

Change Proposal

**UNC Modification 0619A
Protection from ratchet charges
for daily read customers with
an AQ of 73,200 kWh and below**

Mod Reference: 0619A

CDSP Reference:

Document Stage	Version	Date	Author	Status
ROM Request / Change Proposal	v01	07-11-17	Steve Ganney	Draft
ROM Response				
Change Management Committee Outcome				Choose an item.
EQR				Choose an item.
Change Management Committee Outcome				Choose an item.
BER				Choose an item.
Change Management Committee Outcome				Choose an item.
CCR				Choose an item.
Change Management Committee Outcome				Choose an item.

Document Purpose

This document is intended to provide a single view of a change as it moves through the change journey. The document is constructed in a way that enables each section to build upon the details entered in the preceding section. The level of detail is built up in an incremental manner as the project progresses.

The template is aligned to the Change Management Procedures, as defined in the CDSP Service Document. The template is designed to remove the need for duplication of information. Where information is required in one section but has been previously captured in a previous section, the previous section will be referenced.

The summary table on the front page shows the history and the current status of the Change Proposal.

Section	Title	Responsibility
1	Proposed Change	Proposer / Mod Panel
2	ROM Request / Change Proposal	Proposer / Mod Panel
3	ROM Request Rejection	CDSP
4	Rough Order of Magnitude (ROM) Analysis	CDSP
5	Change Proposal: Committee Outcome	Change Management Committee
6	EQR: Change Proposal Rejection	CDSP
7	Evaluation Quotation Report (EQR): Notification of delivery date	CDSP
8	Evaluation Quotation Report (EQR)	CDSP
9	Evaluation Quotation Report (EQR): Committee Outcome	Change Management Committee
10	Business Evaluation Report (BER)	CDSP
11	Business Evaluation Report (BER): Committee Outcome	Change Management Committee
12	Change Completion Report (CCR)	CDSP
13	Change Completion Report (CCR): Committee Outcome	Change Management Committee
14	Document Template Version History	CDSP
Appendix		
A1	Glossary of Key Terms	N/A

Section 1: Proposed Change

This Proposal section has been drafted on Joint Office's behalf by Xoserve and any views expressed in them are the Proposer's (and not Xoserve's).

Originator Details			
Drafted (on Behalf of Joint Office) By	Steve Ganney	Contact Number	0121 623 2075
		Email Address	steve.t.ganney@xoserve.com
Customer Representative	Hilary Chapman	Contact Number	07749983418
		Email Address	Hilary.Chapman@sgn.co.uk
Subject Matter Expert / Network Lead	Fraser Mathieson	Contact Number	07770730540
		Email Address	fraser.mathieson@sgn.co.uk
Customer Class	<input checked="" type="checkbox"/> Shipper <input type="checkbox"/> National Grid Transmission <input checked="" type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> IGT		

Overview of proposed change

Change Details

The proposal seeks to restrict the charging element of the DM ratchet regime to customers with an AQ of 73,200kWh or above, therefore offering protection from ratchet charges for customers under this threshold who opt to become DM.

To assess optimal scope and rules for the MOD, costs for the following requirements are requested...

Requirements core to MOD 0619A (for which a single cost is required)

Suppress Ratchet Charges: Enable the industry to maintain an applicable AQ threshold for suppressing ratchet charges and for SMPs below that threshold do not apply charges to any Ratchets

Capacity Reconciliation (CRC) charges: For SMPs below the threshold for applying Ratchet charges, and apply CRC charges to capacity increases due to a Ratchet that follows a capacity reduction in the same gas year.

Requirements potentially included in MOD 0619A (for which incremental costs are required)

1. **Add ECN charge type** to those included in Ratchet charges
2. **Equitable Recovery of Capacity Charges:** Enable the industry to maintain an applicable AQ threshold for Equitable Recovery of Capacity Charges and for SMPs below that threshold recover capacity charges (at M+2) for all days between the effective date of Ratcheted SOQ and the end of the relevant billing month (inclusive).
3. **Capacity Ratchet Capping:** Enable the industry to maintain an applicable AQ threshold for suppressing Ratchet capping and at SMPs with an AQ below that threshold do not cap capacity increased imposed via a Ratchet.

Assumptions:

To avoid the scenario where the capacity of a SMP has been capped following a ratchet and continues to offtake above that level but ratchet charges are not applicable it assumed that...

- The prevailing AQ for suppressing Ratchet Charges (in an LDZ) will not be higher than the prevailing AQ set for suppressing Ratchet Capping and
- The same threshold AQ values above will apply to DNO SMPs, IGT SMPs and CSO SMPs.

<p>The Proposer's Reason(s) for the proposed service change</p>	<p>Industry Developments:</p> <p>Project Nexus has recently introduced four new SMP classes which market participants can select if they wish to provide more granular consumption (read) data into central systems. Classes 1 and 2 are subject to the DM regime that includes Ratchets.</p> <p>The industry is rolling out Smart and Advanced metering across the entire market allowing Shippers, Suppliers and Customers ready access to more granular consumption information remotely, creating greater opportunities for Small SMPs to be classified as Class 2. As such these SMPs would be subject to the DM regime and would benefit from daily settlement, but would also be subject to Ratchet rules designed to apply to those SMPs that pose a significant risk to network management. It is widely agreed that it is not appropriate, nor the intention, for the full extent of the ratchet regime to apply to small consumers.</p> <p>However, it is important that the existing regime is retained for those SMPs which, if capacity and consumption are not actively managed, are considered to potentially create some risk to network management procedures.</p> <p>This proposal therefore seeks to exclude these customers from the charging elements of the regime. For the avoidance of doubt, it is the intention of this proposal that the re-setting of the Supply Offtake Quantity (SOQ) is maintained for all customers, including those below the threshold.</p> <p>Network Management Requirements:</p> <p>The forecasting of demand is a critical network management activity. Robust empirical modelling enables the accurate forecasting of consumption for the majority of consumers with an AQ of 73,200kWh and below and this modelling can be validated to a high level of surety as the consumption is predominantly based on weather conditions. Contrastingly, the consumption of large sites with an AQ of 73,200kWh and above is predominantly based on customer behaviour and the commercial goals of the site in question. Such consumption cannot be modelled in an economically feasible way by the Transporter and there is a reliance on the Shipper making "all appropriate enquires of the consumer" and exercising "reasonable skill and care" in estimating the maximum offtake rate in accordance with UNC TPD Section G 5.3.3.</p> <p>Uncertainty in forecasting rests in the DM market and in particular, in large DM sites. Therefore, obtaining appropriate market signals is essential as this directly affects the Transporter's ability to accurately forecast demand in the network.</p> <p>Standard Condition A16 of the Transporter Licence requires Transporters to ensure that adequate arrangements are in place to satisfy "the peak aggregate daily demand which is likely to be exceeded only in 1 year out of 20 years". The existing methodology for satisfying this licence condition has been developed and applied on the basis of the ratchets regime being in place.</p> <p>The booking of SOQs by Shippers is a key market indicator to inform Transporters of capacity requirements at any point in the network. This is especially important on single-fed lines such as those commonly seen on the Scottish distribution network.</p> <p>Occurrences of Ratchets:</p> <p>Data analysis (of ratchets on Scottish networks) suggests that the larger consuming sites continue to occasionally under-estimate their SOQs. Given that ratchets continue to occur at the level and frequency (as shown in the MOD), the proposer considers that it is appropriate to maintain the regime in relation to higher consuming sites, whilst offering protection to those smaller consuming sites which were not previously subject to the regime.</p>
<p>Status of related UNC Mod</p>	<p>At the time of writing this Change Proposal, the status of the Modification is "Allocated to Workgroup"</p>
<p>Full title of related UNC Mod</p>	<p>UNC Modification 0619A: Protection from ratchet charges for daily read customers with an AQ of 73,200 kWh and below</p>

Benefits of change	See proposer reasons above.
Required Change Implementation Date	No formal timescales are proposed for implementation; however we would encourage implementation as soon as reasonably practicable in order to protect any smaller consumers whom may already have elected to become DM.
Please provide an assessment of the priority of this change from the perspective of the industry.	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low Rationale for assessment:

Section 2: Initial Assessment / ROM Request / Change Proposal

Note: This ROM Request section has been drafted on Joint Office's behalf by Xoserve and any views expressed in them are the Proposer's (and not Xoserve's).

Service Level of Quote / Estimate Robustness Requested	Evaluation Services <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> ROM estimate for Analysis and Delivery CDSP Change Services <input type="checkbox"/> Firm Quote for Analysis <input type="checkbox"/> Firm Quote for both Analysis and Delivery
Has any initial assessment been performed in support of this change?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is this considered to be a Priority Service Change?	<input checked="" type="checkbox"/> Yes (Mod Related) <input type="checkbox"/> Yes (Legislation Change Related) <input type="checkbox"/> No
Is this change considered to relate to a 'restricted class' of customers?	<input checked="" type="checkbox"/> Yes (please mark the customer class(es) to whom this is restricted) <input type="checkbox"/> No ----- <input checked="" type="checkbox"/> Shippers <input type="checkbox"/> National Grid Transmission <input checked="" type="checkbox"/> Distribution Network Operators <input checked="" type="checkbox"/> IGTs
Is it anticipated that the change would have an adverse impact on customers of any other customer classes?	<input type="checkbox"/> Yes (please give details) <input checked="" type="checkbox"/> No
General Service Changes Only	
A) Customer view of impacted service area(s)	
Service Area 7. Note: The restricted classes indicated above are purely based on the finding default percentages for Service Area 7, and do not necessarily reflect the funding that may be agreed at The Change Management Committee.	
B) If the change is anticipated to require the creation of a new service area and service line please give further details stating proposed name of new service area and title of service line:	
NA	

Specific Service Changes Only: NA
Please detail the proposed methodology (or amendment to the existing methodology) for determining Specific Service Change Charges.
Please detail the proposed basis (that is, Charging Measure and Charging Period) for determining Specific Service Change Charges in respect of the Specific Service.
Impacts to UK-Link System or File Formats
Impacts UKL Manual Appendix 5b
Impacts to Gemini System
Please give any other relevant information.

Please send the document to the following:

Recipient	Email
Xoserve Portfolio Office	changeorders@xoserve.com
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 3: ROM Request Acceptance

Is there sufficient detail within the ROM Request to enable a ROM Analysis to be produced?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If no, please define the additional details that are required.	

If the ROM Request is not accepted. Please forward this document to the Portfolio Office for onward transmission to the Change Management Committee

Section 4: ROM Analysis

This ROM is Xoserve’s response to the above Evaluation Service Request. The response is intended to support customer involvement in the development of industry changes.
Should the request obtain approval for continuance then a Change Proposal must be raised for any further analysis / development.

Disclaimer:

This ROM Analysis has been prepared in good faith by Xoserve Limited but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to Xoserve at the time of its preparation. Xoserve accordingly makes no representations of accuracy or completeness and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

Where Xoserve becomes aware of any inaccuracies or omissions in, or updates required to, this Report it shall notify the Network Operators’ Representative as soon as reasonably practicable but Xoserve shall have no liability in respect of any such inaccuracy or omission and any such liability as may be implied by law or otherwise is expressly excluded.

This Report does not, and is not intended to; create any contractual or other legal obligation on Xoserve.

© 2017 Xoserve Ltd

All rights reserved.

ROM Analysis
Change Assessment
Change Impact:
Change Costs (implementation):
Change Costs (on-going):
Timescales:
Assumptions:
Dependencies:
Constraints:
Observations:



Please send the document to the following:

Recipient	Email
Xoserve Portfolio Office	changeorders@xoserve.com
Requesting Party	As specified in ROM Request

Section 5: Change Proposal: Committee Outcome

The Change Proposal is approved. An EQR is requested			
Approved Change Proposal version			
The change proposal shall not proceed			
The committee votes to postpone its decision on the Change Proposal until a later meeting		Date of later meeting	
The committee requires the proposer to make updates to the Change Proposal:			
Updates required:			

Section 6: Evaluation Quotation Report (EQR): Change Proposal Rejection

Change Proposal Rejection

	Yes		No	Is there sufficient detail within the Change Proposal to enable an EQR to be produced? If no, please provide further details below.
Further details required:				

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

**Section 7: Evaluation Quotation Report (EQR):
Notification of Delivery Date**

Notification of EQR Delivery Date	
Original EQR delivery date:	
Revised EQR delivery date:	
Rationale for revision of delivery date:	

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 8: Evaluation Quotation Report (EQR)

Project Manager		Contact Number	
		Email Address	
Project Lead		Contact Number	
		Email Address	

Please provide an indicative assessment of the impact of the proposed change on: <ul style="list-style-type: none"> i. CDSP Service Description ii. CDSP Systems 	
Approximate timescale for delivery of 'business evaluation report' (N.b this is from the date on which the EQR is approved.)	
Estimated cost of business evaluation report preparation This can be expressed as a range of costs i.e. 'at least £xx,xxx but probably not more than £xx,xxx'.	
Does the CDSP agree with the 'Restricted class change' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
Does the CDSP agree with the 'Adverse Impact' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
Does the CDSP agree with the 'Priority Service Change' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
General service changes	
Does the CDSP agree with the assessment made in the Change Proposal regarding impacted service areas? This should refer to whether the proposing party	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)

<p>considers the service change to relate to an existing service area or whether it constitutes a new service area.</p>	
<p>Specific service changes</p>	
<p>Does the CDSP agree with the proposal made in the Change Proposal regarding specific change charges?</p> <p>This should refer to the proposed methodology (or amendment to existing methodology) for determining the specific service charges and the proposed basis for determining the specific service change charges.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please give detail below)</p>
<p>Please provide a draft amendment of the Specific Service Change Charge Annex setting out the methodology for determining Specific Service Change Charges proposed in the Change Proposal</p>	
<p>EQR validity period:</p>	

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 9: Evaluation Quotation Report: Committee Outcome

The EQR is approved			
Approved EQR version			
The Change Proposal shall not proceed. The Change Proposal and this EQR shall lapse			
The committee votes to postpone its decision on the EQR until a later meeting		Date of later meeting	
The committee requires updates to the EQR:			
Updates required:			
General service changes only			
(The detail upon which the response will be based is originally defined in the change proposal and potentially commented upon in the subsequent EQR)			
1.) Does the committee agree with the assessment of the service area(s) to which the service line belongs and the weighting of the impact?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
2.) If no, please enter the agreed service area(s) and the weighting:			
Specific service changes only			
(The detail upon which the response will be based is originally defined in the Change Proposal and potentially commented upon in the subsequent EQR)			
1.) Please confirm the methodology for the determination of Specific Service Change charges			
2.) Please confirm the charging measure and charging period for the determination of Specific Service Change charges			

Section 10: Business Evaluation Report (BER)

Change Implementation Detail

1.) Detail changes required to the CDSP Service Description

2.) Detail modifications required to UK Link

3.) Detail changes required to appendix 5b of the UK Link Manual

4.) Detail impact on operating procedures and resources of the CDSP

5.) Implementation Plan

6.) Estimated implementation costs

6a.) How will the charging for the costs be allocated to different customer classes?
(General Service Changes only)

Please mark % against each customer class:

- | | |
|--|--|
| | National Grid Transmission |
| | Distribution Network Operators and IGT's |
| | DN Operator |
| | IGT's |
| | Shippers |

100%

7.) Estimated impact of the service change on service charges

8.) Please detail any pre-requisite activities that must be completed by the customer prior to receiving or being able to request the service.

Implementation Options

Please provide details on any alternative solution/implementation options:

This should include:

- (i) a description of each Implementation Option;
- (ii) the advantages and disadvantages of each option
- (iii) the CDSP preferred Implementation Option

Restricted Class Changes only Is there any change in the view of the CDSP on whether there would be an 'Adverse Impact' on customers outside the relevant customer class(es)?
<input type="checkbox"/> Yes (please give detail below) <input type="checkbox"/> No
Dependencies:
Constraints:
Benefits:
Impacts:
Risks:

Assumptions:

--

Information Security:

--

Out of scope:

--

Please provide any additional information relevant to the proposed service change:

--

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 11: Business Evaluation Report: Committee Outcome

The BER is approved and the change can proceed			
Modification Changes Only			
Please ensure that the Transporters are formally informed of the Target Implementation Date			
Approved BER version			
The change proposal shall not proceed and the BER shall lapse			
The committee votes to postpone its decision on the BER until a later meeting		Date of later meeting	
The committee requires updates to the BER:			
Updates required:			

Section 12: Change Completion Report (CCR)

Change Overview

Please include detail on the following for the chosen implementation option: modifications to UKLink, impact on operating procedures and resources of the CDSP.
 Actions required of the customer prior to the commencement date

Please detail any differences between the solution that was implemented and what was defined in the BER.

Detail the revised text of the CDSP Service Description reflecting the change that has been made

Were there any revisions to the text of the UK Link Manual?

- Yes (please insert the revised text of the UK Link manual below)
- No

Proposed
Commencement Date

Actual
Commencement Date

Please provide an explanation of any variance

Please detail the main lessons learned from the project

Service change costs

Approved Costs (£)	Actual Costs (£)
--------------------	------------------

Reasons for variance between approved and actual costs:

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	enquiries@gasgovernance.co.uk

Section 13: Change Completion Report: Committee Outcome

The implementation is complete and the CCR is approved		
Approved CCR version		
The committee votes to postpone its decision on the CCR until a later meeting		Date of later meeting:
The committee requires further information		
Further information required:		
The committee considers that the implementation is not complete		
Further action(s) required:		
The proposed changes to the CDSP Service Description or UK Link Manual are not correct		
Amendments to CDSP service description / UKLink manual required:		

Section 14: Document Template Version History

The purpose of this section is to keep a record of the changes to the overall version template and the individual sections within. It will be updated by the CDSP following approval of the template update by the Change Management Committee.

Version History:

Version	Status	Date	Author(s)	Summary of Changes
1.0	Approved		CDSP	Version Approved by Change Committee

--- END OF DOCUMENT ---

Appendix One: Glossary

Term	Definition
Adverse Impact	<p>A Service Change has or would have an Adverse Impact on Customers of a particular Customer Class if:</p> <p>(a) Implementing the Service Change would involve a modification of UK Link which would conflict with the provision of existing Services for which such Customer Class is a Relevant Customer Class;</p> <p>(b) the Service Change would involve the CDSP disclosing Confidential Information relating to such Customers to Customers of another Customer Class or to Third Parties;</p> <p>(c) Implementing the Service Change would conflict to a material extent with the Implementation of another Service Change (for which such Customer Class is a Relevant Customer Class) with an earlier Proposal Date and which remains Current, unless the Service Change is a Priority Service Change which (under the Priority Principles) takes priority over the other Proposed Service Change; or</p> <p>(d) Implementing the Service Change would have an Adverse Interface Impact for such Customers.</p>
General Service	A service provided under the DSC to Customers or Customers of a Customer Class on a uniform basis.
Non-Priority Service Change	A Service Change which is not a Priority Service Change
Priority Service Change	<p>A Modification Service Change;</p> <p>or</p> <p>A Service Change in respect of a Service which allows or facilitates compliance by a Customer or Customers with Law or with any document designated for the purposes of Section 173 of the Energy Act 2004 (including any such Law or document or change thereto which has been announced but not yet made).</p>
Relevant Customer class	A Customer Class is a Relevant Customer Class in relation to a Service or a Service Change where Service Charges made or to be made in respect of such Service, or the Service subject to such Service Change, are or will be payable by Customers of that Customer Class
Restricted Class Change	Where, in relation to a Service Change, not all Customer Classes are Relevant Customer Classes, the Service Change is a Restricted Class Change ;
Service Change	<p>A change to a Service provided under the DSC (not being an Additional Service), including:</p> <p>(i) the addition of a new Service or removal of an existing Service; and</p> <p>(ii) in the case of an existing Service, a change in any feature of the Service specified in the CDSP Service Description, and any related change to the CDSP Service Description</p>
Specific Service	A service (other than Additional Services) available under the DSC to all Customer or Customers of a Customer Class but provided to a particular Customer only upon the order of the Customer.