

## Application for Consent to Modify the Uniform Network Code

**0722 (Urgent) – Allow Users to submit Estimated Meter Reading during COVID-19**

**0723 (Urgent) – Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period**

**0724 (Urgent) – Amendment to Ratchet charges during COVID-19 period**

**Reference:** C058

**Date:** 07 May 2020

### Proposal:

In recognition that Ofgem is still considering UNC Modification 0721 (*Urgent*) - *Shipper submitted AQ Corrections during COVID-19*, (as outlined in their update email issued on 06 May 2020) and noting that Ofgem has reached a 'minded to' position for Urgent Modifications 0722, 0723 & 0724, which Ofgem anticipates it would wish to issue in advance of a decision on UNC Modification 0721, it is proposed that the legal text in support of UNC Modifications 0722, 0723 and 0724 would need amending.

In further noting that the original legal text was drafted on the basis of all four Modifications being implemented at the same time, coupled with Ofgem noting that the definition for 'Relevant Period' is only contained within the legal text for UNC Modification 0721, it is therefore proposed that in order to facilitate the successful creation of the new Transition Document Section VI and subsequent insertion of legal text in support of Urgent Modifications 0722, 0723 & 0724 ahead of any decision on UNC Modification 0721, the following amendments are required, as outlined below.

### Nature of Modification:

Modification of the legal text(s) for UNC Modifications 0722, 0723 and 0724 (*Urgent*) is required as follows:

#### Transition Document

*Add new Part VI to read as follows:*

*(Extract from 0721 legal text to be inserted at the start of the 0722 legal text)*

#### **1. Relevant Period**

##### **1.1 In this Part VI:**

- (a) terms defined in the Transportation Principal Document and the General Terms have the meanings given in those Documents;
- (b) “Relevant Period” means, in relation to an LDZ Supply Point a period:
  - (i) commencing on the date that a legally binding requirement or restriction imposed by the Relevant Regulation comes into force which results in a cessation of, or a restriction on, the conduct of

business activities or provision of services at the consumer's premises in each case to the extent that such requirement or restriction

(1) reduces the consumer's requirement for gas; or

(2) prevents the obtaining of Meter Readings;

(ii) ending on the date such requirement or restriction imposed by the Relevant Regulations (which has the effect described in paragraph (b)(i)(1) or (2)) is terminated or otherwise ceases to apply

(c) "Relevant Regulations" means, in the case of:

(i) a Supply Meter Point located in England, the Health Protection (Coronavirus Restrictions) (England) Regulations 2020;

(ii) a Supply Meter Point located in Wales, the Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020;

(iii) a Supply Meter Point located in Scotland, the Health Protection (Coronavirus Restrictions) (Scotland) Regulations 2020;

in each case as may be amended from time to time;

(d) "coronavirus" has the meaning given in the Relevant Regulations.

## **2. Annual Quantity**

~~2.1 For the purposes of this paragraph 2 "Relevant Supply Meter Point" means a NDM Supply Meter Point which:~~

~~(a) on the first day of a Relevant Period is in End User Category 2 to 9 (inclusive) for the purposes of TPD Section H; and~~

~~(b) is not treated as Isolated on any day during the Relevant Period pursuant to paragraph 4.~~

~~2.2 In relation to a Relevant Supply Meter Point an "eligible cause" shall include for the purposes of TPD Section G1.6.21 unexpected changes in the consumption of gas due to the impact of coronavirus during a Relevant Period.~~

~~2.3 For the avoidance of doubt, where a User requests a change in the Annual Quantity on the basis of paragraph 2.2 the User's notice to the CDSP under TPD Section G1.6.23(a) shall include reasonable evidence to demonstrate the impact of coronavirus on gas consumption during a Relevant Period.~~

*(Extract from 0722 legal text)*

## **23. Meter Readings**

23.1 Where a User is unable to obtain and submit to the CDSP a Meter Reading for a Class 3 or 4 Supply Meter for a Read Date which falls within a Relevant Period (due to the obtaining of a Meter Reading being prevented) the User may instead submit an estimated Meter Reading.

23.2 Where a User submits an estimated Meter Reading in accordance with paragraph 23.1:

(a) the Meter Reading will be estimated by the User on the basis of the User's reasonable estimate of the expected Metered Volume offtaken at the Supply Meter Point during the relevant Meter Reading Period;

(b) the User shall keep a record of the basis on which it made its reasonable estimate under paragraph (a) for a period of not less than two (2) years following the end of the Relevant Period and make such record available to the relevant DN Operator where so requested.

**34. Deemed Isolation**

**34.1** For the purposes of this paragraph **34** a “**Relevant Supply Meter Point**” is a Supply Meter Point at which the offtake of gas from the Total System:

- (a) ceases during a Relevant Period due to the temporary cessation of business activities at the consumer’s premises;
- (b) is reduced during a Relevant Period due to reduced business activities at the consumer’s premises such that expected quantity of gas to be offtaken at the Supply Meter Point on any Day in the Relevant Period is expected to be no greater than two point five per cent (2.5%) of the average quantity of gas offtaken (on the basis of seasonal normal demand) at the Supply Meter Point in the sixty (60) day period ending on the day prior to the commencement of the Relevant Period (“**de minimus quantity**”).

**34.2** A Relevant Supply Meter Point shall be deemed to be Isolated (with effect from the date referred to in paragraph **34.3**) where the Registered User submits a notification to the CDSP specifying:

- (a) the identity of the User;
- (b) the relevant Supply Point Registration Number and the Supply Meter Point Reference Number at the Supply Meter Point; and
- (c) evidence of the cessation or reduction in business activities at the consumer’s premises due to the impact of coronavirus.

**34.3** Subject to paragraph **34.4** within one (1) day of receipt of a notification which complies with paragraph **34.2** the CDSP will amend the Supply Point Register to set the status of the Supply Meter Point to ‘Isolated’ (notwithstanding that gas is capable of being offtaken (or is been offtaken in quantities no greater than the de minimus quantity)) from the Total System on any Day during a Relevant Period.

**34.4** Where the Relevant Supply Meter Point is a Shared Supply Meter Point the CDSP will not amend the Supply Point Register pursuant to paragraph **34.3** unless each Sharing Registered User submits a notification which complies with paragraph **34.2**.

**34.5** TPD Section G3.7 shall not apply in relation to a Relevant Supply Meter Point which is deemed to be Isolated in accordance with paragraph **34.3**, provided the Relevant Supply Meter Point shall cease to be deemed to be Isolated with effect from the earlier of:

- (a) the date on which the Transporter or the CDSP becomes aware that gas is being offtaken from the Total System at the Supply Meter Point in quantities which exceed the de minimus quantity;
- (b) the end of the Relevant Period.

**34.6** For as long as Relevant Supply Meter Point is deemed to be Isolated in accordance with paragraph **34.3**:

- (a) the Transporter will be deemed to have completed any Site Visit Appointment arranged in respect of premises at a Relevant Supply Meter Point for any date during a Relevant Period;

- (b) where relevant, the Relevant Supply Meter Point will not be treated as a Performance Relevant Supply Meter for the purposes of TPD Section M7 for any month falling in whole or in part in a Relevant Period;
- (c) the Transporter shall not be liable to the Registered User in respect of any failure to make gas available for offtake at the Relevant Supply Meter Point in accordance with TPD Section J3.5 during a Relevant Period.

*(Extract from 0723 legal text)*

#### **45. Reduced Charge**

**45.1** For the purposes of this paragraph **45** and paragraph **56**, “**Reduced Charge**” means:

- (a) in the case of a Class 1 Supply Point, a Class 1 Ratchet Charge equal to zero;
- (b) in the case of a Class 2 Supply Point, a Class 2 Ratchet Charge equal to zero;
- (c) in the case of an LDZ Connected System Exit Point, a LDZ CSEP Overrun Charge calculated in accordance with TPD Section B4.8.3 but on the basis of one times the Applicable Annual Rate of the LDZ Capacity Charge;

**45.2** Where Relevant Regulations are in place there occurs:

- (a) in relation to a Class 1 or Class 2 Supply Point a Supply Point Ratchet;
- (b) in relation to a LDZ Connected System Exit Point an overrun day,

the relevant Reduced Charge shall apply where the User can demonstrate the Supply Point Ratchet or (as the case may be) overrun day occurred due to a legitimate cause.

**45.3** For the purposes of paragraph **45.2** “**legitimate cause**” means:

- (a) in the case of a Supply Point:
  - (i) the commencement of a new business activity; or
  - (ii) an increase in the levels of an on-going business activity at the consumer's premises;
- (b) in the case of a LDZ Connected System Exit Point;
  - (i) the commencement of a new business activity; or
  - (ii) an increase in the levels of on-going business activity at consumers premises connected to the relevant Connected Offtake System;

provided the undertaking of such new or increased business activity is connected with mitigating the impacts of coronavirus in Great Britain.

**45.4** Where a Registered User believes the Supply Point Ratchet or (as the case may be) overrun day occurred due to a legitimate cause:

- (a) it shall promptly notify the DN Operator that in its opinion such occurrence was due to a legitimate cause;

(b) it shall submit to the DN Operator, no later than thirty (30) days after the date on which the Supply Point Ratchet or (as the case may be) overrun day occurred, evidence of which legitimate cause applied.

45.5 On receipt of the evidence referred to in paragraph 45.4(b) the DN Operator will confer with the CDSP and as soon as reasonably practicable thereafter notify the Registered User of whether or not it agrees the Supply Point Ratchet (or as the case may be) overrun day occurred due to the specified legitimate cause.

45.6 Where the DN Operator does not agree the Supply Point Ratchet (or as the case may be) overrun day occurred due to the specified legitimate cause the Registered User shall pay the Supply Point Ratchet Charge (calculated in accordance with TPD Section B4.7) or (as the case may be) the LDZ CSEP Overrun Charge (calculated in accordance with TPD Section B4.8.3).

*(Extract from 0724 legal text)*

## **56. Capacity Reduction**

56.1 Where in relation to a Class 1 or Class 2 Supply Point the relevant Reduced Charge applies in accordance with paragraph 45 and a Relevant Period:

- (a) ends during a Capacity Reduction Period and there is sufficient time remaining in such period for the submission and approval of a Capacity Revision Application, the Registered User shall promptly submit a Capacity Revision Application;
- (b) ends on a date which is not within a Capacity Reduction Period, or there is insufficient remaining in such period for the submission and approval of a Capacity Revision Application, the Registered User shall submit a Capacity Revision Application no later than thirty (30) days after the end of the Relevant Period

requesting a decrease in the Supply Point Capacity to an amount equal to the Supply Point Capacity held by the Registered User at the Supply Point on 23 March 2020.

56.2 A Capacity Revision Application submitted in accordance with paragraph 56.1 shall not be taken into account for the purposes of TPD Section G5.1.14(a).

## **Transporter Application:**

This application contains the Transporters' proposal to modify the Uniform Network Code for which they now seek the consent of the Authority.

Signed for and on behalf of the Transporter.

Signature:

Penny Garner

**Chief Executive Joint Office of Gas Transporters**

Date: 07 May 2020

**Gas and Electricity Markets Authority Response:**

In accordance with Standard Special Condition A11 'Network Code and the Uniform Network Code' of the Gas Transporters License, I hereby consent to the above modification to the Code

Signed for and on behalf of the Gas and Electricity Markets Authority.

Signature:

**Jacqui Russell**

**Head of Metering and Market Operations**

Date: 11 May 2020