Joint Office of Gas Transporters

Representation - Modification UNC 0723 (Urgent)

Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

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:	Sasha Pearce
Organisation:	Npower
Date of Representation:	27/04/2020
Support or oppose implementation?	Comments
Relevant Objective:	**a)** Negative **d)** Negative

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

We understand and support the intent of this modification, which is to mitigate the impact of non-consuming sites, however we have concerns about the viability of this process and consider that it would need very careful management and could be resource intensive.

With regard to the practicality of the solution, if a site has been locked down successfully, then it will be very unlikely that shippers could contact the customer to confirm this. So how will shippers determine if nil consumption is a result of the lockdown and not due to other reasons? Similarly, given that we expect different industries to come out of lockdown at different times and that some may potentially cease operation entirely, the process of keeping track of the removal of these flags would be manual and overly time consuming. For this reason, we are concerned that this modification does not facilitate UNC Objective (a) as currently drafted.

We also have concerns around governance of the use of the flag. Is there potential for misuse here? For example could shippers use this flag to avoid Unidentified Gas (UIG) charges for sites that are still using energy, and exacerbate the problem of costs for UIG being smeared onto domestic sites. How could this be prevented? For this reason, we do not believe that this modification facilitates UNC Objective (d) as currently drafted.

If this modification is implemented, we believe that Xoserve and the Performance Assurance Committee (PAC) should closely monitor and report on the number of sites

impacted. Xoserve should take a snapshot of all isolated sites before the provision comes into effect, and should then report weekly to PAC on the number and volume of sites which have utilised this solution.

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

No lead time required, this modification could be implemented immediately following approval.

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

None, other than increased resource to manage use of the flag as proposed.

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

No comments.

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.*

We believe that the modification should be amended to contain some kind of sunset clause whereby once Xoserve and/or PAC and/or UNC Committee declare an end to the COVID impacted period in the light of Government advice/decisions, sites which have changed status are reverted within X (20) Days. Xoserve and PAC should be given a shared formal responsibility to ensure these sites are reverted and take action against shippers where this is not the case (albeit within the existing remit of the PAFA).

Could the modification be amended to require shippers to re-set the flag each month for Covid19 isolations, otherwise the flag is automatically removed. This would also help remove the risk if the shipper is delayed in removing the flag. Currently the modification does not detail the management and monitoring of removing the flag when transition out of lockdown begins, this needs to be addressed. Otherwise, there will be an impact on Forward and Rolling AQs in future, with an impact on demand forecasting and other processes and reporting.

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

None.