

Mr Clive Whitehand, GL Noble Denton, Holywell Park, Ashby Road, Loughborough, Leicestershire, LE11 3GR.

By e-mail: AUGE@gl-group.com

11th June 2013.

Dear Mr Whitehand,

Allocation of Unidentified Gas Statement (AUGS) 2014/15

RWEnpower welcomes the opportunity to respond to this consultation on the 2014/15 AUGS.

RWEnpower is supportive of the AUGE's assessment that the consumption based method of estimating unidentified gas is more accurate and is adopted by the Industry.

Analysis has shown that the RbD method used previously is inaccurate and it is our belief that this has caused residential customers to be exposed to incorrectly allocated costs historically. In the absence of this analysis and detail this may have been appropriate however it is imperative that this cross subsidy is eradicated at the earliest opportunity by implementing the more accurate and independently assessed, consumption based methodology that is detailed in this AUG draft.

We are pleased to note that a firm timetable has been produced detailing the dates of report publications for this year which should remove any confusion from the process going forward.

RWEnpower is fully committed to providing the best outcome for our customers who will be required to bear the costs associated with unidentified gas through no particular fault of their own. We do not believe that any particular customer group should subsidise another therefore welcome this more statistically accurate calculation.

In summary RWEnpower supports the new methodology and we hope our comments are beneficial and assist your decision making process.

Yours sincerely,

Edward Hunter Industry Governance Manager RWEnpower. **RWE** npower

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