

## Modification Mod 451 Individual Settlements For Pre-Payment and Smart Meters

Xoserve's initial assessment of the high level cost and timescale estimate (as developed under Mod 334 Post Implementation Review of System Funding and Governance Arrangements) for Modification 451 places it in the 12+ months development time and a cost estimate in excess of £1m.

|      |                    |                |                 |                |      |
|------|--------------------|----------------|-----------------|----------------|------|
| Time | 12 months +        |                |                 |                | X    |
|      | 6 – 12 months      |                |                 |                |      |
|      | Less than 6 months |                |                 |                |      |
|      |                    | Up to<br>£100K | £100 -<br>£500K | £500k -<br>£1m | £1M+ |
|      | Cost               |                |                 |                |      |

This assessment is made against the modification as at 12<sup>th</sup> April 2013. Any changes to the modification may impact the cost estimate provided.

No assessment has been made with regards to any impacts between this modification and the UK Link Replacement Programme and the associated industry requirements specified in the business requirements documents

<http://www.gasgovernance.co.uk/nexus/brd>

Xoserve has considered the ROM provided for Modification 270 Aggregated Monthly Reconciliation for Smart Meters:

<http://www.gasgovernance.co.uk/sites/default/files/Mod%20270%20ROM%20for%20publication.pdf>

The ROM costs for modification 270 are copied below:

“Estimated Costs:

The solution will cost at least £690k, but probably not more than £900k

Ongoing Application Support will cost at least £32k, but probably not more than £42k per year

Additional ongoing operational support will cost at least £64k, but probably not more than £101k per year

The quoted costs are only for the known functional changes to implement the stated business rules.

Costs for as yet unidentified or unconfirmed performance changes have not been included as additional changes can only be identified, confirmed and costed via detailed analysis and the production of a DCA.”

Xoserve would like to draw attention to fact that within Modification 270 Xoserve was unable to cost the system performance implications (system capacity and impact on the daily scheduled batch routines) without incurring external costs. The same issue will present itself for modification 451 and therefore this has been taken into account in selecting the £1m+ category.

It should be noted that the modification contains a retrospective element (this was not in modification 270) that significantly complicates the business rules, system design and hence costs.

It should also be noted that timescales for development do not include the time for the development of the business rules at the Modification Workgroup. The modification does not contain sufficiently detailed business rules to enable Xoserve to commence

analysis and design work, or at this stage, to provide a Rough Order of Magnitude assessment.