

Representation - Modification UNC 0722 (Urgent)

Allow Users to submit Estimated Meter Reading during COVID-19

Responses invited by: 1pm on 27 April 2020

To: enquiries@gasgovernance.co.uk

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

Representative:	Kirsty Dudley
Organisation:	E.ON
Date of Representation:	27/04/2020
Support or oppose implementation?	Comments
Relevant Objective:	d) Positive/Negative/None * <i>delete as appropriate</i>

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

We recognise the impacts which COVID-19 has had on organisations, it is not limited to domestic or I&C and there is no single approach to behaviours which are being applied e.g. lockdown = businesses have closed so use has plummeted and therefore domestic use has rocketed. It has not been an equal and opposite application, it has instead seen unique MPRN level use changes with some businesses increasing use to meet demand and others reducing to keep things ticking over and some domestic use has vastly increased with others reducing. Put simply there is no single rule which can be applied.

The solution outlined in this modification creates the mechanism to allow estimated readings as actuals, although theoretically could assist in the short term by introducing adjustments to the period. There are likely to be knock on impacts to demand estimation modelling and therefore could have unintended consequences which would be difficult to unpick and could have unintended ramifications in future years modelling as the made-up estimates will be unidentifiable.

Our preference would be for the values to remain flagged as an estimate when submitted otherwise all actual readings received during lockdown will have to be discounted in demand modelling to avoid distortion from the made-up actuals. If there could be a way to make the estimated actuals visible the readings can be identified in the future, which would address some of the concerns we have raised.

After the lockdown period we are concerned this could result in erroneous charges ending up in the domestic part of the market, which would essentially just move the problem around, but make it harder to drill down to how and why?

The legal text links to 'Relevant Period' which appears to be outlined in detail in 0721 drafting, it was unclear if 0721 was not implemented how the drafting would incorporate the end of the lockdown period. It was also unclear how parties would adjust any kind of modelling to account for phasing out of lockdown or how they would create the estimates if the premise is over using or under using.

We support where there are estimates used (if approved) that evidence for the calculations are kept but we are concerned that individuals will estimate differently which would not be inline with the actual use so it will only have to play catch up, which it would have to do if it hadn't had an estimate given.

We understand why the proposal has been put forward but, in our view, just creates more complexity and moves the energy around and could create further complexity which might be felt in future years modelling.

We would recommend that reporting to identify the COVID-19 instances is put in place should this modification be approved. There needs to be visibility to manage the resultant UIG changes (and also that they are backed out as soon as possible) so the profile impacts can be corrected otherwise they will impact profiles for the next 4 years which is something that needs to be avoided.

We believe that a rule which instead rolls over the Formula Year AQ from 2019 into 2020 would be a more generic approach which can be modelled and doesn't have complex rules or require unpicking.

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

If approved, implementation could be immediately after approval.

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

We believe there would be costs to update systems to enable to creation of the estimate for sending. Without further detail we would initially size this as a small to medium level change which is unlikely to require a project to mobilise the implementation.

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

Unsure if the definition of 'relevant period' is meant to be also introduced into 0722 as well as part of 0721, if 0721 is not approved does the drafting still link to the period of lockdown?

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

The solution is likely to have an impact on IGT connected sites, so we recommend that that cross-code impacts in the IGT UNC are also considered.

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

No comment.