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**New Action PAN 11/03: Agenda item 265.14 – CDSP (ER) to submit additional information for consideration at Panel in relation to parties qualifying for Modification 0730 to inform materiality discussions.**

The purpose of UNC Modification 0723 was for “Shipper Users to utilise the central systems Isolation flag, under specific circumstance, without warranted activities taking place, during a COVID-19 period.” (m723 FMR v2.0 30<sup>th</sup> April 2020 p1).

Due to the timescales associated with the modification and its implementation date there was very limited opportunity for changes to be made to Central systems or other industry participant systems. A consequence of this was that Isolations being undertaken under Modification 0723 cannot be differentiated from those being undertaken following physical works to prevent the flow of gas in accordance with UNC TPD G-7.

No changes were made to the UK Link systems or UK Link Communications to support Modification 0723. The solution used the existing isolation functionality to temporarily suspend nomination and allocation where sites were prevented, or materially restricted, from operating due to the pandemic regulations.

The CDSP has provided reports to the Registered Users of Isolated Supply Meter Points to assist them to comply with obligations in Modification 0723 to re-establish the Supply Meter Point once they were no longer restricted from operation by COVID regulations. We used the following criteria:

- Transaction processing date of the Isolation request (these are received via Metering (RGMA) transactions) was on or after the implementation date of 0723 – 12<sup>th</sup> May 2020
- The Metering transaction effective date was no earlier than 23<sup>rd</sup> March 2020 – the date when lockdowns were determined to have started

The number of Supply Meter Points that met the above criteria at 18<sup>th</sup> October 2020 were 4375 isolated sites. Of these, 1279 were done via a Meter Information Update Notification (UPD) – which was one of the suggested indicators proposed in the 0730 work group as a potential criteria. The use of the Meter Information Update Notification as distinct from the Meter Information Notification (JOB) is that the latter transaction is associated with physical work at site and is likely to have originated from a Meter Asset Manager. Use of UPD was consistent with the guidance that we gave to Shippers to utilise 0723 – **but this can't be used as a definitive indicator of 0723.**

We have received responses from 18 of 48 Shippers.

Of the responding parties, they had a total of 586 isolations, of which 140 were done via UPD. 5 meter points out of a total of 20 which the parties advised us were isolated under 0723 remained isolated (15 have been re-established).

It is not possible to provide any reliable view of materiality with respect to Modification 0730. This is because:

- We have received a limited response to date related to sites isolated immediately following the 0723 implementation, and
- The nature, frequency and duration of future lockdowns is unknown.

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As was discussed within the workgroup, a significant challenge to the implementation of 0730 is the identification of the Supply Meter Points. Options to do so are:

- Repeat the equivalent of the 0723 process on a monthly basis. Given the limited response rates, and the small number of parties that have, to date, indicated that they have utilised the 0723 functionality, we would need to define a deadline by which point Users must have responded, else they will be excluded from any adjustments.
- Require that Shippers who HAVE used the 0723 capability submit a list of the relevant Supply Meter Points that qualify for a rebate on a [monthly] basis. The Shipper would be required to provide the Effective Date of the COVID Isolation period.

Following the 0723 exercise, it is probable that the latter option would be proposed.

In both instances, we will require confirmation of the address and the nature of the business of the site. This information will be required to determine whether the site is required to be shut under the COVID regulations. It will be expected that the information provided will be in line with the relevant restrictions published. Examples of which are below:

<https://www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues>

<https://www.gov.scot/check-local-covid-level/#!/EH991SP>

<https://gov.wales/coronavirus-covid-19-closure-businesses-and-premises-html>

The information provided by the Shippers cannot feasibly be verified by the CDSP without significant investigations, especially given the nuances of regional variations that will apply at different times. As such, it is assumed that the Shipper is complying with the Code in so far as the site has been isolated and remains isolated due to the relevant regulations.

Once the relevant Supply Meter Points have been identified then an adjustment will be undertaken for each Shipper to provide a rebate of 50% against the relevant capacity charges.

The solution that will be utilised to support this process will be largely manual as it is not anticipated that there is an enduring requirement for this process.

Whilst it is acknowledged that Users would wish to receive capacity rebates as soon as is practical. We would expect that the provision of refunds will not be available immediately after Modification implementation.

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