








UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 715 427">UNC 082[5]:</h1> <p data-bbox="129 450 1182 745">Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434</p>	<div data-bbox="1203 309 1461 629"> <div style="border: 1px solid green; background-color: #e0f2f1; padding: 2px; margin-bottom: 2px;">01 Modification</div> <div style="border: 1px solid blue; background-color: #e0f2f1; padding: 2px; margin-bottom: 2px;">02 Workgroup Report</div> <div style="border: 1px solid purple; background-color: #e0f2f1; padding: 2px; margin-bottom: 2px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; background-color: #e0f2f1; padding: 2px;">04 Final Modification Report</div> </div>
<p data-bbox="129 792 507 831"><b>Purpose of Modification:</b></p> <p data-bbox="129 851 1469 927">To remove the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modifications 0434 and 0651.</p>	
<p data-bbox="129 972 308 1010"><b>Next Steps:</b></p> <p data-bbox="129 1028 979 1066">The Proposer recommends that this Modification should be:</p> <ul data-bbox="153 1081 1147 1167" style="list-style-type: none"> <li>• considered a material change and not subject to Self-Governance</li> <li>• assessed by a Workgroup</li> </ul> <p data-bbox="129 1182 1469 1258">This Modification will be presented by the Proposer to the Panel on <b>17 August 2023</b>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p data-bbox="129 1317 399 1355"><b>Impacted Parties:</b></p> <p data-bbox="129 1370 304 1408">High: CDSP</p> <p data-bbox="129 1424 391 1462">Medium: Shippers</p> <p data-bbox="129 1478 391 1516">Low: Transporters</p> <p data-bbox="129 1532 272 1570">None: n/a</p>	
<p data-bbox="129 1610 391 1648"><b>Impacted Codes:</b></p> <p data-bbox="129 1675 201 1713">UNC</p>	

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Timetable			Systems Provider: Xoserve
<b>Modification timetable:</b>			 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
Pre-Modification Discussed	22 September 2022		
Date Modification Raised	28 September 2022		
New Modification to be considered by Panel	20 October 2022		
First Workgroup Meeting	27 October 2022		
Workgroup Report to be presented to Panel	17 August 2023		
Draft Modification Report issued for consultation	18 August 2023		
Consultation Close-out for representations	08 September 2023		
Final Modification Report available for Panel	13 September 2023		
Modification Panel decision	21 September 2023		

## 1 Summary

### What

As part of Project Nexus, Modification 0434 - *Project Nexus – Retrospective Adjustment*, put in place arrangements for Shippers to retrospectively replace Meter Information, Meter Readings, relevant Supply Point and Address data for the purposes of reconciling consumption at Supply Points.

The scope for these arrangements was amended by the implementation of Modification 0651- *Changes to the Retrospective Data Update provisions*. However, delivery of the amended arrangements has been delayed by the implementation of other major industry projects and it would be prudent to reconsider implementation of Modification 0434 as modified by Modification 0651 due to cost and delivery concerns.

### Why

The Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements originally put in place under Modification 0434 were descoped at the request of Project Nexus Steering Group (PNSG) because they were viewed as extremely difficult for Xoserve to implement without presenting significant risk to the delivery of the wider Nexus program. Since originally proposed in 2014, these arrangements have been deferred twice and then, following the conclusion of Request 0624R which sought to establish the cost benefit case and consider options, Modification 0651 was raised to amend the provisions of Modification 0434.

During development of the Modification 0651 solution, Xoserve carried out a Proof of Concept (POC) exercise to enable them to better understand the extent of the data misalignment between Shipper and Supply Point Registration systems. They have also subsequently clarified the potential costs of delivering a UK Link solution aligned to Modification 0651. Given the materiality of this solution and its associated costs and impacts, alongside the identification of an alternative solution, this Modification seeks to remove the remaining Modification 0434 arrangements as modified by 0651.

### How

The processes and obligations introduced by and set out in the Legal text awaiting implementation following the approval of Modification 0651 is to be removed. If the Authority approve the implementation of Modification 0825, within the decision letter we request the Authority confirm that this decision results in the non-implementation of 0651 as it will be superseded by 0825. Governance

## 2 Governance

### Justification for Authority Direction

The Modification would remove certain arrangements from the UNC which were put in place following implementation of Modification 0434 and further amended by Modification 0651, both of which required Authority Direction, this would lead to a material change to the contractual arrangements between Shippers and Transporters.

### Requested Next Steps

This Modification should:

- should be subject to Authority Direction.

- be assessed by a Workgroup.

### 3 Why Change?

#### **Background to RAASP arrangements**

As part of Project Nexus, the arrangements to allow a Shipper to make retrospective updates to data held on the Supply Point Register were put in place; the arrangements being implemented as part of [Modification 0434](#).

Due to the complexity of the solution and the risk it imposed on delivery of the program, the decision was taken at the PNSG on 08 January 2016, to defer the RAASP elements of the retrospective arrangements. Modification 0573 was raised as an Urgent Modification by National Grid Distribution which had the effect of deferring the implementation of the RAASP elements of the arrangements until 01 October 2017. The arrangements put in place to allow for the retrospective update of Meter Readings was not impacted by the deferral and were implemented at Project Nexus implementation date 01 June 2017.

[Modification 0610S](#) further amended the arrangements by removing the ability for a retrospective adjustment to be made related to a change of applicable LDZ and applicable calorific value.

Consent to modify 057 was then raised and approved which further deferred the arrangements so that Shippers could not submit a Retrospective Data Update “on a Day prior to 01 November 2018”.

Due to the passing of time since the retrospective arrangements were conceived within Modification 0434 and due to the difficulty in providing a systematised solution (especially given Xoserve’s significant workload, most notably CSS, which restricted the level of large-scale change which can be progressed), Cadent raised a review group, [0624R](#). The purpose of Request Workgroup 0624R was to review the remaining, but as yet unimplemented, aspects of 0434 in order to inform the industry as to whether there was a robust business and cost/benefit case to justify proceeding with the development of a fully systematised RAASP solution.

Xoserve identified a number of potential options as to how RAASP might be delivered to varying levels of complexity and automation. This included 5 options to deliver RAASP, plus an alternative option. Please see the Workgroup Report for Request 0624R for the details. To get a clearer understanding of industry views Xoserve undertook a Request for Information (RFI) exercise which 16 parties (11 Shipper, 4 GT and 1 iGT) responded to.

The RFI did not provide an industry consensus on a way forward or a clear cost benefit case to proceed with building the Modification 0434 solution.

As a result of Request 0624R Cadent raised [Modification 0651](#) with the intent of replacing the remaining RAASP arrangements with Option 4 as identified by Xoserve and set out in the Workgroup Report0624R. Option 4 - Data Cleansing Activity + Timestamp Asset Data, was identified as a more appropriate solution to achieve the desired RAASP arrangements which both provided functionality for Shippers to retrospectively amend RAASP data items and provided for a one-off data cleanse exercise to be carried out by Xoserve.

Modification 0651 was approved by Ofgem on 14 March 2019 but due to the requirement for new Xoserve system and process development work, the approved Modification was not given, and still has not been given, an implementation date.

#### **XRN4914 and Proof of Concept (POC)**

Following approval of Modification 0651, Cadent raised [XRN4914](#) – Retrospective Data Update Provisions on 25 March 2019 which allowed Xoserve to progress the delivery of Modification 0651 requirements. The scope of XRN4914 was two-fold:

- to put in place the necessary processes to facilitate an industry wide one-off asset data cleansing exercise
- to allow Xoserve to put in place the enduring RAASP Central System solution (Option 4 as identified in Workgroup Report 0624R)

The purpose of the data cleanse exercise was to correct existing data quality issues in one go ahead of provision of an enduring solution. The enduring solution would then provide Shippers with the functionality to correct retrospective data quality identified following the transfer of ownership of Supply Points.

The POC was completed and Xoserve presented their findings to industry at DSC Change Management Committee on 11 November 20. The details of the POC can be found here: [Proof of Concept - Deep Dive Analysis - Key Findings](#).

The POC assessed the impacts of implementing the solution within Modification 0651 (Option 4 as identified in Workgroup Report 0624R) and an alternative solution in addition to the Modification 0651 complaint solution or 0624R. The POC also provided industry with the details of data analysis conducted by CDSP which demonstrated that the implementation of RAASP solution would not bring the benefits to industry as intended when the change was initially reviewed. The solution options developed by CDSP were discussed further with the industry and a consultation was issued for views on how this should be progressed.

To confirm, 10 responses were received during this consultation with the following outcome:

- 1 voted to progress with the Modification 0651 option
- 4 voted to progress with the alternative option
- 2 voted to not progress either of the above options and;
- 3 voted to defer a decision

It is acknowledged that the CDSP are responsible for delivering a Modification 0651 compliant solution which was agreed to be developed following the implementation of the Central Switching Service (CSS). The compliant solution has subsequently been reassessed by the CDSP in further detail and this has provided revised costs and estimates on delivery timescales. This assessment into the lower-level detail has identified significantly higher costs and increased delivery timescales which should be considered. Based on the above, Modification 0651 solution has not been developed further.

### **Conclusion**

It is evident, given the passing of time since implementation of Modification 0434 and approval of Modification 0651, that central system impacts and required development to implement a Modification 0651 compliant solution are complex, costly and are unlikely to deliver what the industry requires based on the current situation and responses received. It is also worth highlighting that since these solution option assessments have been undertaken as a result of Request 0624R, Modification 0651 and the POC, other industry wide changes have been implemented, potentially changing the landscape, for example, the Retail Energy Code (REC), CSS and individual changes impacting systems and processes.

Modification 0651 was directed for implementation on 14 March 19 by Ofgem at a date to be confirmed by Transporters, given the activities described above which have subsequently taken place, it no longer feels appropriate to proceed with the solution set out under Modification 0651.

Developments to date since the Authority Direction to implement Modification 0651 and responses from the options consultation highlights:

- limited support for the Modification 0651 solution
  - only 1 party voted in favour of the Modification 0651 solution out of 10 consultation responses

- a likely very high expense of an Modification 0651 systematised Central System solution
  - The revised costs associated with the implementation of RAASP complaint solution increased from £500k to £1.8m - £2.4m (exceeds the change budget)
- concerns regarding consequential impacts on all Shippers (socialisation of costs) following the use of 'retro updates' as envisaged by the Modification 0651 solution
- the Modification 0651 solution, regarding consumption adjustments, simply mirrors what can already be done today.

*Please note, any estimated costs or impacts relate to central system solutions and processes only. Potential customer impacts and costs have not been included as a part of the activities described above.*

As a result, this Modification has been raised.

## 4 Code Specific Matters

### Reference Documents

Retrospective Updates Nexus BRD

<https://www.gasgovernance.co.uk/sites/default/files/ggf/Retro%20Updates%20BRD%20v5.0.pdf>

Modification 0434

<https://www.gasgovernance.co.uk/sites/default/files/ggf/Final%20Modification%20Report%200434%20v2.0.pdf>

Retrospective Data Updates - CoMC 19/05/2021 [https://www.gasgovernance.co.uk/sites/default/files/ggf/2021-05/14.2%20Retro%20Data%20Updates\\_Action%200201\\_19.05.2021.pptx](https://www.gasgovernance.co.uk/sites/default/files/ggf/2021-05/14.2%20Retro%20Data%20Updates_Action%200201_19.05.2021.pptx)

Retro Option Paper Change Pack

[June 2021 Extraordinary Change Pack \(xoserve.com\)](https://www.xoserve.com/june-2021-extraordinary-change-pack)

Modification 0573

<https://www.gasgovernance.co.uk/sites/default/files/ggf/Final%20Modification%20Report%200573%20v2.0.pdf>

Consent to modify 057

<https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-08/Consent%20to%20Modify%20C057.pdf>

Review Group 0624R

<https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-02/Request%20Workgroup%20Report%200624R%20v2.0.pdf>

Modification 0651

[https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-08/Final%20Modification%20Report%200651%20v2.0\\_1.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-08/Final%20Modification%20Report%200651%20v2.0_1.pdf)

Proof of Concept – Deep Dive Analysis – Key findings

[https://www.gasgovernance.co.uk/sites/default/files/ggf/2020-11/4.0%20ChMC\\_Retro%20Slides.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/2020-11/4.0%20ChMC_Retro%20Slides.pdf)

Options consultation change pack

[June 2021 Extraordinary Change Pack \(xoserve.com\)](https://www.xoserve.com/june-2021-extraordinary-change-pack)

## Knowledge/Skills

Awareness/knowledge of Project Nexus would be useful

## 5 Solution

This Modification seeks to remove the elements of Modification 0434 which have not been successfully implemented, i.e., the retrospective update of Meter Information (asset data).

For the avoidance of doubt this Modification will not remove the already implemented aspect of Modification 0434 to receive retrospective adjustments following submission of replacement Meter Readings.

Modification of the UNC is required to amend existing terms related to Retrospective Data Updates within TPD E, TPD M, TPD S and Transitional Rules TD11C, which were inserted following approval of Modification 0434.

Business Rules:

1. Remove the Retrospective Data Update process from UNC.
2. Shipper Users will not be able to submit a Retrospective Data Update Notification.
3. The CDSP will not carry out a Retrospective Data Update and an adjustment to an Affected Offtake Reconciliation will not be undertaken.
4. Adjustments to Reconciliation Values should not arise in relation to the Retrospective Data Update process.

For the avoidance of doubt, the updates proposed to the UNC under Modification 0651 will not be implemented in the UNC.

## 6 Impacts & Other Considerations

**Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

No impact

### Consumer Impacts

None anticipated

**What is the current consumer experience and what would the new consumer experience be?**

No impacts anticipated to the consumer experience.

<b>Impact of the change on Consumer Benefit Areas:</b>	
Area	Identified impact
Improved safety and reliability No impact	None
Lower bills than would otherwise be the case No impact	None
Reduced environmental damage No impact	None
Improved quality of service	None
Benefits for society as a whole No impact	None

### Cross-Code Impacts

There may be an impact on the IGT UNC.

### EU Code Impacts

No impact

### Central Systems Impacts

If implemented this Modification will ease the impact on central systems as a Modification 0651 compliant solution would not require implementing.

## 7 Relevant Objectives

<b>Impact of the Modification on the Transporters' Relevant Objectives:</b>	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or	None



(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The Modification is positive in relation to relevant objective f) Promotion of efficiency in the implementation and administration of the Code because it recognises:

1. The changing landscape of energy industry and the existence of the new Retail Energy Code (REC) and the REC Performance Assurance Board (PAB) which has responsibility for monitoring parties' performance in maintaining accurate data. Removing the remaining RAASP elements awaiting delivery under Modification 0651 will ensure there is clarity who is responsible for maintaining the data and overseeing data accuracy.
2. The industry progress made regarding the smart meter roll-out since the Authority decision to approve 0651 decision, which was one of the Authority's key considerations when approving modification 0651. As a result of this progress the original solution no longer delivers the anticipated benefits

## 8 Implementation

Implementation should be as soon as possible following Authority Direction.

If the Authority approve the implementation of Modification 0825, within the decision letter we request the Authority confirm that this decision results in the non-implementation of 0651 as it will be superseded by 0825.

## 9 Legal Text

### Text Commentary

TBC

### Text

TBC

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply.
- Refer this proposal to a Workgroup for assessment.