

**DSC Change Proposal**

**Change Reference Number: XRN4665**

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| **Change Title** | Creation of new End User Categories |
| **Date Raised** | 01/05/2018 |
| **Sponsor Organisation** | E.ON (on behalf of DESC) |
| **Sponsor Name** | Kirsty Dudley |
| **Sponsor Contact Details** | 07816 172 645 |
| **Xoserve Contact Name** | Fiona Cottam |
| **Xoserve Contact Details** |  |
| **Change Status** | Proposal / With DSG / **Out for Consultation** / Voting / Approved or Rejected |
| **Section 1: Impacted Parties** | |
| **Customer Class(es)** | ☑ Shipper  ☐ National Grid Transmission  ☑ Distribution Network Operator  ☑ iGT |
| **[Section 2: Proposer Requirements / Final (redlined) Change](C:\\Users\\Rebecca.perkins\\AppData\\Local\\Microsoft\\Windows\\Temporary Internet Files\\Content.Outlook\\EXD06YFG\\Change_Proposal_Template v2.0.docx" \o "WHAT – What is the required change? WHY – Why is the change needed? WHEN – Detail when the solution should be started/implemented.  )** | |
| The Demand Estimation Sub-Committee (DESC) have the ability to review and create new End User Categories (EUCs) through the annual review they complete, without the need for a modification. Although the new EUCs are referenced within 0644 (which is still in development) the new EUCs have been approved by DESC (Nov 2018 meeting) but require this XRN to implement them.  This links to the ROM scoped for 0644 - XRN4616 (document from 0644 meeting 01/04/2018)    The creation of new EUC profiles bands within 01 and 02 bands rather than splitting 01 / 02 EUC bands.  Proposed new EUC Profiles for SMPs with a Rolling AQ in the AQ range for EUC Band EUC01:   * xx:Eyy01ND assigned to Non-Prepayment Domestic Supply Meter Points * xx:Eyy01PD assigned to Prepayment Domestic Supply Meter Points * xx:Eyy01NI assigned to Non-Prepayment I&C” Supply Meter Points * xx:Eyy01PI assigned to Prepayment I&C” Supply Meter Points   Proposed new EUC Profiles for SMPs with a Rolling AQ in the AQ range for EUC Band EUC02:   * xx:Eyy02ND assigned to Non-Prepayment Domestic Supply Meter Points * xx:Eyy02PD assigned to Prepayment Domestic Supply Meter Points * xx:Eyy02NI assigned to Non-Prepayment I&C” Supply Meter Points * xx:Eyy02PI assigned to Prepayment I&C” Supply Meter Points   The current UIG issues would benefit from the introduction of the new EUCs ASAP, however, the delivery solution and complexity may differ depending on the implementation date chosen – the two options we propose are:  Option 1 – Delivery ASAP – reduced implementation to meet 2018 gas year or a date which can be met  Option 2 – Delivery at the start of the gas year (2019)  Our preferred option is Option 1 with the new EUCs implemented at the end of Sept 2018 to coincide with the gas year. With the current issues with UIG it would be beneficial for this to be implemented with an expediated timescale which accepts a shortened implementation window (less than 6 months). | |
| **Proposed Release** | **Option 1 – ASAP – adhoc date**  **Option 2 – Start of the gas year 2019** |
| **Proposed IA Period** | **10WD** |
| **[Section 3: Benefits and Justification](C:\\Users\\Rebecca.perkins\\AppData\\Local\\Microsoft\\Windows\\Temporary Internet Files\\Content.Outlook\\EXD06YFG\\Change_Proposal_Template v2.0.docx" \o "Benefit Description: What, if any, are the intangible and tangible benefits of the change?Benefit Realisation:When are the benefits of the change likely to be realised? Benefit Dependencies:Detail any dependencies that are outside the scope.)** | |
| DESC has always had the ability to create new EUCs it has not be an option progressed until now. The recent DESC discussions for modification 0644 has identified that the EUCs are hard coded so the flexibility allowed in code to create new EUCs is not within the system coding, this has stopping DESC from just implementing the new EUCs which code permits.  The benefit of making this change would be the improvements to NDM Nominations and NDM Allocations because the profiled consumption would be closer to actual consumer consumption so UIG would be less volatile resulting in reduced UIG and less Reconciliation at a later date.  These changes would be a cost effective approach, as it would impact both Nominations ahead of and on the day, making Energy purchasing less volatile for all Shippers.  Although the creation of the new EUCs would see benefits mainly for Shippers, the creation of new EUCs could also have an impact on Transporters and IGTs. | |
| **Section 4: Delivery Sub-Group (DSG) Recommendations** | |
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| **DSG Recommendation** | Approve / Reject / Defer |
| **DSG Recommended Release** | Release X: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY |
| **Section 5: DSC Consultation** | |
| **Issued** | **Yes** |
| **Date(s) Issued** | 11th May 2018 |
| **Comms Ref(s)** | 1946.3 (responses issued in Comm ref 1961) |
| **Number of Responses** | 6 |
| **Section 6: Funding** | |
| **Funding Classes** | **X** Shipper 50 % = £XXXX.XX  ☐ National Grid Transmission XX% = £XXXX.XX  **X** Distribution Network Operator 50 % = £XXXX.XX  ☐ iGT XX% = £XXXX.XX  TOTAL = £XXXX.XX |
| **Service Line(s)** | Service area 15 |
| **ROM or funding details** |  |
| **Funding Comments** |  |
| **Section 7: DSC Voting Outcome** | |
| **Solution Voting** | ☐ Shipper Approve / Reject / NA / Abstain  ☐ National Grid Transmission Approve / Reject / NA / Abstain  ☐ Distribution Network Operator Approve / Reject / NA / Abstain  ☐ iGT Approve / Reject / NA / Abstain |
| **Meeting Date** | XX/XX/XXXX |
| **Release Date** | Release X: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY or NA |
| **Overall Outcome** | Approved for Release X / Rejected |

**Please send the completed forms to:** [**.box.xoserve.portfoliooffice@xoserve.com**](mailto:.box.xoserve.portfoliooffice@xoserve.com)

**Consultation Responses**

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Craig Nielson |
| **User Contact** | [Craig.nielson@cadentgas.com](mailto:Craig.nielson@cadentgas.com) 07827 929678 |
| **Representation Status** | Approve |
| **Representation Publication** | Publish |
| **Representation** | * Sub categorisation of EUC codes should have limited direct consequence to our **price setting** processes because the main interface with Xoserve for this is via the BOPRI, Sch 606 (CSEP) and GENINF (unique sites report) reports. However, given recent experiences with report stability following Nexus implementation, we required assurance that the downstream consequences of amending EUC codes on these reports have been duly considered so that we can be confident of the integrity of Formula Year AQ and SOQ data, when ‘snapshot’ positions are taken in early December. The risk is that data integrity issues could infect unit price calculations, resulting in incorrect volume assumptions being taken, with the potential to create revenue over / under collection issues. If implementation is sought in time for commencement of a gas year, then this should allow a sufficient window for Xoserve to provide such assurance ahead of December data extracts. * EUC codes are used in the derivation of SOQ from AQs for NDM sites. The proposals read that any changes would be implemented for the next available gas year, which is logical. This should mean that there is no within-formula-year change to chargeable SOQs, and instead, for charging / billing purposes, the change would be effective for formula year AQs and SOQs from the following 1st April. We request that Xoserve confirm that there would be no impact to current formula year billing stability as a result of this change for the avoidance of doubt. * We would like to note the following areas of indirect impact of changes to EUC codes, with associated process development timescales:   + Gas Transportation Charge Calculator: uses EUC code information to derive SOQs from AQs, and would need 2 months for reengineering and testing   + Economic Test Model: uses EUC code information in a similar way to the charge calculator, but is possibly more difficult to implement given the nature of the existing models, so should allow 3 months development time. This is a higher risk area, as could impact the level of customer funded connection costs.   + GDN Domestic Bill calculation: traditionally we have used EUC code EXX01B as a proxy for the “domestic” class. The proposal will distinguish between domestic and non-domestic within EXX01B and EXX02B. Improved definition of domestic usage is clearly a positive factor, but GDNs will need to consider for the purposes of domestic bill calculations as included in our quarterly revenue reports, and referenced in our regulatory reporting. |
| **Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor release as proposed? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)**  We would support implementation through a minor release but as noted in the main consultation above, would require 3 months to implement. | |
| **As currently drafted the Change Proposal impacts on service area 15. The funding for this area is 50% Shipper funding, 50% DNs. Do you agree with the principles of this funding?**  Our view is that whilst DNs have an interest in this, Shippers are the beneficiaries so suggest funding should reflect this; 100% Shipper funded? | |
| **Target Release Date** | Confirmation of release date or comments for an alternate release date |

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Shanna Key |
| **User Contact** | [SKey@northerngas.co.uk](mailto:SKey@northerngas.co.uk) 07779 416 216 |
| **Representation Status** | Approve |
| **Representation Publication** | Publish |
| **Representation** | Thank you for the opportunity to provide representation on the above noted Change Proposal. Please find below Northern Gas Network’s (NGN) comments in respect of this change.  **Impact and costs:**  The amendment of EUC bands 01 and 02 to introduce new profiles within each would impact multiple files and reports which NGN receive and send, and therefore could result in changes being required to multiple systems and processes. These changes could require multiple months to develop, test and implement.  NGN is likely to incur costs and extra workload to deliver these changes for a proposal which is of no benefit to Transporters. So as Shippers would be the beneficiary of this change, we believe this should be 100% Shipper funded.  **Implementation:**  Due to the volume of changes required to systems and processes and the development time which would be required, NGN would prefer delivery option 2 with implementation at the start of the 2019 gas year. |

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Eleanor Laurence |
| **User Contact** | Eleanor.Laurence@edfenergy.com / 07875 117771 |
| **Representation Status** | Accept |
| **Representation Publication** | Publish |
| **Representation** | This change should require minimal system amendments and given views we would support doing this outside usual major release timelines. |
| **Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor release as proposed? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)**  We would require a 3 months’ notice period for this change. It should therefore be practical for us to have these changes in place by end of September 2018. Usually we would not want to make changes outside standard release schedules. With regard to this change this does need to be done on an alternate timeline and from our perspective do feel a change for next gas year is possible. | |
| **As currently drafted the Change Proposal impacts on service area 15. The funding for this area is 50% Shipper funding, 50% DNs. Do you agree with the principles of this funding?**  We have no strong views on funding for this change. | |
| **Target Release Date** | Provided a decision is made with no issues to be resolved then we would support option 1 but would want date to be defined in line with our response and not as an as soon as possible date. |

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Andrew Green / Louise Hellyer |
| **User Contact** | Andrew Green [Andrew.green@totalgp.com](mailto:Andrew.green@totalgp.com)  01737 275 554 |
| **Representation Status** | Approve |
| **Representation Publication** | Publish |
| **Representation** | We are in support of generating new EUC codes within AQ bands 1 & 2. Analysis to date shows that there is a significant difference between the consumption profiles of commercial sites and domestic sites not currently reflected in the profiles allocated. The evidence of the difference on prepayment meter has been demonstrated within Modifications. We believe that having more accurate profiles for sites will give a better view of UIG and with the proposed approach can see no issue as no degradation on profiles should occur. We believe that this would make an incremental improvement and will not resolve the wider issue in its entirety. It will be important to ensure that sample numbers are kept high to get the best profiles possible but with industry support and other Modifications in progress this should be achievable. |
| **Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor release as proposed? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)**  Yes we would be happy that the release go into a minor release, from our side there are no issues with that. We would only expect that the CDSP is happy that the release is adequate. | |
| **As currently drafted the Change Proposal impacts on service area 15. The funding for this area is 50% Shipper funding, 50% DNs. Do you agree with the principles of this funding?**  We are disappointed that the functionality is not already available in the systems but understand the situation we are in requires for the change to be paid for by all affected. We are therefore happy with the funding proposal. | |
| **Target Release Date** | Confirmation of release date or comments for an alternate release date |

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Kirsty Dudley |
| **User Contact** | [Kirsty.Dudley@eonenergy.com](mailto:Kirsty.Dudley@eonenergy.com) |
| **Representation Status** | Approve |
| **Representation Publication** | Publish |
| **Representation** | We support the implementation of this change as developed within the ROM – this has been discussed at the 0644 workgroup and is recognised as a root cause fix towards some of the UIG issues. Currently the modification is awaiting the final report and Authority decision but the creation of the new EUCs have been approved by DESC (as per their allowable remit) and these should be implemented without the need for the modification decision. |
| **Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor release as proposed? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)**  For changes like this we would normally seek for a 6 month implementation window, however, due to the nature of the UIG issue and the fact the optimum implementation is the beginning of the gas year we would prefer for the implementation to be introduced as of the 2018 gas year rather than 2019.  We consider this an urgent issue and are willing to expedite our internal delivery timescales to implement this ASAP to see the benefits of this solution sooner rather than later. | |
| **As currently drafted the Change Proposal impacts on service area 15. The funding for this area is 50% Shipper funding, 50% DNs. Do you agree with the principles of this funding?**  We support the charging line splits. | |
| **Target Release Date** | Before 2018 gas year commencement |

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| **Change Representation (to be completed by User and returned for response)** | |
| **User Name** | Maitrayee Bhowmick-Jewkes |
| **User Contact** | Maitrayee.Bhowmick-Jewkes@npower.com |
| **Representation Status** | None |
| **Representation Publication** | Publish |
| **Representation** | Npower recognises the potential benefits in finessing EUC bands via mod644 and as such supports this change in a general sense. We feel the impact of having a ‘split year’ hasn’t yet been fully explored and as such are unable to comment specifically about when the change should be delivered. Timescales to deliver this in line with the existing industry release of EUCs seem very tight, especially when balanced against the potential impact on UiG, where a rushed delivery might risk having the opposite impact than is intended. |
| **Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor release as proposed? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)**  We support the delivery of this change within a minor release, if the benefits of doing so are proven and agreed via mod644. Keeping the proposed changes in line with BAU timescales for the delivery of new EUCs would avoid having a ‘split’ year. Also, it would be desirable for the potential (positive) impact on UiG to be felt in the market quickly. However, the impact of changes to EUCs on UiG needs to further explored via 644 workgroup and DESC, with analysis based on an extensive sample size. | |
| **As currently drafted the Change Proposal impacts on service area 15. The funding for this area is 50% Shipper funding, 50% DNs. Do you agree with the principles of this funding?**  Yes | |
| **Target Release Date** | Confirmation of release date or comments for an alternate release date |

**Appendix 1**

**Change Prioritisation Variables**

Xoserve uses the following variables set for each and every change within the Xoserve Change Register, to derive the indicative benefit prioritisation score, which will be used in conjunction with the perceived delivery effort to aid conversations at the DSC ChMC and DSC Delivery Sub Groups to prioritise changes into all future minor and major releases.

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| **Change Driver Type** | CMA Order  MOD / Ofgem  EU Legislation  License Condition  BEIS  ChMC endorsed Change Proposal  SPAA Change Proposal  Additional or 3rd Party Service Request  Other*(please provide details below)* |
| **Please select the customer group(s) who would be impacted if the change is not delivered** | Shipper Impact iGT Impact Network Impact Xoserve Impact National Grid Transmission Impact |
| **Associated Change reference Number(s)** |  |
| **Associated MOD Number(s)** |  |
| **Perceived delivery effort** | 0 – 30  30 – 60  60 – 100  100+ days |
| **Does the project involve the processing of personal data?**  *‘Any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier’ – includes MPRNS.* | Yes *(If yes please answer the next question)*  No |
| **A Data Protection Impact Assessment (DPIA) will be required if the delivery of the change involves the processing of personal data in any of the following scenarios:** | New technology  Vulnerable customer data  Theft of Gas  Mass data  Xoserve employee data  Fundamental changes to Xoserve business  Other*(please provide details below)*  *(If any of the above boxes have been selected then please contact The Data Protection Officer (Sally Hall) to complete the DPIA.* |
| **Change Beneficiary**  *How many market participant or segments stand to benefit from the introduction of the change?* | Multiple Market Participants  Multiple Market Group  All industry UK Gas Market participants  Xoserve Only  One Market Group  One Market Participant |
| **Primary Impacted DSC Service Area** | Service Area 15: Demand Estimation |
| **Number of Service Areas Impacted** | All  Five to Twenty  Two to Five  One |
| **Change Improvement Scale?**  *How much work would be reduced for the customer if the change is implemented?* | High  Medium  Low |
| **Are any of the following at risk if the change is not delivered?** | |
| Safety of Supply at risk Customer(s) incurring financial loss  Customer Switching at risk | |
| **Are any of the following required if the change is delivered?** | |
| Customer System Changes Required  Customer Testing Likely Required  Customer Training Required | |
| **Known Impact to Systems / Processes** | |
| **Primary Application impacted** | BW  ISU  CMS  AMT  EFT  IX  Gemini  Birst  Other *(please provide details below)* |
| **Business Process Impact** | AQ SPA RGMA  Reads Portal Invoicing  ☐ Other *(please provide details below)* |
| **Are there any known impacts to external services and/or systems as a result of delivery of this change?** | Yes *(please provide details below)*  No |
| **Please select customer group(s) who would be impacted if the change is not delivered.** | Shipper impact  Network impact  iGT impact  Xoserve impact  National Grid Transmission Impact |
| **Workaround currently in operation?** | |
| **Is there a Workaround in operation?** | Yes  No |
| **If yes who is accountable for the workaround?** | Xoserve  External Customer  Both Xoserve and External Customer |
| **What is the Frequency of the workaround?** |  |
| **What is the lifespan for the workaround?** |  |
| **What is the number of resource effort hours required to service workaround?** |  |
| **What is the Complexity of the workaround?** | Low *(easy, repetitive, quick task, very little risk of human error)*  Medium *(moderate difficult, requires some form of offline calculation, possible risk of human error in determining outcome)*  High *(complicate task, time consuming, requires specialist resources, high risk of human error in determining outcome)* |
| **Change Prioritisation Score** |  |

**Document Control**

**Version History**

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| --- | --- | --- | --- | --- |
| **Version** | **Status** | **Date** | **Author(s)** | **Summary of Changes** |
| 1 | Draft | 27/04/18 | Anesu Chivenga |  |