



Rough Order Magnitude (ROM) Request

| Section A: Change Details | |
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| Change Title | Modification 0734 - Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers |
| Will the Change impact the UNC (YES / NO) | Yes |
| MOD Reference (if raised) | Modification 0734 |
| Contact Details of Person Requesting the ROM | |
| Contact Name | Ellie Rogers (on behalf of DWG) |
| Contact Email | Ellie.rogers@xoserve.com |
| Contact Phone | +44 1212 292 185 |

Rough Order Magnitude (ROM) Response

Type of ROM Evaluation

ROM for Code-Modification

The intent of Modification 0734 is to introduce a new process to help ensure that valid confirmed theft data (Claims), received from Suppliers via the Retail Energy Code (REC), is appropriately reported into central systems. These Claims may be reversed via a Corrections which will follow the same process as a Claim but will just be for an opposite amount to a previous Claim.

It is expected that the volume of Theft Claims from RECCo would be in the order of 1,000 to 1,200 per month.

It seeks to place obligations on Shippers and the CDSP to ensure that valid confirmed theft of gas data received from Suppliers via the RECCo, are appropriately entered into central systems for the purposes of settlement and AQ processes.

It is worth noting that this MOD is likely to be approved and implemented prior to CMS Rebuild Project, this ROM contains an estimation for the interim process and heavily estimated CMS Rebuild TOG Specific costs.

The Proposed Change

(Xoserve's understanding of the Modification)

From a central system perspective, the Modification (and new process) will supersede the current process to manage Shipper raised theft.

At a high-level, the CDSP process will require the following:

- CDSP must receive a consolidated list of Supplier theft of gas Claims and Corrections from the Retail Energy Code Company (RECCo) on a monthly basis.
- CDSP must send the theft of gas Claims and Corrections to the Registered User (i.e. the Shipper(s) registered on UK Link for the period of the theft) and monitor any objections to the Claim or Correction from the Registered User within an agreed timeframe.
- CDSP will need to ensure in the absence of an objection from the Registered User to the theft of gas Claim or Correction that it is reflected in settlement. This could involve:
 - Aligning the theft period to the appropriate Meter Reads within UK Link (as per the current process)
 - Inserting a nil incrementing estimate Meter Read in the absence of an appropriate Meter Read to align the theft period to
 - Manually processing theft of gas Claims or Corrections into settlement if the above scenarios are not possible
- CDSP will need the ability to process a theft Correction which 'reverses' the position that a previous claim' put in place.
- The CDSP must notify RECCo and PAC of any Shipper objections to a Supplier theft of gas Claim or Corrections.

The ROM request seeks to understand the high-level indicative costs and timescales associated with implementing this Modification.

Xoserve and the industry understand that CMS is currently being rebuilt and it is expected that an enduring solution for this Modification should be delivered under the CMS rebuild.

In the absence of confirmed implementation dates for the CMS rebuild, within this ROM, we are requesting a view on the high-level indicative costs and timelines for the following:

- an enduring solution (CMS rebuild) for the marginal cost (if any) compared to the implementation in CMS of the existing ToG Process;
- alternative solution options (we expect that this would be as an interim solution pre-CMS rebuild, but may be deemed more cost effective to implement in a different manner on an enduring basis); and,
- In order to minimise instances where the CDSP needs to amend or align Theft Periods. We would propose that we assess making Meter Read information available to Suppliers / RECCo for sites which have a theft of gas claim or correction. This is not mandated by the Modification, but we believe a separate cost estimate to provide this service would be beneficial.

Change Impacts

General Impacts to Xoserve and External Parties:

- Manual work- Read validations, read loading to UKLink, RTB where necessary, updating REC with disputes from Shipper
- Additional resource
- Higher volumes
- Loading reads
- A need to scope and deliver additional reporting
- Higher volumes for Correla invoicing team
- Creation of new template to facilitate submission from REC

External Interface Impacts (Changes to Screens, Portals, Files, Permitted Values, etc.)

- Creation of a new template to facilitate the query (from REC)
- Templates sent back to REC

Impacts to Gemini System:

N/A

Impacts UKL Manual Appendix 5b:

N/A

DSC Service Areas Impacted:

Changes to existing DSC Service Lines could be required and / or new DSC Service Lines for the new process proposed under Modification 0734.

Costs and Timescales

Change Costs (implementation):

Interim Solution

The cost below relates to an interim solution which would be in place between the Modification implementation and the CMS Rebuild.

An Interim solution will cost at least **£135,000** for the initial 12 months, but probably not more than **£175,000** to implement.

Should the timeline exceed 12 months, the FTE cost each month will be approx. £6,000.

The cost of the interim solution involves updates to legacy CMS and additional resource to support the process.

Please note the above cost will be incurred where the industry stipulates an implementation date in advance of CMS Rebuild implementation. This cost will be in addition to CMS Rebuild costs if this option is selected.

CMS Rebuild Enduring Solution

The enduring solution proposed for Modification 0734 is to include the requirements for the change as part of the CMS Rebuild.

The CMS Rebuild programme is being progressed and ongoing commercial discussions with suppliers are underway. Based on this, we are unable to provide the estimate costs associated to the change.

Although the estimated costs cannot be disclosed at this stage, we can confirm that there are two proposed approaches for the way the CMS Rebuild programme, inclusive of the requirements under Modification 0734 can be funded:

1. DSC Investment funded

Under this option, the cost of implementing the CMS Rebuild, including Modification 0734 would be funded through DSC customer investment into the DSC Business Plan 2022.

2. DSC Subscription funded

Under this option, the cost of implementing the CMS Rebuild, including Modification 0734 would be funded by Correla and DSC customers would pay for an ongoing CMS subscription to Xoserve via existing DSC funding arrangements.

Please note, DSC customers will not be required to investment fund the CMS Rebuild implementation and pay for a subscription. It will be either investment funded by DSC customers via BP22 OR DSC customers will only pay for the subscription to CMS.

Change Costs (on-going):

We cannot currently estimate the ongoing change costs due to:

- A solution and provider for CMS Rebuild has not yet been selected
- Detailed Design has not yet commenced so therefore cannot specify the interfaces
- We assume MTB costs for the new CMS Rebuild would cover the storage and process for this Mod, however that will be identified during Detailed Design
- Whether there is an ongoing cost will be influenced by the funding approach agreed by the DSC Change Management Committee

Timescales:

For changes to legacy CMS to manage the interim solution, work must commence by December 2021 to ensure implementation for April 2022.

CMS Rebuild delivery timescales are still to be confirmed based on the above-mentioned caveats. The CMS Rebuild delivery timescales will determine the implementation of the Modification 0734 enduring solution AND the period of operation of the interim solution.

Please note a DSC Change Proposal has been raised (XRN5236) to deliver the system solutions required under Modification 0734.

Assumptions:

- Sufficient resource trained and available in readiness for April 2022.
- Support for internal and external training
- Report requirements can be met from existing data available in business warehouse solution
- Confirmation that an enduring solution will be available through CMS rebuild and implemented as part of this programme

Dependencies:

- REC and Shipper support with the interim solution
Tech Ops support to build/test and reporting requirements

Constraints:

- Resource required to support the process is not available

Observations:

n/a