

Tim Davis
UNCC Chairman
Joint Office of Gas Transporters
Consort House,
Princes Gate Buildings,
6 Homer Road,
Solihull,
B91 3QQ

13th November 2013

Re: Proposed Amendments to the AUGE guidelines

Dear Tim,

Industrial and Commercial Shippers and Suppliers (ICoSS) Ltd is a trade body in the energy sector representing all the major non-domestic industrial and commercial (I&C) suppliers in the GB energy market, supplying 70% of the gas needs of the commercial sector; a number of our members also supply electricity to their customers

I am writing regarding the proposed amendments to the AUGE guidelines submitted by RWE Npower on 05 November 2013.

The query process was designed to create a clear and transparent process for shippers to raise issues regarding the AUGE statement and to ensure that any answers to those questions are published and available for all affected parties to see. As the purpose of the process is to ensure understanding and is not a further consultation process, the AUGE has complete discretion over how such questions are handled and whether to modify the AUGE statement in light of the issues raised.

To our mind the query process has been a success and has been used several times to ensure that shippers can test their understanding of the proposed statement changes and raise issues. In September ICoSS used the process to raise several questions which the AUGE responded to. This provided much needed clarity on how certain areas of the methodology (not data) would be impacted by changes that have occurred after the close of the original consultation period. In particular the AUGE that UNC Modification 0410A "may have a material impact that might require a change to the final AUGS". In a dynamic industry such as the retail gas market, it is to expected that such events may occur in the future, in particular as the AUGE statement is finalised over seven months in advance of its implementation.

So while there may be a case to remove such an important process when the AUGE process has stabilised and the statement does not vary significantly year on year, it cannot be said to have reached that point and it is doubtful it ever will do so. In summary, to remove the mechanism



that allows shippers to query the AUGE statement, and for the AUGE to act upon those queries, will only result in an undermining of the AUGE process and a loss of transparency.

Yours sincerely

Gareth Evans Chair of ICoSS