

Representation - Modification UNC 0725 (Urgent)

Ability to Reflect the Correct Customer Network Use and System Offtake Quantity (SOQ) During COVID-19

Responses invited by: **5pm on 13 May 2020**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Dan Fittock
Organisation:	Corona Energy
Date of Representation:	13 May 2020
Support or oppose implementation?	Qualified Support
Relevant Objective:	<p>a) Positive</p> <p>d) Positive</p>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Corona Energy support the intent of this modification as it seeks to ensure that larger I&C sites reflect an accurate SOQ at a time where an unprecedented impact is being experienced for non-domestic sites in the UK.

In light of the announcement on 10 May 2020 in which Boris Johnson indicated that production and manufacturing workers should be encouraged to return to work, we pose the question as to whether this modification is now required. We are cognisant of course that this announcement could not have been foreseen by the proposer.

We do believe that some key processes have not been included in this modification. This shouldn't necessarily mean that the modification should not progress, however we feel that subsequent change would be required to satisfy these areas:

- We believe that any amendments to the SOQ need to be customer lead, with the customer requesting the amendments to ensure that any cost savings are passed on to the customer via the Shipper. This could be undertaken by the CDSP or another existing industry panel; and
- Clarity is required on how the reduction in transportation charges will impact future charging arrangements and how any reduced costs now may be socialised in future – we do not want to see a material increase in future costs as a result of short term cost reduction;

- We recommend that this could be achieved via a post-covid audit process in which any erroneous changes to the SOQ as a result of this modification are highlighted and the difference between the amended SOQ and true SOQ are charged to the Shipper in a pseudo-ratchet charging regime.

With these points not being addressed, we are unsure as to whether the change would best facilitate Objective A, as we do not believe that deferring costs to a future undetermined time reflects an efficient and economic operation of the pipeline system. However if these are implemented then we are satisfied that Objective A would be better facilitated.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We have no comments on the implementation of this modification.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

We have concerns regarding the revenue recovery mechanisms that would be required as part of this modification, and refer to our earlier suggested method of cost recovery as a result of the proposed changes.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

N/A

Are there any errors or omissions in this Modification that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

N/A

Please provide below any additional analysis or information to support your representation

N/A