

MAY 22 - GEMSERV

STRATEGY FOR 'LINE IN THE SAND' 2022/23

FOLLOWING DRAMATIC RISE IN PAC RISK 14 'NO METER READ LINE IN THE SAND', MITIGATIONS ARE BEING PROPOSED TO TACKLE THIS RISK ACROSS THE NEXT 11 MONTHS.



Gemserv

MAKING THINGS THAT MATTER WORK BETTER

BACKGROUND

- Line in Sand risk presented at the Dec 2021 and Jan 2022 PAC following dramatic rise in Value at risk.
 - Risk rating – **5** (highest risk banding)
 - Indicative VaR – **464 GWh**
- Following risk review, PAC agreed to send letter out to all parties as mitigation to the risk.
- Publication of letter delayed in February 2022, as deemed too close to Code cut off date.
 - New strategy to be created and deployed throughout the following year.
- AUGE indicate this is a major issue with upward of 1,592¹ GWh value (4 issues across 2023 PAC issues log).

¹<https://www.gasgovernance.co.uk/sites/default/files/ggf/2022-03/AUG%20Presentation%2008042022%20v1.1.pdf>



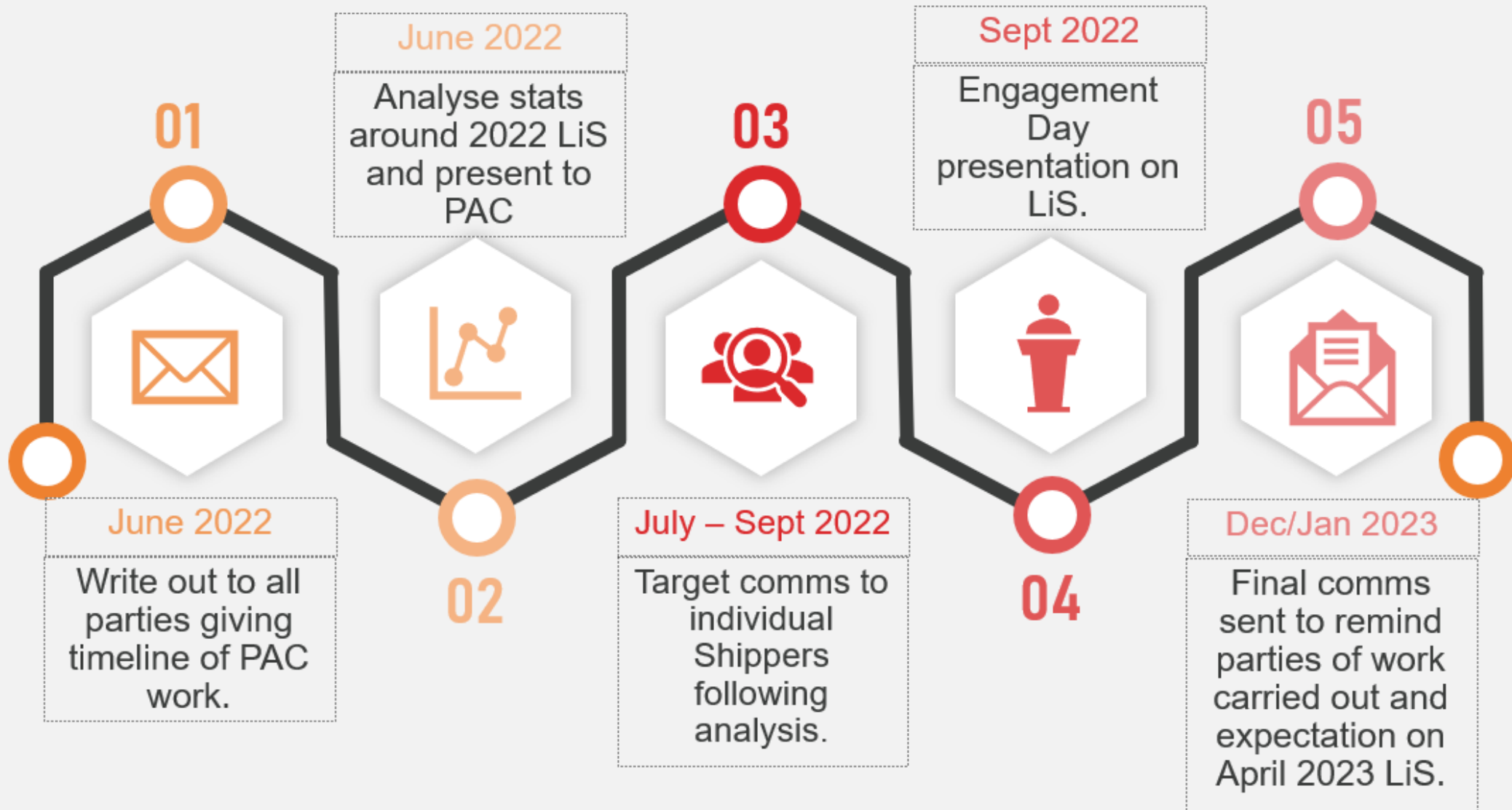
PROPOSAL

PAC are asked to agree these recommendations;

- PAC expectation is **0%** roll over for April 2023.
- If by December 2022 no significant improvement evident in data, Shipper will be called in to PAC meeting to explain position and actions carried out to tackle no reads. Shippers to be informed in advance of this outcome for transparency.
- Method of monitoring by PAFA - No read report on DDP.
- Proposed timetable for events as detailed.



TACKLING 'LINE IN THE SAND'



■ NEXT STEPS



PAC are asked to;

- Request Xoserve provide PAFA with the 'Line in the Sand' 2022 data (31st March 2022).
- Approve drafting of proposed letter to all Shipper Parties stating PAC expectations (to be distributed June 2022).

Next actions to be taken by PAFA;

- Send initial letter out to industry (June 2022)
- PAFA to review 2022 'Line in the Sand' data and identify parties to be brought into targeted communications.
 - Draft individual targeted letter template.
 - Needs to be 'big bang' as phased approach will not work – needs to be equitable time given to Shippers to work on LiS.

Follow on actions to be taken by PAFA;

- Initial follow up with Shippers and continued monitoring throughout 2022 against DDP data.



INVESTORS IN PEOPLE®
We invest in people Gold

