

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:	Phil Lucas
Organisation:	National Grid NTS
Date of Representation:	27 th April 2020
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

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

National Grid NTS (National Grid) recognises that the unprecedented measures implemented to address the Covid-19 pandemic has resulted in the cessation of business activities in certain sectors of the economy meaning gas consumption at some sites has ceased, or has reduced to a minimal level. Further, the measures have inhibited the ability of a shipper to undertake the physical works necessary to facilitate submission of an Isolation request (as per UNC TPD G3.5.5) for the relevant Supply Points.

National Grid agrees that the measures advocated by this Proposal will better facilitate relevant objectives (a) efficient and economic operation of the pipeline system, and (d) the securing of effective competition. This is on the basis that for period where government restrictions are in place, enabling shippers to Isolate a Supply Point in absence of the completion of physical works (to cease the flow of gas) will support the facilitation of accurate allocation of energy and transportation costs.

Implementation:

National Grid does not need to implement any process or systems changes as a consequence so does not require any lead time for implementation.

Impacts and Costs:

Although not explicit in the solution, we note that the definition of “Relevant Period” (as referred to in the Legal Text section below) is only applicable in respect of LDZs and therefore we understand that the Proposer’s intention is that this facility would only be available at Supply Points connected to the Distribution Networks (i.e. not at NTS Supply Points).

National Grid notes that where Supply Point has been Isolated, but Effective Supply Point Withdrawal has not taken place (via a Supply Point Withdrawal), the relevant Shippers remains liable for Transportation Charges at this Supply Point (UNC TPD G3.2.2 and G3.4.2), albeit NDM Supply Points in Classes 3 and 4 will not be allocated any gas (UNC TPD G3.4.3). On this basis, any consumption at an Isolated Class 3 or 4 Supply Point will materialise in Unidentified Gas.

As referred to above, we do not need to make any process or systems changes, therefore there are no implementation costs for National Grid.

Legal Text:

National Grid agrees that the legal text will deliver the intent of the solution.

We note that the legal text does not include the definition of “Relevant Period” which sets the time limit for the applicability of the provisions. We understand the definition intended is as contained in the legal text for Modification Proposal 0721 (‘0721’) in Transition Document Part VI section 1. Further, we understand that in the event that 0721 is *not* directed for implementation, this definition will be incorporated into the legal text for this Proposal. Any uncertainty over the application to NTS Supply Points (as referred to above) could be addressed by making the following clarification in Transition Document Part VI section 1.1(b) *“Relevant Period” means, in respect of an LDZ **only**.”*

In respect of the effective date of the ‘Isolated’ status, Transition Document Part VI section 4.3 could be made more explicit that it takes effect from the date this status change occurs as later in the section it is noted that this status applies for *“any day in the Relevant Period”*. Given that the Relevant Period commences on 23rd March 2020 it could be interpreted that the change in status would be applied retrospectively back to this date however, we understand this is not the Proposer’s intention.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

Recognising that this Proposal one of four raised to address issues created by the management of the Covid-19 pandemic, in the event of implementation National Grid would support the conduct of post-event review (undertaken at the appropriate point) to incorporate analysis of the usage of the Isolation mechanism in the Relevant Period and any impacts (adverse or otherwise) this had on settlement or other UNC processes.

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

N/A