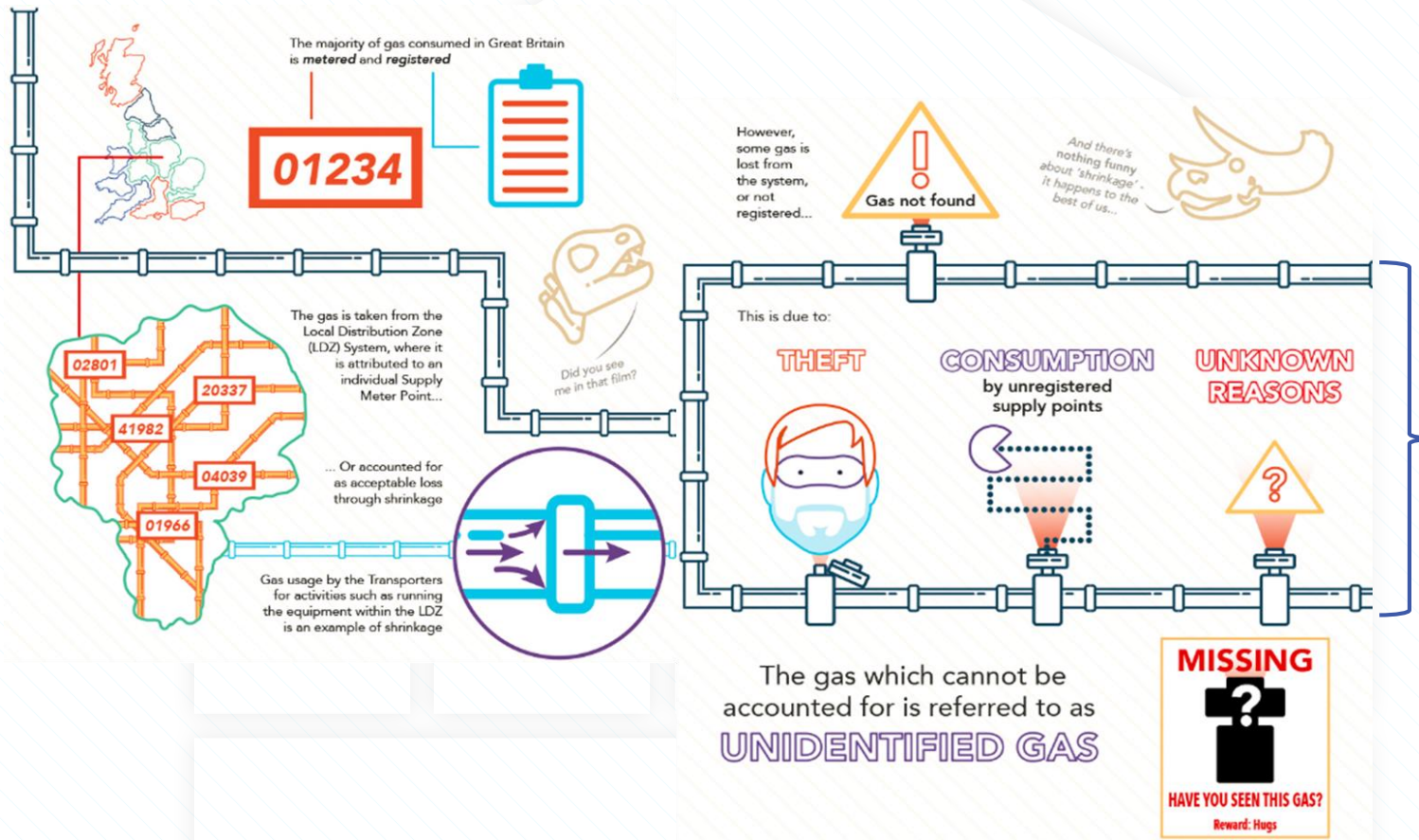




UIG Update to Distribution Workgroup

28th May 2020

What is UIG?

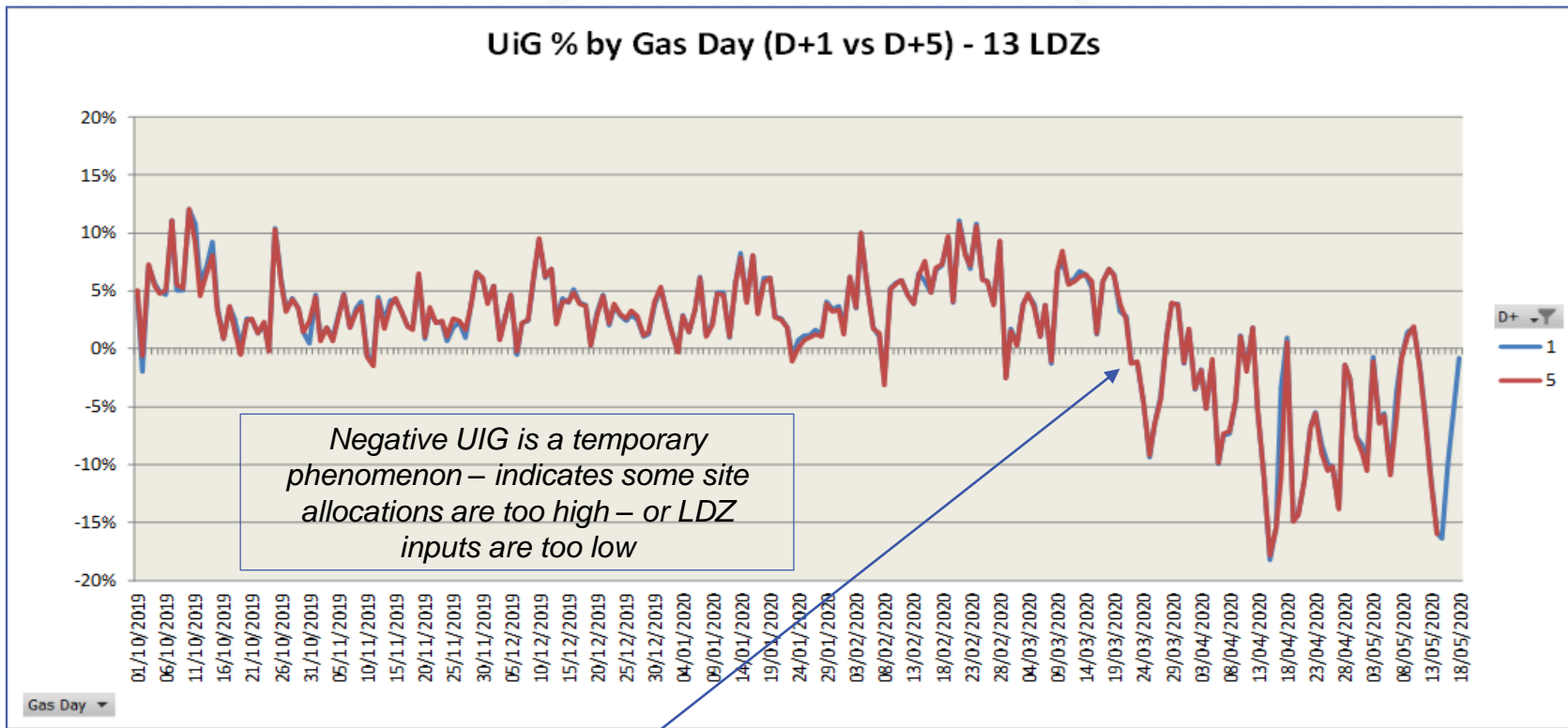


AUGE latest analysis predicts UIG = 1.5% post reconciliation (up to 4 years)

COVID-19 Impacts on UIG

- GB-wide lockdown is likely to be a major contributor to UIG
 - Many sites are probably consuming no or very little gas – shops, pubs, holiday homes
 - Some sites are consuming more gas – many domestic properties, essential businesses
- Non-Daily Metered Allocation is based on an algorithm – parameters set annually – no concept of lockdown
- Until meter readings are submitted and accepted we will have no view of changing usage
- Current UIG levels suggest a net over-allocation to NDM sites

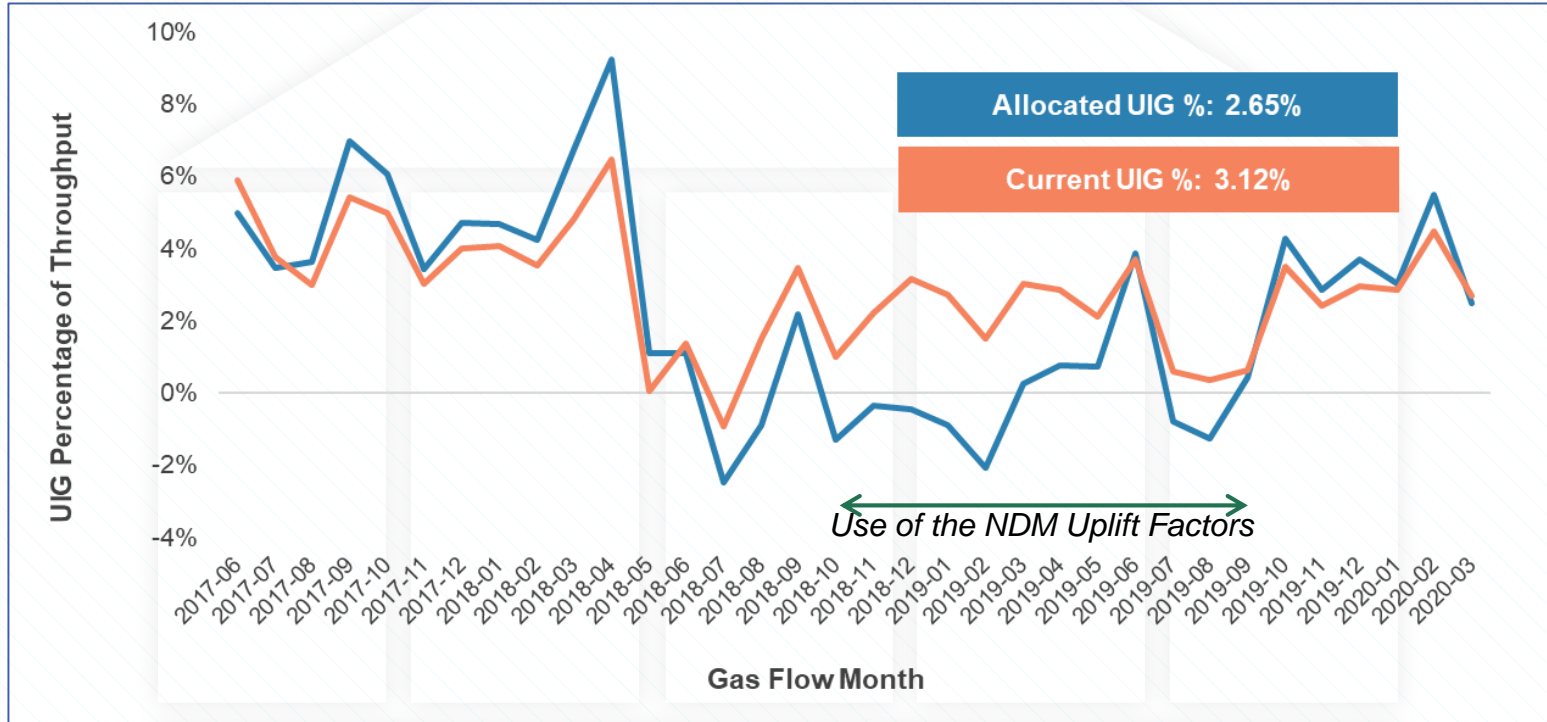
How is UIG Trending Now



Start of widespread homeworking – 18 March

Weather is also a major factor in UIG – late March/April were very warm and sunny

UIG as a % of Total Throughput – Original v Latest as at March 2020 Amendment Invoice



- Graph of national UIG after meter point reconciliations (all Classes) processed up to and including end of March 2020 (34 months)

How is Xoserve supporting the Industry during Lockdown?

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- Weekly CCO updates via Website
- Publishing more frequent information on UIG via secure website
- Dedicated email account for COVID-related enquiries: covid19Enquiries@xoserve.com
- Led industry discussions on COVID impacts and mitigations at PAC and Distribution Workgroup – options matrix presented at special Workgroup in April
- Supported drafting of four Urgent UNC Modifications
- Training material prepared and presented prior to Ofgem Urgent Mod decisions – over 100 attendees over three sessions – **material and Q&As available on Xoserve.com**

Status of the Urgent UNC Mods (at 21/05/20)

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Modification	Status
0722 Submit Estimated Meter Readings during COVID-19 period	<i>Implemented 12/05/20</i>
0723 Use of the Isolation Flag during COVID-19 period	<i>Implemented 12/05/20</i>
0724 - Amendment to Ratchet charges during COVID-19 period	<i>Implemented 12/05/20</i>
0721 Use of AQ Corrections during COVID-19 period	Still with Ofgem for decision
0725 - Ability to Reflect the Correct Customer Network Use and System Offtake Quantity (SOQ) During COVID-19	considered at May Mod Panel

Likely Impact of the Urgent Modifications

- *0722 – Estimated Meter Readings as Actuals*
 - Triggers quicker reconciliation to correct the allocated position and UIG
 - Has a minor prospective impact on AQs
- *0723 – Use of Isolation Flag*
 - Will remove these sites from allocation – should make UIG less negative
 - Meter status change requires a meter reading – will trigger a reconciliation of previous over-allocations
- *0724 - Amendment to Ratchet charges during COVID-19 period*
 - No settlement impacts
- Can expect UIG to continue to be volatile during and after lockdown – NDM Allocation will not react quickly to usage changes, Shippers will need to correct/reverse actions taken under 0722 and 0723 rules

The logo for xserve is displayed in a light blue color. It features a stylized 'x' composed of two overlapping shapes, followed by the word 'serve' in a lowercase, sans-serif font. The entire logo is centered within a light gray rectangular frame that has a gabled top, resembling a house or a window. The background of the slide is white with a subtle, repeating pattern of small, light blue diagonal lines.

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