



Rough Order Magnitude (ROM) Request

Change Reference Number: (XRN 5328)

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

Section A: Change Details	
Change Title	0753 - Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity
Will the Change impact the UNC (YES / NO)	Yes
MOD Reference (if raised)	0753 - Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity
Contact Details of Person Requesting the ROM	
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Section B: Xoserve Acknowledgement and Business Analyst Contact Details	
<i>(Xoserve CIO Office will add)</i>	
ROM Received Date	24/02/2021
ROM Response date	12/03/2021
Business Analyst Name	Hannah Reddy
Business Analyst Email	Hannah.reddy@correla.com
Business Analyst Phone	0121 229 2226



Rough Order Magnitude (ROM) Response

Type of ROM Evaluation
<p><i>ROM for Code-Modification</i></p> <p>0753 - Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity</p> <p>Details of the Modification proposal:</p> <p>Disapply the Entry Transmission Services Revenue Recovery Charge (TSRRC) from NTS Entry Capacity which a User acquires directly from another User in cases where that capacity forms part of that other User's Existing Available Capacity.</p> <p>For clarity; this proposal states that the exemption from Entry TSRRC only applies to first transfer of Existing Available Holding, not any subsequent transfers. It also applies to transfers which have occurred post 5 April 2017, but the Entry TSRRC exemption will only apply post implementation date of the Modification. The same value per day is transferred between the Users for the whole quarter but there can be multiple transfers up to the total Existing Available Holding amount to different Users.</p> <p>Modification available at: https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2021-02/Modification%200753%20v2.0_0.pdf</p> <p>Legal text for the Modification available at: https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2021-02/Legal%20Text%200753%20v1.0.pdf</p>
The Proposed Change (Xoserve's understanding of the Modification)
<ol style="list-style-type: none">1. This Modification proposes to exclude the Entry Transmission Services Revenue Recovery Charge (RRC) from NTS Entry Capacity which a shipper (Transferee) acquires directly from another Shipper (Transferor) in cases where that capacity forms part of that other Shipper's (Transferor) Existing Available Capacity2. Instead of applying the RRC to a User's Fully Adjusted Available NTS Entry Capacity, Excluding Existing Available Holding for a Day and ASEP, it will be applied to a User's Fully Adjusted Available NTS Entry Capacity for a Day and ASEP adjusted by any transfer of Quarterly NTS Entry Capacity (QSEC)3. The transfer must be notified as the transfer of an Existing Contract and relate to a whole quarter.
Change Impacts
<p>General Impacts to Xoserve and External Parties:</p> <ol style="list-style-type: none">1. Modify the existing Trade functionality for GB and IP locations<ol style="list-style-type: none">a. To process the Trade IN/OUT of existing available holdingsb. To update the Existing Available Holdings of both Transferor and Transferee to exclude from Revenue Recovery Charge Calculation (RRC)2. Develop View/Audit/Modify for Existing Available Holdings

The below examples depicts our understanding



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

1. Modifications to existing Trade Add/Modify/Query functionality for GB and IP locations to flag the transfer of Existing Available Holdings
2. New external online screen to View/Audit Existing Available Holdings
3. Modifications to the existing APIs
 - a. Capacity Trade Details
 - b. Capacity Trade Registration

Impacts to Gemini System:

1. Modification to Existing GB Trade Functionalities:
 - a. Add/Query/Modify - New field to flag the transfer of Existing Available Holdings
 - b. Include the new process rules to confirm the Trades
2. Modification to Existing IP Trade Functionalities:
 - a. Add/Query/Modify - New field to flag the transfer of Existing Available Holdings
 - b. National Grid will flag the registered transfer as Existing Available Holding or New Contract in the Gemini System before accepting the transfer
 - c. Include the new process rules to confirm the Trades
3. Process Rules for transfer of Existing Available Holdings
 - a. The period of Trade must be a quarter
 - b. If the flag is checked the Existing Available Holdings will be transferred
 - c. Cumulate with all previous such transfers made by the transferor User, the transfer must not exceed the transferor User's Existing Available Holding for that Day and ASEP.
 - d. The transfer will be rejected if it exceeds the transferor User's Existing Available Holding for that Day and ASEP on the same basis.
 - e. The Transferee will be allowed to trade the Existing Available holdings on to another user however the quantity will be no longer considered as Existing Available holdings
 - f. Update the Existing Available Holdings of both Transferor and Transferee to exclude from Revenue Recovery Charge Calculation (RRC) only for the confirmed transfers
4. Process Rule amendment for transfer of new contracts
 - a. The Trade must not exceed transferor User's net entitlement for that Day and ASEP excluding the Existing Available Holdings
5. New Online screen to View/Audit/Modify Existing Available Holdings
6. Manual data fix for the applicable historic transfer to flag Existing Available Holdings
7. Manual RRC Adjustments for the applicable historic transfer
8. Modifications to the existing API
 - a. Capacity Trade Details
 - b. Capacity Trade Registration

Impacts UKL Manual Appendix 5b:

None expected.

DSC Service Areas Impacted:

Service Area 20: UK Link Gemini System Services

Costs and Timescales

Change Costs (implementation):

An enduring solution will cost at least **£135,000**, but probably not more than **£175,000** to implement.

Change Costs (on-going):

The change is not expected to increase ongoing running costs

Timescales:

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

The high-level estimate to develop and deliver this change is approximately **12 - 14** weeks for Analysis through to Post Implementation Support.

Please note a lead time of 3 months for startup/sanction/mobilisation should be considered though there is the potential for this to be shortened subject to the delivery mechanism and availability of resources.

Assumptions:

1. Historic transfers will be provided by National Grid
2. There is no change to the RRC charge calculation formula
3. There is no change required to IP Schema and no change expected at Prisma
4. There is no change to the trade parameters
5. There is no impact to NTS Exit Capacity processes
6. There is no impact to NOCC Eligible Quantity and Charge calculations
7. The API changes are required for both IX and RESTful mechanisms
8. An allowance of 2 weeks for UAT has been included in the estimated timescales
9. There will be joint testing between National Grid and Correla
10. This ROM assumes the solution will be delivered as a standalone project
11. This ROM is based on the Gemini functionality currently in Production and does not consider any functional changes being introduced by inflight projects
12. Change can be delivered using environments from the existing Gemini test estate
13. Costs are high level, based on high level analysis and assumed requirements

Dependencies:

- Availability of National Grid business resources to support delivery

Constraints:

- If the intention is to deliver this during 2021 then this change would need to be considered alongside the wider Gemini change programme including existing inflight projects:
 - Gemini System Enhancements
 - NOCC readiness for October 2021
 - CSSC programme

Observations:

None identified

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