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1<sup>st</sup> March 2013

### **ICoSS consultation response.**

The Industrial and Commercial Shippers and Suppliers (ICoSS) group represents all the major non-domestic industrial and commercial (I&C) suppliers in the GB energy market, supplying 65% of the gas needs of the non-domestic sector; a number of our members also supply electricity to their customers.

Please find accompanying this letter a report written by WWA and Phidex consulting analyzing the 2<sup>nd</sup> AUGS statement, including underlying data, published for consultation on 17 December 2012.

ICoSS has always been supportive of the AUGS process and believe that the AUGS has made great progress in conjunction with the industry, using incomplete and sketchy information, in ascertaining the scale and causes of Unidentified Gas in the retail market. It is clear however from the analysis we have commissioned that there are still significant issues with the industry data proposed to be used, and there are also material questions regarding the methodology utilized in certain areas, particularly regarding gas theft and CSEPS. The industry still has a long way to go until a robust understanding of the scale of Unidentified Gas in the market.

We therefore expect that the AUGS and the industry will follow the binding requirements in the AUGS guidelines document, namely that the next draft AUGS statement for 2014/2015 will be published by the 1<sup>st</sup> May with a finalised statement, taking into account industry opinions by the 1<sup>st</sup> August and finalised volumes delivered on 1<sup>st</sup> October. Only by following the industry agreed timescales can we expect to deliver a robust understanding of the causes and volume Of Unidentified Gas, maintain the integrity of this impartial process and avoid imposing inappropriate costs on customers. We look forward to aiding the AUGS in this work.

Please note that this response is on behalf of each member who has actively participated in its development namely:

- Corona Energy,
- ENI,
- Gazprom Energy,
- GDF Suez Energy UK,
- Statoil UK,

- Total Gas & Power,
- Wingas UK.

It should therefore be treated as though each individual member has submitted an individual response and not as single response from one industry party.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Evans".

Gareth Evans  
Chair ICoSS