkage Proposals for 2013/14 were calculated prior to the assessment of the 2012/13 volumes.

After looking at all the factors including the impact of the 2012/13 actual shrinkage volumes, SGN has revised its proposals to endeavour to provide a more accurate forecast and minimise year end reconciliations. We propose to apply the revised Shrinkage Daily Quantities outlined in Table 2 of the document from 06:00 hrs on 1<sup>st</sup> October 2013.

Please note that these revised shrinkage volumes do not include any forecasted reduction associated with the proposed LP service modification to the Leakage Reduction Monitoring Model. If Ofgem approve the modification for use in 13/14 then this would result in further forecasted 12.6 GWh reduction in shrinkage volume.

If you require further clarification, please email me on [rawinder.basra@sgn.co.uk](mailto:rawinder.basra@sgn.co.uk).

Yours faithfully

Rawinder Basra