

Joint Office of Gas Transporters
Radcliffe House,
Blenheim Court,
Warwick Road,
Solihull, B91 2AA

Email to: enquiries@gasgovernance.co.uk

27 April 2020

Consultation: Urgent Modifications 0721; 0722; 0723 and 0724

EDF Energy is the UK's largest producer of low carbon electricity. We operate low carbon nuclear power stations and are building the first of a new generation of nuclear plants. We also have a large and growing portfolio of renewable generation, including onshore and offshore wind, as well as coal and gas stations and energy storage. We have around five million electricity and gas customer accounts, including residential and business users. EDF Energy is committed to building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

Whilst we can understand that during these unprecedented times there is a desire for these modification proposals to be given urgent status and will follow expedited modification procedures. However, there is a significant risk that the flexibility these modifications provide could result in wide-spread abuse by Shipper Users that will require future corrective measures to address. These modifications require robust exit strategies and effective reporting needs to be considered to deter and control any undesirable practices and outcomes before they are implemented. Please see below our responses to the consultations on modification proposals: 0721 - Shipper submitted AQ Corrections during COVID-19; 0722 - Allow Users to submit Estimated Meter Reading during COVID-19; 0723 - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period; and 0724 - Amendment to Ratchet charges during COVID-19 period.

0721 - Shipper submitted AQ Corrections during COVID-19

- We recognise this modification will require no system changes to facilitate implementation by both Shippers and the CDSP.
- This modification must include an exit strategy to enable Annual Quantity (AQ) values to be returned to evidence based levels once lockdown and social distancing measures are removed. For efficiency and future clarity, the arrangements for reversing these changes should be included in this modification to avoid the need for further modifications.
- An obligation on Shipper Users to provide further detail on their reasoning for submitting an AQ correction should also be included. This could be in the form of an obligation on Shippers to retain evidence on how AQ corrections are derived (similar to that proposed in modification 0722 - Allow Users to submit Estimated Meter Reading during COVID-19) and/or more detail provided at the point an AQ correction is submitted. This evidential burden could discourage Shippers from abusing the flexibility this modification affords during the COVID19 pandemic.

0722 - Allow Users to submit Estimated Meter Reading during COVID-19

- Submitting estimated readings as actual readings could impact supplier billing systems and may result in the production of consumer energy bills that claim to be based on accurate meter readings where this is not the case. This could lead to consumer dissatisfaction and/or increased levels of avoidable incoming contact during a period where suppliers are focused on protecting the interest of consumers, especially those most in need.
- The relaxed approach to meter reading validity this modification affords also presents a risk of some Shippers misusing this as a means of improving their levels of meter reading performance as measured through Performance Assurance Framework (PAF) reporting. As a potential alternative, the CDSP could become responsible for either deriving the readings to be used as actuals in the agreed processes or selecting which newly submitted reads would be used for this purpose during the COVID19 pandemic; this would remove the risk of undesirable outcomes and erroneous reading performance reporting. This should be held as a new reading type that will be used to calculate AQ and drive settlement reconciliation. It should not be provided to a Shipper as a last actual read, or used by CDSP, to validate any customer or actual read a Shipper provides. This could minimise the need for any replacement read processes on changes of Shipper as new Shipper's will have no visibility of how a previous Shipper has determined this read leading to fewer issues for customers.
- If it is not possible for the CDSP to take this responsibility, then additional controls should be included that limit the extent to which any estimated readings that are submitted can be used to drive other industry processes as mentioned above. For example, some sites may not have had an actual read for a significant period and an estimate submitted during this time should only be accepted if the site has had an accepted reading in the last 12 months.

0723 - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

- We support the implementation of this modification and recognise the value this will add for large sites impacted by the COVID19 pandemic.
- There is a risk that this could be abused by Shipper Users and therefore measures that require Shipper Users to evidence their decision to use the Isolation Flag and justify the duration of which the Isolation Flag will be used should be considered. This could be measured and reported as a new metric within PAF reporting to encourage Shipper Users to take prompt action to remove the Isolation Flag where businesses resume operations and/or the de minimis consumption increases.

0724 - Amendment to Ratchet charges during COVID-19 period

- We support the implementation of this modification and its support for sites directly supporting the local and national efforts in response to the COVID19 pandemic.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Keith Watson, or myself. I confirm that this letter may be published on the Joint Office website.

Yours sincerely

A handwritten signature in black ink, appearing to be "John Mason", enclosed in a thin black rectangular border.

John Mason
Senior Manager of Customers Policy and Regulation