



Rough Order Magnitude (ROM) Request

Change Reference Number: XRN5277

Please send completed form to: <mailto:box.xoserve.portfoliooffice@xoserve.com>

Section A: Change Details	
Change Title	Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP
Will the Change impact the UNC (YES / NO)	YES
MOD Reference (if raised)	Modification 0737: Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP. https://www.gasgovernance.co.uk/0737
Contact Details of Person Requesting the ROM	
Contact Name	Rebecca Hailes
Contact Email	Rebecca.hailes@gasgovernance.co.uk
Contact Phone	0121 2882107 / 07976033011
Section B: Xoserve Acknowledgement and Business Analyst Contact Details	
<i>(Xoserve CIO Office will add)</i>	
ROM Received Date	12 th November 2020
ROM Response date	30 th November 2020 (version 1) 11 th December 2020 (version 2)
Business Analyst Name	Hannah Reddy
Business Analyst Email	Hannah.reddy@xoserve.com
Business Analyst Phone	0121 229 2226

Rough Order Magnitude (ROM) Response

Type of ROM Evaluation
<i>Delete to leave which of the following that is applicable...</i> <i>ROM for Code-Modification</i>
The Proposed Change (Xoserve' s understanding of the Modification)
<p>Xoserve' s understanding is:</p> <ol style="list-style-type: none">1. An entry point will be regarded as capacity abandoned where all entry capacity holdings at the entry point is offered up for transfer to an alternative entry point.2. All entry capacity bookings at the donor entry point must be offered for transfer within a designated transfer window. Where there are multiple Users with capacity bookings at the capacity abandoned ASEP, each User may request a transfer to alternative entry points. The Bacton IP ASEP is excluded from qualifying as a nominated recipient ASEP.3. The requested transfers will be subject to an Exchange Rate, calculated by National Grid and a transfer will only be permitted where the Exchange Rate does not exceed 3:1, with a minimum Rate of 1:1.4. A transfer will only be completed where there is sufficient unsold capacity at the donor ASEP to accommodate the transfer volume5. Costs would be incurred to all the shippers where transferred capacity displaces capacity at recipient ASEP which may have otherwise been sold at the prevailing entry capacity rate <p>A ROM response was provided based on a fully systemised solution. Subsequent discussions highlighted that a combination of an offline and system solution would be sufficient given the expected low frequency of the process. Therefore Xoserve has provided a response for two options:</p> <ol style="list-style-type: none">1. Fully systemised solution with users registering their transfer requests online2. Offline registration process with transfers only being registered on Gemini in the event they are accepted.
Change Impacts
<p>General Impacts to Xoserve and External Parties:</p> <ol style="list-style-type: none">1. The Entry capacity bookings at an ASEP are maintained and paid for without any prospect of gas being flowed and these ASEPs are classified as "capacity abandoned ASEPs".2. Process to transfer/trade the unused capacity bookings between the ASEPs by shippers and the transfer will be complete when the below criteria is met,<ol style="list-style-type: none">a. All entry capacity bookings (User's Fully Adjusted Available NTS Entry Capacity) by all Users held at the Donor Entry Point are subject to a transfer request.

- b. Exchange Rate is between 1:1 and 3:1 (calculated by National Grid)
 - c. Unsold capacity is available at the donor ASEP to accommodate the transfer volume
 - d. Obligated entry capacity is sold at the recipient ASEP.
3. The Bacton IP is excluded from the recipient ASEPs
 4. Charges will be generated to all the shippers where the transferred capacity results in displacing the capacity at recipient ASEP

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

1. Impacts to shipper
 - a. External report to view the captured/processed transfer requests at ASEPs
 - b. Existing Entitlement API
 - c. New API's to Create/View transfers (depending on selected option)
2. Impacts to NG and NGIT systems
 - a. UK Link
 - i. Pass through of new charge types
 - b. GCS Talend
 - i. New tables may be required to be shared
 - c. MIPI

Impacts to Gemini System:

Option 1 - Fully systemised solution with users registering their transfer requests online

New Functionalities:

1. New parameterised functionalities to setup, accept and process the transfer requests
 - a. Setup Parameters such as earliest transfer data, transfer request window, transfer process window, Quantity Holder Transfer priority rule etc
 - b. Capture transfer requests within the predefined window
 - c. Verify and accept the valid transfers based on business rules such as
 - i. All entry capacity bookings (User's Fully Adjusted Available NTS Entry Capacity) by all Users held at the Donor Entry Point are subject to a transfer request.
 - ii. Exchange Rate is between 1:1 and 3:1 (calculated by National Grid)
 - iii. Unsold capacity is available at the donor ASEP to accommodate the transfer volume
 - iv. Obligated entry capacity is sold at the recipient ASEP
 - d. Process valid transfer requests to update the donor and recipient ASEPs for all the shippers based on the Quantity Holder Transfer priority rule at ASEP
2. Charge Calculation
 - a. New Charge type to calculate the costs incurred when the transferred capacity results in displacing the capacity at recipient ASEP
 - b. Functionality to process the adjustments using the new Adjustment charge type
 - c. File format changes in the existing NTS Entry Capacity Invoice (NTE)
3. Reporting Requirement
 - a. External report to view the captured/processed transfer requests at ASEPs
 - b. New invoice report to validate the new primary/Adjustment charges
4. New API's may be required for the following
 - a. Registering the Transfer request
 - b. View Transfers

Modifications to Existing functionalities:

1. Changes are required to the following processes
 - a. Recall
 - b. Overrun charges

- c. User termination charges
- d. Existing Contracts
- e. Revenue Recovery charges
- f. Capacity charges
- 2. The following reports are impacted
 - a. Entitlement report
 - b. Capacity and Revenue reports
- 3. View Entitlement API may need changes

Option 2 - Offline registration process with transfers only being registered on Gemini in the event they are accepted

New Functionalities:

- 1. New functionalities to setup QHAP rule, Register, Modify and process the transfer requests
 - a. Accept the valid transfers
 - b. Process valid transfer requests to update the donor and recipient ASEPs for all the shippers based on the Quantity Holder Transfer priority rule at ASEP
- 2. Charge Calculation
 - a. New Charge type to calculate the costs incurred when the transferred capacity results in displacing the capacity at recipient ASEP
 - b. Functionality to process the adjustments using the new Adjustment charge type
 - c. File format changes in the existing NTS Entry Capacity Invoice (NTE)
- 3. Reporting Requirement
 - a. External report to view the captured/processed transfer requests at ASEPs
 - b. New invoice report to validate the new primary/Adjustment charges
- 4. New API's may be required to view the transfer details

Modifications to Existing functionalities:

- 1. Changes are required to the following processes
 - a. Recall
 - b. Overrun charges
 - c. User termination charges
 - d. Existing Contracts
 - e. Revenue Recovery charges
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- 2. The following reports are impacted
 - a. Entitlement report
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Impacts UKL Manual Appendix 5b:

Pass through of new charge types

DSC Service Areas Impacted:

Service Area 20: UK Link Gemini System Services

Costs and Timescales

Change Costs (implementation):

Option 1 - Fully systemised solution with users registering their transfer requests online

An enduring solution will cost at least **£720,000**, but probably not more than **£910,000** to implement.

Option 2 - Offline registration process with transfers only being registered on Gemini in the event they are accepted

An enduring solution will cost at least **£615,000**, but probably not more than **£780,000** to implement.

Change Costs (on-going):

For either option an increase to ongoing support costs will be at least **£0**, but probably not more than **£12,000**.

Timescales:

This change would need to be prioritised through the Change Management Committee alongside other changes within Xoserve's planned Gemini programme.

Option 1 - Fully systemised solution with users registering their transfer requests online

The high-level estimate to develop and deliver this change is approximately 32 - 40 weeks.

Option 2 - Offline registration process with transfers only being registered on Gemini in the event they are accepted

The high-level estimate to develop and deliver this change is approximately 30 - 34 weeks.

Assumptions:

1. There is no impact to capacity offer and product rollover functionalities
2. New quantity holder is not required
3. Transfer of capacity (from or to) is not required for IP locations
4. There is no impact to the NTS Entry Rebate process
5. The requirements referring to Forecasted contracted Capacity will be calculated outside the Gemini System
6. All transfer requests will be on a quarterly basis and the start date will always be the start of the quarter (Calendar Year)
7. It is not required to integrate the capacity transfer with existing method of sale framework
8. Shippers will continue to incur the capacity charges at donor ASEP's in line with the prevailing reserve price
9. This ROM is based on the Gemini functionality currently in Production and does not consider any functional changes being introduced by inflight projects.
10. System Integration testing with NGIT may be required
11. User Trials is out of scope
12. Change can be delivered using environments from the existing Gemini test estate.
13. This ROM assumes the solution will be delivered as a standalone project
14. This ROM is based on the Modification 0737 v3.0.
15. Costs are high level, based on high level analysis and assumed requirements

In addition to the above Option specific assumptions are:

Option 2 - Offline registration process with transfers only being registered on Gemini in the event they are accepted

1. The below activities will be performed by National Grid offline
 - a. Publish the window during which shippers can request a transfer of abandoned capacity
 - b. Assess all shippers' submissions based on the business rules to see if the criteria have been met to allow a transfer of abandoned capacity
 - c. Input of valid transfer requests on behalf of shippers into the Gemini System

Dependencies:

Availability of National Grid business resources to support delivery.

Constraints:

None

Observations:

None

Document Version History

Version	Status	Date	Author(s)	Summary of Changes

Template Version History

Version	Status	Date	Author(s)	Summary of Changes
2.0	Approved	22/05/18	Steve Ganney	Minor changes implemented