

**Consultation Response**

# IGT141: Pipeline User submitted AQ Corrections during COVID-19

Responses invited by: 12/05/20

**Respondent Details**

Name: Paul Bedford

Organisation: Opus Energy Ltd

Support Implementation ☐

Qualified Support ☒

Neutral ☐

Do Not Support ☐

**Please briefly summarise the key reason(s) for your support / opposition**

We offer qualified support for this modification, on the basis that we support the intent of the proposed modification, but we believe it should apply equally to all non-domestic consumers and not just EUC code 2-9 meters. This may require an additional urgent modification to extend relief to non-domestic EUC code 1 meters.

We believe that the intent of the modification is to improve the accuracy and quality of the information in central systems that will enable shippers and others to manage the impact of demand fluctuations caused by the COVID 19 pandemic in a practical and proportionate manner. In doing so we agree that this measure should benefit customers by maintaining effective competition in the non-domestic market in accordance with relevant objective (d) and ensure that charges to customers proportionately reflect the impact of measures taken to comply with COVID 19 measures.

## Self-Governance Statement

**Do you agree with the Modification Panel's determination with respect to whether or not this should be a self-governance modification?**

Yes, we agree that this should not be a self-governance modification.

## Please state any new or additional issues that you believe should be considered

As outlined above, we believe that the change should also be applied to non-domestic EUC code 1 sites.

## Relevant Objectives

**How would implementation of this modification impact the relevant objectives?**

We believe that the intent of the modification is to improve the accuracy and quality of the information in central systems that will enable shippers and others to manage the impact of demand fluctuations caused by the COVID 19 pandemic in a practical and proportionate manner. In doing so we agree that this measure should benefit customers by maintaining effective competition in the non-domestic market in accordance with relevant objective (d) and ensure that charges to customers proportionately reflect the impact of measures taken to comply with COVID 19 measures.

## Impacts and Costs

**What development and ongoing costs would you face if this modification was implemented?**

As identified in the modification proposal, there are no immediate specific costs or IT system changes required to implement these changes. There may well be implications for Users to resource, record, implement and potentially adjust the relevant AQ once restrictions are lifted.

## Implementation

**What lead time would you wish to see prior to this modification being implemented, and why?**

Implementation could be swift including with the provisions being extended to non-domestic EUC code 1. This was not included in this modification as there is a perceived risk that the CDSP would not be able to manage larger volumes of change. We believe this risk could and should be managed by the CDSP and we would support Ofgem directing that the provisions of the modification should apply to all EUC codes, albeit recognising that may require an additional modification. The risk otherwise is that smaller non-domestic consumers may be disproportionately allocated UIG charges compared to larger non-domestic consumers, as shippers will not be able to appropriately reflect the changes in consumption for this EUC code. Moreover, this arbitrarily different approach to treatment across non-domestic consumers would distort competition in the non-domestic market, as it implicitly favours non-domestic shippers/suppliers with customer portfolios biased towards larger consuming customers (i.e. those above EUC Code 1).

We are conscious that there is a requirement for appropriate monitoring of this modification. We would also anticipate that Ofgem will expect that transporters and other industry parties develop appropriate restoration plans to reinstate normal industry arrangements that have been suspended or altered temporarily for the purposes of responding to COVID 19.

Finally, we are conscious that the development of this proposal has been rapid with little opportunity to analyse all potential consequential impacts that may need to be mitigated. For instance, there has not been opportunity to understand how the provisions would operate if parts of GB (e.g. geographic regions or specific industries) were still under COVID measures or COVID measures currently in force were lifted and then reinstated under the same powers.

## Legal Text

**Are you satisfied that the legal text will deliver the intent of the modification?**

Yes, as far as EUC code 2-9 is concerned. However, we believe that it should also include provision for Non-Domestic EUC code 1.

## Further Comments

**Is there anything further you wish to be taken into account?**

Yes. As outlined above, we believe that the change should also be applied to non-domestic EUC code 1 sites.

Responses should be submitted by email to [iGTUNC@gemserv.com](mailto:iGTUNC@gemserv.com)