

# Rough Order of Magnitude (ROM) Request and Response

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## 1. Purpose of a ROM

The DSC CDSP Service Document – Change Management Procedure sets out the expectations of the ROM process.

4.6.2 Subject to paragraph 4.6.3, within 10 Business Days after receiving a ROM Request, the CDSP shall send to the Customer and the Committee a report (Rough Order of Magnitude Report or ROM Report) setting out (so far as the CDSP is able to assess at the time):

- (a) a high level indicative assessment of the impact of the Potential Service Change on the CDSP Service Description and on UK Link;
- (b) the CDSP's opinion as to whether the Potential Service Change would be a Restricted Class Change, would have an Adverse Impact on any Customer Class(es) or would be a Priority Service Change, where applicable;
- (c) the CDSP's approximate estimate of:
  - (i) the Costs (or range of Costs, where options under paragraph (e) are identified) of Implementing the Potential Service Change;
  - (ii) the impact of the Potential Service Change on Service Charges; and
  - (iii) the period of time required for Implementation;
- (d) any material dependencies of Implementation on other Proposed Service Changes or other likely Priority Questions; and
- (e) if it is apparent to the CDSP that there are likely to be materially different options as to how to Implement the Potential Service Change, a high level description of such options.

## 2. ROM Request – To be completed by the customer

Please populate the details below and send to [box.xoserve.portfoliooffice@xoserve.com](mailto:box.xoserve.portfoliooffice@xoserve.com), to enable the CDSP to undertake the impact assessment to provide the ROM Response (section below).

Please note, the ROM requestor may be asked for further details if it is believed that request is not clear and additional information is required in order to provide a ROM Response.

### 2a. ROM Request Details

| ROM Request Details                  |  |
|--------------------------------------|--|
| Change Title                         | Reducing the current Code Cut-Off Date (Line in the Sand) from 3 to 4 years to 2 to 3 years  |
| Regulatory Impact                    | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| Regulatory Reference (if applicable) | UNC Modification 0896 - Reducing the current Code Cut-Off Date (Line in the Sand) from 3 to 4 years to 2 to 3 years  |
| Change Overview                      | <p>This ROM has been raised in relation to Modification 0896 - <i>Reducing the current Code Cut-Off Date (Line in the Sand) from 3 to 4 years to 2 to 3 years</i>. This Modification seeks to reduce the current Code Cut off window also known as Line in the Sand (LiS) from 3-4 years to 2-3 years. The full Modification document can be found <a href="#">here</a></p> <p>LiS is the term given for how far back gas reconciliation and adjustments can go back. It is currently set for 3-4 years and resets on the 1<sup>st</sup> of April each year.</p> <p>It is the view of the proposer that a shorter maximum reconciliation period will lower the risk of large, unexpected reconciliations or adjustments. As outlined in Modification 0896, it is impossible to predict in which direction future reconciliations will go (either positive or negative), a shorter maximum reconciliation period lowers the risk of large, unexpected reconciliations or adjustments.</p> <p>The Modification is simple in concept and is seeking to reduce the LiS period from 3-4 years to 2-3 years. Even though the Modification is considered as a simple concept what would be the impacts be of the change?</p> <p>As part of the Modification discussions and development to amend the LiS rolling period we are seeking a high-level analysis based on the following solution:</p> <p><b>Option 1: Proposer is seeking to introduce a transitional implementation of LiS to be applied in April 2025 as follows:</b></p> <ul style="list-style-type: none"> <li>• The LiS Roll happens as normal on 1<sup>st</sup> April 2025 (to set the Code Cut Off Date to 1<sup>st</sup> April 22), then</li> <li>• A further LiS 'Roll' is completed on [1<sup>st</sup> July] 2025 after the first LiS date is applied.</li> </ul> |

- This further LiS Roll would then set the date to 1<sup>st</sup> April 23.

This transition would Roll the LiS date forward twice within the first year of Modification go live.

**N.B Subsequent LiS dates will revert back to 1<sup>st</sup> April from 2026 onwards and will only have the one LiS Roll date occur.**

**Option 2 – ‘Big Bang approach’ 1<sup>st</sup> of April Implementation**

- The change is approved, and the implementation date will take effect from the 1<sup>st</sup> of April
- The LiS rolling period will update from 3-4 years to 2-3 years.
- This will mean there is a 2-year jump in the LiS date.

Please consider the following as part of the ROM request but not limited to:

- What are the system impacts?
- Is updating the date within the system parameterised?
  - To what extent does this system change require further supplemental manual activities. The impacts of the transitional 2 LiS rolls in one year.
- What explicitly are the types of transactions that are prompted by the LiS? And for each of these please list the high-risk components that we would need to seek mitigation for – e.g.
  - influx of Meter Readings prompting aged Reconciliation leading to higher incidence of exceptions
  - influx of RFAs requiring significant manual intervention to calculate and process adjustments
  - etc.
- Workload impacts - if the Modification is implemented in April 2025 what would be the impact of a 2-year jump?
- What would be the impact of moving the LiS date in the 1<sup>st</sup> year?
- Are there current exceptions back logs that would be in danger of timing out prior to the LiS change?
- What areas of the business would be impacted with the possible ‘increased’ workload with the initial date jump?
- When would Shippers have to submit all LiS related transactions in order to allow us to have time to process ahead of LiS date before they time out?

The point at which Correla would assess that they would need a clear instruction from Xserve to commence activities to achieve the relevant implementation dates.

Any specific guidance that Correla wish to share about recommended interim actions to take in readiness to implement e.g, working at risk.

|  |   |                  |
|--|---|------------------|
|  | For the avoidance of doubt, Modification 0896 is not an alternate to Modification 0886 and should be considered and assessed on its own merit.  |                  |
| Date Raised  | 28/11/2024  |                  |
| Required Response Date                                   | 12/12/2024<br><br><i>As per the DSC, the official SLA for a ROM response is 10 working days. If there is a specific date in which the ROM response is required by (noting the 10-day SLA) please specify that here.</i> |                  |
| Requestor Contact Details                                | Name:   | Steve Mulinganie |
|  | Organisation:   | SEFE             |
|  | Email:  |                  |
|  | Number:   |                  |
| <i>Xoserve Lead Contact (to be provided by the CDSP)</i> | Contact Name:   | Josie Lewis      |

### 3. ROM Response – The ROM response provided is based on a high-level indicative assessment of the impact of the change.

Please note, all the sections within this template should be populated by the CDSP when providing a ROM response.

To find the high-level costs and timescales please go to section 3c which can be found [here](#).

#### 3a. Impacted Constituency

|  |  |   |
|--|--|---|
| Customer Class(es) Impacted by Change:         | <input checked="" type="checkbox"/> Shipper  | <input checked="" type="checkbox"/> Distribution Network Operator |
|  | <input type="checkbox"/> NG Transmission   | <input checked="" type="checkbox"/> IGT                           |
|  | <input type="checkbox"/> All   | <input type="checkbox"/> Other <Please provide details here>      |
| Justification for Customer Class(es) selection | <p>Shippers would be significantly impacted due to the Shipper activities involving Code Cut-off/ Line in the Sand (LiS) i.e. submitting reads and adjustments. With either option of implementation, this would require some analysis of their own business practices in readiness for this change.</p> <p>DNOs/IGTs would be minimally affected based on CDSP issuing invoices on their behalf and the impacts that Invoicing could face with this change.</p> |   |

### 3b. Overview of impacts

#### Overview of impacts

##### What are the system impacts?

There are no system changes required for either of the proposed options. The existing BAU process to change LiS in both UK Link and CMS can be used for either option without modification.

##### Is updating the date within the system parameterised?

- **To what extent does this system change require further supplemental manual activities. The impacts of the transitional 2 LiS rolls in one year.**

Yes, the date is parameterised, this would need to be updated twice for option 1. Standard BAU process would be followed for both options.

##### What explicitly are the types of transactions that are prompted by the LiS? And for each of these please list the high-risk components that we would need to seek mitigation for – e.g.

- **influx of Meter Readings prompting aged Reconciliation leading to higher incidence of exceptions.**
- **influx of RFAs requiring significant manual intervention to calculate and process adjustments.**
- **etc.**

See below based on the Option.

##### Workload/Business Impacts

##### Option 1 – Two LiS changes in one year

**Requests for Adjustments (RFAs)**, there is the potential for volumes to increase significantly which could affect the time for the team to turn adjustments around, however, with 2 LiS changes (April and July) there is the opportunity to have an additional 3 months to action the second years' worth of data. There would be a need for Shippers to prioritise RFAs that will be impacted by the April LiS change to 2022 before those impacting July movement to 2023. However, the CDSP will also prioritise RFAs with effective dates relating to the relevant LiS date change.

**Reads & RGMA** we may see an increase in file submissions before LiS changes, in both Options, due to Shipper behaviour. This could cause an increase in the number of system exceptions that technical and/or business teams need to investigate and resolve.

**Exceptions** will increase in the run up to LiS based on the increase in data submissions from the Shippers. These peaks will be duplicated with the 1<sup>st</sup> in the run up to April and the 2<sup>nd</sup> in the run up to July.

**Invoicing** will be heavily impacted by having two peak workload events instead of one. If business exceptions are not cleared in time for LiS date change, then this would require Offline Adjustments in conjunction with doing the manual analysis and activities required for Prime & Sub installations twice also.

### **Option 2 – ‘Big Bang’ in April ‘25**

**Requests for Adjustments (RFAs)** is expected to experience a significant increase in volume, which could affect the team’s ability to process these. Therefore, Shipper behaviour will be critical to ensure requests are submitted by the communicated cut off dates.

**Reads & RGMA**, again there is an expectation that there would be a large increase in files for these transactions due to the need to get two years’ worth of data into the CDSP before LiS changes. This again, could have a knock-on effect to exceptions.

For **Exceptions**, there is an expectation for there to be an increase in submissions from the Shippers submitting two years’ worth of data. This in turn would result in an increase in exceptions. The result of this could impact the 2-month SLA to clear exceptions if the volumes were to greatly increase.

For the impacts on **Invoicing**, there is a likelihood that if exceptions are not cleared in a timely manner, they would impact on the need for Invoicing teams to have to do Offline Adjustments, including the manual activity already required for Prime & Sub installations, to be analysed for an additional year.

### **Option 3 – ‘Big Bang’ in April ‘26**

An additional option for this Modification, would be to implement this change in April 26. The risks mentioned above for Option 2 would still be relevant but could have a lesser probability of becoming issues upon implementation. This is based on Shippers having a longer period to prepare two years’ worth of data and the submissions could be spread across the year to soften the impacts on resource not only for the Shippers, but also the CDSP .

#### **What would be the impact of moving the LiS date in the 1<sup>st</sup> year?**

Addressed above.

#### **Are there current exceptions back logs that would be in danger of timing out prior to the LiS change?**

As mentioned in the section for Exceptions, there is the KPM (KPM.13) for the 2-month SLA to resolve exceptions impacting Invoicing. Although this could be at risk, it could be managed appropriately, depending on the volumes. However, any exceptions related to LiS activity that aren’t resolved before LiS change would need to go through Offline Adjustments.

#### **What areas of the business would be impacted with the possible ‘increased’ workload with the initial date jump?**

The CDSP business teams most impacted would be Invoicing and the Operational teams that must resolve the exceptions. RFA team would also be at risk, however like all the teams, would make appropriate allowances for the potential increase of workload and prioritise effectively.

**When would Shippers have to submit all LiS related transactions in order to allow us to have time to process ahead of LiS date before they time out?**

**The point at which Correla would assess that they would need a clear instruction from Xserve to commence activities to achieve the relevant implementation dates.**

Communication to Shippers for RFA submission annually informs them that they must submit LiS impacted RFAs by 10<sup>th</sup> March. Any received after that date are dealt with on a reasonable endeavours basis. For option 1 there would be a secondary deadline of 10<sup>th</sup> June. With the above in mind, the CDSP would need a decision on the approach ASAP, in order to prepare the communications to Shippers and to provide sufficient time to the Shippers to enable them to complete their preparatory activities.

In addition, the same communication also outlines an exception resolution milestone of the 31<sup>st</sup> March, in line with the reconciliation cut-off for the March billing cycle. Reasonable assumption would be an additional date of 30<sup>th</sup> June for Option 1.

**Option 1** – Two LiS changes in one year - Clear messaging would be required informing Shippers that there will be 2 LiS date changes in 2025 and the peak workload required to submit all required adjustment requests will occur twice, once in the run up to each date change (i.e January-March and April-June).

**Option 2** - Big Bang in April 2025 - Communications will need to be issued quickly following approval of the Modification, highlighting the time constraint to Shippers and clearly stating that the LiS date will be jumping 2 years. This would likely be issued after the standard annual communications issued in January and could potentially lead to Shipper confusion and shortened notice/compressed timescales to complete adjustment requests.

**Option 3** - Big Bang in April 2026 - if the decision is taken to delay a big bang implementation until April 2026, we would recommend that the annual January communication will need to be issued sooner than usual (possibly straight after BAU LiS Change in April 25). This would provide Shippers with sufficient time to start on their LiS work and try to mitigate the confusion with the 2-year jump and spread the increased workload. Regular communications throughout 2025 will be required to remind Shippers of the 2-year jump in April 26 and their responsibility to submit all required requests.

Based on the above findings, the CDSP would recommend a two-year jump in one LiS date change. The ideal approach would be for this to happen in April 26. This would give the Shippers as much time as possible to submit two years' worth of data to mitigate any potential influx of file submissions which we may see for an April 25 implementation. If April 26 is not desired by the proposer, then a two-year jump in April 25 would be preferable. With this Option, resource

would be required (for both CDSP and Shipper) to work on LiS activities once. However, volumes of submissions and exceptions is a high risk based on possible submission behaviour. In addition, there would potentially not be enough time for Shippers to prepare for an April 25 implementation if a decision on the approach is not to be made until the New Year. Two LiS date changes in one year could cause future confusion to the Shippers when submitting data, if it is not fully communicated and understood across all levels of business, risking an increase in file rejections and queries. This approach would need careful communication to reach all levels of Shipper business so they could understand the change and any operational impacts.

#### **Assumptions**

- Impacts are based on current Shipper behaviour and ways of working in relation to LiS activities.
- It is anticipated that Shipper/Network behaviour will change to enable the extra years' worth of data submissions.
- Only an extra year is to be added on to the LiS date change (via either Option), all other rules are to remain the same.
- Read estimation (where there has been no read for 6 years) would continue to run annually.
- There are no expected impacts on Demand Estimation/Energy Balancing calculations, however there are expected downstream impacts to UIG smearing and reconciliation which will need to be communicated to Shippers and Networks i.e. reduction in UGR charges due to the reduction in LiS period.
- No changes are required to GES. Currently 40 Reads or history of 3 years is displayed, and this will not change.
- No changes are required to DDP. DDP will visualise data pulled from UK Link.

#### **Risks**

- Full communication to Shippers. There is a need to indicate to Shippers as soon as possible in the standard LiS communication (usually sent out in January) if Shippers need to submit two years' worth of RFAs and other applicable transactions or prepare them for two LiS creations that year.
- Lead time required for Shippers. With three months to prepare two years' worth of data and with those business processes unknown to the CDSP, there is a risk that Shippers wouldn't be able to achieve the activities needed in the time given. Similar risk for two LiS changes, however less of a demanding risk as Shippers have an additional 3 months to submit the second years' worth of data.
- There is also a potential risk on CMS contact resolution SLAs in Performance Indicators 1, 2 and 3, however it is deemed in the case for RFAs this would be largely due to Shipper behaviour and the volumes they send in if they were to be extreme. This is a similar risk to that for KPM.13 for exceptions impacting invoicing to be resolved in 2 invoice cycles (2 months).

| UK Link Component Systems                         | Level of Impact (L/M/H) | File Format (Y/N) | Screens (Y/N) | Reporting (Y/N) | Batch Jobs (Y/N) | Validation (Y/N) | Processes (Y/N) | Other   |
|---|-------------------------|-------------------|---------------|-----------------|------------------|------------------|-----------------|---|
| UK Link Gemini                                    | N/A                     | N                 | N             | N               | N                | N                | N               | <i>If 'Other' is ticked, please provide justification</i> |
| UK Link System Application (e.g. SAP ISU, BW, PO) | L                       | N                 | N             | N               | N                | Y                | Y               | BAU process   |
| UK Link Portal                                    | N/A                     | N                 | N             | N               | N                | N                | N               | <i>As above</i>   |
| UK Link Online Services                           | N/A                     | N                 | N             | N               | N                | N                | N               | <i>As above</i>   |
| Contact Management Service (CMS)                  | L                       | N                 | N             | N               | N                | N                | Y               | BAU process   |
| UK Link Network (Inclusive of IX, EFT and AMT)    | N/A                     | N                 | N             | N               | N                | N                | N               | <i>As above</i>   |

| Additional Systems                 | Level of Impact (L/M/H) | File Format (Y/N) | Screens (Y/N) | Reporting (Y/N) | Batch Jobs (Y/N) | Validation (Y/N) | Processes (Y/N) | Other   |
|------------------------------------|-------------------------|-------------------|---------------|-----------------|------------------|------------------|-----------------|---|
| Data Discovery Platform (DDP) Core | N/A                     | N                 | N             | N               | N                | N                | N               | <i>If 'Other' is ticked, please provide justification</i> |
| Discovery API                      | N/A                     | N                 | N             | N               | N                | N                | N               | <i>As above</i>   |
| Reporting                          | N/A                     | N                 | N             | N               | N                | N                | N               |   |

|                             |     |   |   |   |   |   |   |  |
|-----------------------------|-----|---|---|---|---|---|---|--|
| Gas Enquiry Service (GES) – | N/A | N | N | N | N | N | N |  |
|-----------------------------|-----|---|---|---|---|---|---|--|

### 3c. High level costs and timescales

Costs provided within the ROM response are indicative and high level based on high level analysis.

Below details the high-level implementation cost range and provides an indication of any ongoing costs identified from the high-level analysis.

#### **Implementation costs**

*Please provide below a high-level indicative cost range for this request.*

For each costed solution option:

An enduring solution will cost at least £0, but probably not more than £50,000.

#### **Ongoing costs**

*Please provide a view on whether any ongoing costs are anticipated as a result of this change being implemented.*

*If ongoing costs are anticipated, please provide an indication of the expected annual ongoing cost.*

No ongoing costs expected as this is an annual BAU activity.

#### **Timescales:**

This will be as per BAU process for the annual LIS activities.

As per current practice, an Industry communication will be issued in January 2025 advising of the standard 1 year roll in LiS which will take place in April 2025. If approval for either options 1 or 2 within this ROM is given at a later date following this initial communication, this could have a significant impact upon the Shippers' ability to meet the MOD requirements by compressing timescales for the activities (e.g. RFA requests) that need to be completed.

#### **Validity of ROM:**

Please note, the information provided in the ROM response is an 'at a point in time' assessment which is valid for 6 months.

### 3d. Release Type

Please provide a view on the anticipated release type this change would need to be delivered under.

|              |  |                                |
|--------------|--|--------------------------------|
| Release Type | <input checked="" type="checkbox"/> Ad-hoc / Stand-alone | <input type="checkbox"/> Minor |
|              | <input type="checkbox"/> Major                           |                                |

| Next available Release (based on the Release Type)         | ChMC approval to Release scope | ChMC approval of Detailed Design |
|--|--------------------------------|----------------------------------|
| April 25 or April and July 25 depending upon option chosen | <i>DD/MM/YY</i>                | <i>DD/MM/YY</i>                  |

### 3e. Impact of Service Line(s)

|                           |   |
|---------------------------|---|
| Impact on Service Line(s) | <p>From an initial consideration of the DSC Service Line impact, the Service Area which these processes currently come under is</p> <ul style="list-style-type: none"> <li>• Service Area 4 Meter Read/Asset processing</li> </ul> <p>To confirm this service area is currently 33% Shipper funded and 67% DN Operators as per the Budget and Charging Methodology.</p> <p>We anticipate a new Service Line would need to be created to capture the Code-Cut Off date within the DSC service lines. Please note this is an initial view, as the Service Lines are at a high-level, a change may not be required. This will be determined at detailed design.</p> <p>Please note, this is for discussion only and to seek views from the WG to support later discussions within the DSC change process. In terms of agreeing Service Areas and funding splits, this will be undertaken at the DSC Change Management Committee (ChMC).</p> <p>Please note, the funding split as per the Budget and Charging Methodology has been provided with the Service Areas however, the funding split can be proposed as something different when a specific change is raised based on impacted and benefitting parties</p> |
|---------------------------|---|

### 3f. Assumptions

- Any changes in the approach to the solution may affect the overall schedule and costs for the change.
- Costs are high level, based on high level analysis. Detailed analysis will be needed to determine the final solution which will impact both cost and schedule.
- Any costs associated to Market Trials are not included.
- The high-level analysis is based on changes to central systems and does not account for changes to customer systems as a result of any potential work.
- The high-level analysis and costs are based on current production system

## 4. Version Control

| Version | Date:      | Author       | Status             |
|---------|------------|--------------|--------------------|
| 1.0     | 20/07/2022 | Ellie Rogers | Clean version      |
| 2.0     | 07/11/2023 | Josie Lewis  | Minor updates made |