

High Level Cost estimate (HLC)

for

Mod 486 – IGT Pre-Payment Profile

This Cost Estimate is Xoserve's response to the above Evaluation Service 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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Change Driver / Origin:

UNC Modification 0451AV – ‘Individual Settlement for Smart and Pre-Payment Meters’ creates a mechanism whereby an adjusted charge of energy and transportation commodity is raised in relation to Prepayment and Smart Prepayment Meters. This will be based on an estimated energy usage profile for Prepayment meters, which at present suggests a flatter profile compared to Credit Meters (EUC1).

An equivalent change, iGT054 - ‘Alternative Profile for Pre-Payment Meters’ has been raised in relation to the Independent Gas Transporters’ Network Code.

UNC Modification 0486 - ‘Use of the Pre-Payment Profile for IGTs’ has been raised to create the relevant obligations within Uniform Network Code for the adjusted charges associated with transportation of this gas on the Large Transporter Network to be raised.

Scope:

UNC Modification 0486 is dependent upon iGT054 creating the obligations to pass the data to the Large Transporters. UNC Modification 0486 is currently under development, while iGT054 has been submitted to the IGT Panel, and therefore both are at present subject to a decision regarding implementation.

The estimates discussed below are with reference to implementation of UNC Modification 0486 for the reconciliation of gas transported on the Large Transporter Networks.

Options:

UNC Modification 0451AV has been implemented as of 1st February 2014.

As both UNC Modification 0451A and 486 require similar processes, there is the option to develop the solutions in isolation or as a combined delivery (Option 1) or as an independent delivery (Option 2).

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.

Option 1 – 486 (combined delivery with 451AV)

Option 2 – 486 undertaken as an independent implementation.

	Up to £20k	£20k to £100k	£100k to £300k	£300k to £500k	£500k to £1m	£1m +
Up to 3 months						
3 to 6 months		Option 1	Option 2			
6 to 12 months						
> 12 months						

Note: durations are subject to Xoserve resources being available and priorities at the time that direction is received

Option 1 implementation costs are expected to be £30k - £50k.

Option 2 implementation costs are expected to be £150k - £250k.

Ongoing marginal costs for implementation of 486 are not expected to exceed £2,500 per month regardless of the implementation option (i.e. implementation of Mod 486 in isolation or as part of a combined delivery with 451AV solution). For the avoidance of doubt these costs are in addition to any operational costs described in Modification 451AV.

Funding assumptions:

UNC Modification 0486 is a User Pays service.

Xoserve cost estimates not included:

The cost estimate includes solution delivery and Xoserve resources to support delivery. No other costs are expected.

Analysis:**Assumptions:**

- Modifications iGT054 and 0486 will be implemented as per the current scope.
- Estimates for combined delivery are subject to Modifications 0451AV and 0468 being implemented upon an agreed, combined, timeline.

Concerns:

There is a risk that delay in receipt of implementation decision of UNC Modification 486 may impact implementation of the solution of 451AV. Direction is requested from the Distribution Workgroup about the implementation approach at the earliest opportunity so Xoserve can schedule resources accordingly.

Impacts on Xoserve:

Early confirmation of preferred delivery approach is requested to allocate resources.

Impacts on Networks:

None identified.

Other Impacts:

If Xoserve are requested to implement as a bundled implementation there is a risk that the backlog period (from February 2014 to first invoice issue will be extended) multiple invoices will be received by Users once implemented.