

# High Level Cost estimate (HLC)

for

## UNC Modification 0516

Information provision by large Customers to aid understanding of site characteristics

This Cost Estimate is Xoserve's response to the High Level Cost Estimate request. The response is intended to support Networks involvement in the development of industry changes.

Should the request obtain approval for continuance then a Change Order must be raised for any further analysis / development.

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|--|----------------|
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**Change Driver / Origin:**

Gas Distribution Networks (GDN) require as much consumption information as possible, to allow them to plan for local and national gas deficit emergencies. In the event of a deficit emergency, gas consumers can be required to cease consumption at short notice, which may be more or less appropriate depending upon the site's particular processing requirements.

UNC Modification 0516 proposes the creation of a Site Characteristics Register, which will hold information pertinent to a particular site's preferred emergency procedures – for example a phased shut-down, or a specified notice period.

Should an emergency occur, the Transporters will give regard to the consumers on the Register, and seek to accommodate these requirements as much as possible.

While it is not presently specified by the Modification, workgroup discussions have suggested that the Transporters may wish to centralise the management of the Register, given the potential economies of scale which this could deliver.

**Options:**

Given the current change congestion associated with the UK Link Replacement Programme, an online solution is not possible at this moment. With this constraint in mind there are two potential offline options:

**Option 1: Supported Offline database.**

Pros.

1. Structured data.
2. Validation of data.
3. Easy output of data.

Cons

1. May be cost prohibitive as an option.
2. Long development timescales
3. Subsequent changes may be cost prohibitive.

Delivery in advance of UK Link Replacement would be subject to the resourcing pressures at the time, and the functionality is not included in day-one go live.

**Option 2: Offline simple list.**

Pros.

1. Quick and easy to develop and implement.
2. Development cost will not be prohibitive.
3. Easy to adapt and change as service develops.

Cons.

1. Manual process that may be labour intensive.
2. Greater risk of data corruption.
3. Limited validation.

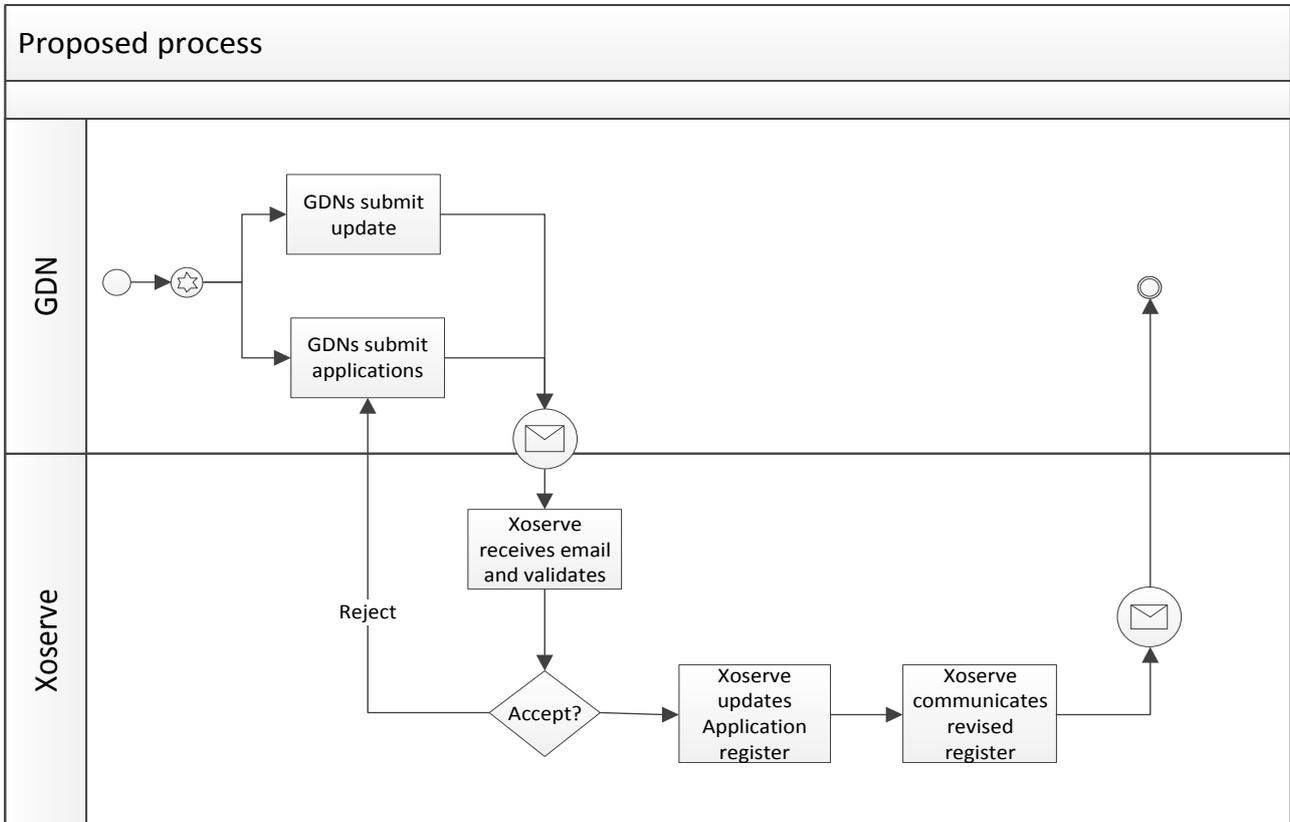
Delivery of an offline list would be subject to the resourcing pressures at the time of request, however it is likely that once delivered this functionality could persist and would not impact, nor be impacted by, the UK Link Replacement Programme.

**Potential Process:**

UNC Modification 0516 currently proposes an annual process in line with the gas year, whereby data held on the Register is purged on 30<sup>th</sup> September. Applications may be made at any point during the gas year, including an advance window between July and September of the previous gas year. All applications are subject to a 90 days' lead time – this is presently assumed to be business days. Updates to existing

information may be received throughout the year.

The potential process is based on the principle that GDNs will be the source of Applications and updates for Xoserve to populate the register and then communicate updates to the GDN.



For the above process flow, it is assumed that GDNs receive Applications directly. However, if required Xoserve could receive Applications and updates from Shippers directly. Either way the GDNs must have sight of the Application to decide whether the Application is acceptable.

**High Level Cost estimate & Timescales:**

*Note: High Level Cost estimate information is not based on any systems analysis and should be used with caution.*

High Level Cost estimates and timescale include EQR, BER, Development, User testing and Post implementation support.

|                | Up to £20k      | £20k to £100k   | £100k to £300k | £300k to £500k | £500k to £1m | £1m + |
|----------------|-----------------|-----------------|----------------|----------------|--------------|-------|
| Up to 3 months | <b>Option 2</b> |                 |                |                |              |       |
| 3 to 6 months  |                 | <b>Option 1</b> |                |                |              |       |
| 6 to 12 months |                 |                 |                |                |              |       |
| > 12 months    |                 |                 |                |                |              |       |

The ongoing costs to manage the service and maintain the list is probably between £15k and £30k per annum. This is dependent on manageable volumes; any significant increase in volumes would require additional resources.

*Note: durations are subject to Xoserve resources and priorities at the time that documents are received*

**Funding assumptions:**

1. This UNC Modification is not currently User Pays; this means that the service would be funded via the Xoserve cost base.

**Xoserve cost estimates not included:**

1. Any external or collaborative testing.

**Analysis****Assumptions:**

1. It is assumed that an offline solution is sought, with no central system involvement.
2. Validation would be manual and minimal – for example high level checks to ensure that all required information is provided.
3. The service would be for all GDNs.
4. This service is not applicable to directly connected sites to the NTS.
5. Only DM read sites are eligible and no NDM sites with Dataloggers will be accepted.
6. The solution assumes that Application communications would be via email.

**Concerns:**

1. Because gas deficits can happen 24 / 7 and 365 days a year, but Xoserve is a 9 to 5 business any changes to the list must be completed and updates submitted in a timely manner. There are currently no rules for how rapidly these updates must be made, however it has been suggested during workgroups that this could be on an ad hoc basis, triggered by an application or updated information being received. This may lead to frequent updates being received by the GDNs during peak application periods which may require a review of the process following the first year of operation.
2. Volumes are unknown at this stage, however an assumption is made that these are minimal. The service and potential solution may require review should volumes increase beyond a certain level.
3. This service has the potential of utilising 1 FTE, which will increase pressure on Xoserve resources at a time that resource pressure is already very high.
4. Because there are no guarantees for the End User, there may not be an appetite for the service.
5. Should the details in relation to an end consumer change, including any changes of Supplier, it is the responsibility of the associated Shipper to make an update to the Register. The accuracy of the information on the Register is entirely dependent upon the applications and updates made. Because the service is to be re-started annually, initial set up effort is repeated every year.
6. It is unknown if Curtailment is conducted at a district level, rather than Network level. District level information requirement may add additional effort and complication to the service.
7. It is unclear whether the administration of acceptance and response of the application will be performed by the Networks or Xoserve.

**Impacts on Xoserve:**

1. Additional resources are likely be required as a result of this service.