DSC Change Proposal Document

Customers to fill out all of the information in the sections coloured

Xoserve to fill out all of the information in the sections coloured

# A1: General Details

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Change Reference: | XRN4871 | | | |
| Change Title: | Modification 0665 – Changes to Ratchet Regime | | | |
| Date Raised: | 11/02/2019 | | | |
| Sponsor Representative Details: | Organisation: | Gazprom Energy | | |
| Name: | Steve Mulinganie | | |
| Email: | steve.mulinganie@gazprom-mt.com | | |
| Telephone: | 0799 097 2568 | | |
| Xoserve Representative Details: | Name: | David Addison | | |
| Email: | [David.addison@xoserve.com](mailto:David.addison@xoserve.com) | | |
| Telephone: | 0121 623 2752 /0742 855 9800 | | |
| Change Status: | Proposal | | With DSG | Out for Review |
| Voting | | Approved | Rejected |

# A2: Impacted Parties

|  |  |  |
| --- | --- | --- |
| Customer Class(es): | Shipper | Distribution Network Operator |
| NG Transmission | IGT |
| Other | <If [Other] please provide details here> |

# A3: Proposer Requirements / Final (redlined) Change

|  |  |  |
| --- | --- | --- |
| Change Description: | [Modification 0665](http://www.gasgovernance.co.uk/0665) has been raised and seeks to amend the current Class 2 Ratchet Charging Arrangement and it allows Transporters designate Supply Points (Network Designated) that should, in addition to mandatory Class 1 Supply Points, be subject to the existing Class 1 Ratchet Charging Arrangement. It is expected to be voted on by UNC Panel in March with final approval by Ofgem in April 2019.  This Change Proposal has been raised to deliver the system requirements set out within this modification. Due to the proposed timescales and the requirement to implement the changes by 01 October 2019, the Change Proposal has been raised ahead of the modification being officially approved.  In summary please see the modification requirements for the CDSP:   * Implementation of an amended Ratchet Charging Arrangement applicable for Daily Metered Supply Meter Points that are not Network Designated. * The Revised Ratchet Charge for Class 2 sites is described in the Modification. * A mechanism is required to flag in UK Link where a Network has designated a Supply Meter Point which should be subject to the existing Class 1 Ratchet Charge * When a Supply Meter Point has been Network Designated the CDSP shall notify the registered Shipper, and the relevant Supply Point will as soon as reasonably practicable be required to be a Class 1 Supply Point * If a Shipper does not reclassify the Supply Point as Class 1 within 20 Supply Point Systems Business Days of the notice of Designation, then the CDSP will reclassify the site as Class 1 after so notifying the relevant Shipper and providing not less than 20 Supply Point Systems Business Days’ notice of the revised classification effective date unless the CDSP has been informed that the Supply Meter Point is unable to be Daily Read in accordance with current code requirements.   For full details, please refer to the modification. | |
| Proposed Release: | Options to be investigated as to the release approach in order to implement this change as soon as possible including a Minor Release in 2019. | |
| Proposed Consultation Period: | 10 Working Days | 20 Working Days |
| 30 Working Days | Other [Specify Here] |

# A4: Benefits and Justification

|  |  |
| --- | --- |
| Benefit Description: | The modification case for change argues that removal of the Ratchet Charge will remove a key barrier to Supply Meter Points electing to be Daily Metered. This will enable better information to be available for allocation processes and allow for the development of innovative products. |
| *What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?* |
| Benefit Realisation: | Upon implementation. |
| *When are the benefits of the change likely to be realised?* |
| Benefit Dependencies: | The benefit is dependent on the modification being approved in order for the CDSP to delivery this change |
| *Please detail any dependencies that would be outside the scope of the change, this could be reliance on another delivery, reliance on some other event that the projects has not got direct control of.* |

# A5: Final Delivery Sub-Group (DSG) Recommendations

|  |  |  |  |
| --- | --- | --- | --- |
| Final DSG Recommendation: | *Until a final decision is achieved, please refer to section C of the form.* | | |
| Approve | Reject | Defer |
| DSG Recommended Release: | Release X: Feb/Jun/Nov XX or Adhoc DD/MM/YYYY | | |

# A6: Funding

|  |  |  |
| --- | --- | --- |
| Funding Classes: | Shipper | XX % |
| ~~National Grid Transmission~~ | ~~17 %~~ |
| Distribution Network Operator | 100 % |
| ~~IGT~~ | ~~XX %~~ |
| Other <please specify> | XX % |
| Service Line(s) | DSC Service Area 7: NTS Capacity, LDZ Capacity, Commodity, Reconciliation, Ad-hoc adjustment and balancing invoices | |
| ROM or funding details: |  | |
| Funding Comments: | 5th March 2019 - The above funding split is based on what is specified by the DSC Service Area on the Budget and Charging Methodology document. An automated solution would not cause any change to the ongoing delivery of the service lines.  15th March 2019 – the DNs agreed at ChMC on 13th March 2019 that they should fund 100% of this change.  28th March 2019 - Xoserve is reviewing the impacted service lines to assess if changes are needed  3rd June 2019 – Xoserve expects that a new service line will be required for this change. | |

# A7: ChMC Recommendation – 13th March 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Change Status: | Approve ( to proceed to DSG) | Reject | | Defer |
| Industry Consultation: | 10 Working Days | | 20 Working Days | |
| 30 Working Days | | Other [Specify Here] | |
| Expected date of receipt for responses (to Xoserve) | XX/XX/XXXX | | | |

|  |  |  |
| --- | --- | --- |
| DSC Consultation Issue: | Yes | No |
| Date Issued: | 09/05/2019 | |
| Comms Ref(s): | 2314 – RJ – ES | |
| Number of Responses: | 5 responses – 4 in support of the implementation date and solution option and 1 in support of the implementation date only | |

# A8: DSC Voting Outcome

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Solution Voting: | Shipper | | | Please select. |
| National Grid Transmission | | | Please select. |
| Distribution Network Operator | | | Please select. |
| IGT | | | Please select. |
| Meeting Date: | Click here to enter a date. | | | |
| Release Date: | Release X: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY or NA | | | |
| Overall Outcome: | No | Yes | If [Yes] please specify <Release> | |

Please send the completed forms to: [box.xoserve.portfoliooffice@xoserve.com](mailto:box.xoserve.portfoliooffice@xoserve.com)

|  |  |  |  |
| --- | --- | --- | --- |
| DSG Date: | 18/03/2019 | | |
| DSG Summary: | David Addison (DA) explained that while going through mod process Ofgem said this needs to be in place by winter 2019 and the Reps reiterated this point. Change Managers will be reluctant to change the scoped releases, so we are exploring the option of July MR. To put in MR, DA advised there will be no file format changes however there will inevitably have to be changes in Shippers organisation. This will be due to rejection codes which may not be clear what basis it is rejected on. DA is presenting to DSG early and working internally on solutions in the next 2 weeks due to timescales. DA will send an extraordinary change pack out by Wednesday 20th stating there will be only one solution in each case. DA went through the slides highlighting point 4 on slide 40 being a BAU process. MOD0665 introduces a lesser Ratchet Charge so we would have to come up with how to notify you. Also have a means on controlling a sensitive load on a new class on class 1 read. This flag is a new class 1 requirement. There is Code to use, however no support to give out. CDSP obligated to inform shippers by email. DA stated stating that we are progressing on basis that no external impacts, however is open to change if there are other options DSG can give.  DA went through slide 41-44. Looking to exclude DES and process through consequential. We propose to reject stuff coming in and apply rejection, however customer changes will recognise so this is the changes that may need to be applied to the systems.  Looking through the code for outstanding Offers, 0665 doesn’t explicitly allow us to cancel offers or confirmations, but DA will assess whether this is an option Very short timescale and possible that a Shipper may have gone through the process of offer and would be preferable to reject the offer. DA to confirm in the change pack.  Ratchet charge is currently ZRA and SRA in CAZ invoice. Planning to reuse these charges, but there is a new ratchet charge for class 2 includes a Ratchet charge for ECN. Class 1 doesn’t have this equivalent.  DA summarised and that an Extraordinary Change pack will be out by Wednesday. DSG agreed to a shortened timescale for Reps and to close out comments on 26th/27th March.  **ACTION: DSG to respond to the Extraordinary Change Pack for RN4871 - Modification 0665 – Changes to Ratchet Regime** | | |
| Capture Document / Requirements: | <Insert where appropriate> | | |
| DSG Recommendation: | Approve | Reject | Defer |
| DSG Recommended Release: | Release X: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY | | |

Section C: DSG Discussion

# C1: Delivery Sub-Group (DSG) Recommendations

|  |  |  |  |
| --- | --- | --- | --- |
| DSG Date: | 01/04/2019 | | |
| DSG Summary: | Ellie Rogers (ER) presented this change at the last DSG meeting to get initial views on assumption and went through the background (slide 32). MOD 0665 has now been approved and is to be implemented by Nov 19; so will proposed for July MiR. DSG acknowledged that the options were quite pragmatic and a Change Pack was issued. ER gave the results from the 5 responses received, 3 are in support of the options and 2 didn’t explicitly state support or otherwise but we did not identify any major concerns.  ER went through the assumptions (previously presented at the last DSG) with the Industry representations (slides 34 – 37)   * Visibility of ‘Network Designation’ flag - representation indicated that Users were comfortable with the approach to not amend file formats for this implementation and were comfortable with this being considered as part of CSS file format change * Views sought from DSG - SPA - representation indicated that Users did not flag concerns with this approach. It was suggested by one User that a new rejection code would be sensible.ER opened this up for DSG discussion. JB stated given the timescales not to use a new code and monitor how many affected and change in a future release. This view was supported by DSG. * Views sought from DSG – Inflight - from the industry representation, Users agreed with our approach to allow the Confirmation to progress and not cancel offers. * Views sought from DSG – Invoicing - representation indicated Users were not concerned with the proposed changes. It was stated by one User that changes to the file structure (which is not proposed) would cause an issue and a value/rate change is manageable (which is being proposed).   ER thanked DSG for their feedback and wanted to note that these are the first draft options and approaches and the representation will be in the detailed design process and shared to the wider Industry view in a Change Pack. | | |
| Capture Document / Requirements: | <Insert where appropriate> | | |
| DSG Recommendation: | Approve | Reject | Defer |
| DSG Recommended Release: | Release X: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY | | |

|  |  |  |  |
| --- | --- | --- | --- |
| DSG Date: | 07/05/2019 | | |
| DSG Summary: | Following feedback received at previous DSG meetings and the representations received during the consultation period, the requirements for the change were issued for HLSO.  The HLSO for the Xoserve minimum requirements (Part A) to enable the change to be implemented by 1st October 2019 was presented.  There were two options however one option was discounted as it would require implementation in a Major Release which would miss the required implementation deadline (pre-1st October 2019).  The second option for the minimum scope encompasses:   * Network Designated Flag within UK Link * SPA Validation changes * Manual Forced Class Change process   The high level and system impact assessment were presented and stipulated that this could be delivered within a Minor Release.  It was emphasised that this should have minimum impact for Users with no system impacts, however a Change Pack is due to be issued w/c 7th May for industry views.  DSG members had no comments on the HLSO. | | |
| Capture Document / Requirements: | <Insert where appropriate> | | |
| DSG Recommendation: | Approve | Reject | Defer |
| DSG Recommended Release: | Release: Minor | | |

Section D: High Level Solution Options

# D1: Solution Options

|  |  |
| --- | --- |
| Solution Option Summary: | This is the High Level Solution Options (HLSO) for Part A of XRN4871 only. Part A is the minimum scope Xoserve must implement by 1st October 2019 in order to comply with Modification 0665. The minimum scope encompasses the following elements:   * Network Designated Flag added within UK Link   *This will allow the CDSP to identify within the system the sites which the DNs have assigned as Network Designated and which should be Class 1 and subject to the Class 1 Ratchet Charging Regime*   * SPA Validation changes   *This is to allow Shippers (or CDSP) to move Network Designated sites which could be Class 2, 3 or 4 into Class 1. Also preventing the Network Designated sites being moved out of Class 1.*   * Forced Class Change process   *This is to allow the CDSP to manually move Network Designated sites into Class 1 if the time period for Shippers to do so elapses.*  By implementing the above ahead of 1st October 2019, it allows Xoserve to put in place the arrangements to deliver the scope set out within the Modification.  Two solution options for Part A XRN4871 were included within the HLSO.  Option 1 was however discounted due to the requirement for it to be implemented within a Major Release which would result in the delivery date being missed.  Option 2 can be delivered within a Minor Release and includes the minimum scope required and therefore is the only available solution option for the Part A.  Attached below is the HLSO for Part A XRN4871:    Please note that Part A minimum scope should involve no system changes for Users. It is only changes to Xoserve systems to add the Network Designation Flag and amend the SPA validations.  We are seeking Users views and approval on the proposed solution option for Part A. Please note the reduced representation period to 6 business days as agreed at Change Management Committee on 8th May 2019  If you would like to provide a representation comment and believe you will not be able to do so within the reduced response period, please contact the [uklink@xoserve.com](mailto:uklink@xoserve.com) box account and let us know and we will look to accommodate this.  If the solution option is agreed, as per the normal change process, a Detailed Design Change Pack will be issued to Users stipulating at lower level the details / impacts of this change. Users will also have a representation period to review and provide any comments on the Detailed Design Change Pack which again will be voted on by Change Managers.  In terms of this change Part B, it will require implementation within a Major Release. This is likely to be proposed for June 2020 release, however this is still to be agreed and confirmed.  To confirm, Part B will encompass the following changes:   * Automated Force Class Change * Automated calculation and issue of Class 2 Ratchet invoices   A HLSO for Part B will be undertaken and discussed at DSG before being issued out within a Solution Change Pack for Users review and approval.  This is expected to be discussed within the next few months. |
| Implementation Date for this Solution Option: | Minor Release pre 1st October 2019 |
| Xoserve preferred option:  (including rationale) | Option 2  This is the only option available and encompasses the minimum scope required which will allow compliance with the Modification. It should have no system impacts on Users. |
| DSG preferred solution option:  (including rationale) | Option 2 |
| Consultation closeout: | 17/05/2019 |

Section E: Industry Response Solution Options Review

# E1: Organisation’s preferred solution option

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User Contact Details: | Organisation: | SGN | | | |
| Name: | Sally Hardman | | | |
| Email: | sally.hardman@sgn.co.uk | | | |
| Telephone: | 07970 019027  01293 818129 | | | |
| Organisation’s preferred solution option, including rationale taking into account costs, risks, resource etc. | We would prefer this to be implemented under a single release however due to the requirements of the Modification we understand there are time constraints.  Could Xoserve share the cost impact of delivering this solution via a minor release in July versus implementing the total solution, are there additional costs by initiating the final enduring solution under a major release in June 2020.  Has an assessment of the impacts to external interfaces been undertaken, the change talks about such impacts but doesn’t provide any details.  The solution does not detail how Networks would be made aware of new supply points being registered for the first time?  Will the Network Designation Class 1 flag be available to view in DES by DN’s?  We believe that the above comments need to be considered although they shouldn’t halt the work that Xoserve are doing so that the code obligation is fulfilled in advance of the 1st October. | | | | |
| Implementation Date: | Approve | | Reject | | Defer |
| Xoserve preferred solution option: | Approve | | Reject | | Defer |
| DSG preferred solution option: | Approve | | Reject | | Defer |
| Publication of consultation response: | Publish | | | Private | |

# E2: Xoserve’ s Response

|  |  |
| --- | --- |
| Xoserve Response to Organisations Comments: | Thank you for your comments.  Your response and preference will be fed back in the ChMC meeting ahead of the change being voted on.  Since Part A and B impact different functional code there are not expected to be any changes necessitated in A that will be amended by B. Whilst some economies of scale would potentially have been realised by implementing A and B together, since Part B will be included in a major release you would expect that B would benefit from these in this regard.  With regards to the external interfaces being assessed, the intention is for the Part A scope to involve no system changes for Users. It should only be changes to Xoserve systems to add the Network Designation Flag and amend the SPA validations. That being said, we would want this ratified by Users and once we receive approval from Change Managers to progress (expected June ChMC), we would look to issue the Detailed Design Change Pack as soon as possible for User consideration and ultimate approval.  In terms of New Supply Points, we are investigating use of the existing delta files that are currently provided to the Networks in order for you to assess such Supply Points for Network Designation.  For Part A, the Network Designation flag would not be available in DES to view, however this can be considered as an option for Part B.  As mentioned, the end to end process and impacts for Part A will be issued out within the Detailed Design Change Pack. |

# E1: Organisation’s preferred solution option

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User Contact Details: | Organisation: | E.ON | | | |
| Name: | Kirsty Dudley / Lee Stone | | | |
| Email: | [Kirsty.Dudley@eonenergy.com](mailto:Kirsty.Dudley@eonenergy.com) | | | |
| Telephone: | 07816 172 645 | | | |
| Organisation’s preferred solution option, including rationale taking into account costs, risks, resource etc. | We support the preferred solution and proposed implementation dates.  We have assessed the interim solution and believe it will work where the shipper does not change, however we would like clarification on how this solution will ensure that shippers are informed of Network Designated (ND) class 1s under change of shipper scenarios.  We feel this may cause confusion and possibly lead to ambiguity as to which shipper has the responsibility to move ND sites. This is because the outbound shipper doesn’t have an incentive to appeal or move ND sites which could prevent the incumbent shipper from appealing a forced ND despite having defined rationale.  This may also lead to the CDSP carrying out more forced settlement class changes; and may have impacts to the incumbents shippers imbalance and UIG position so clarity would be good for us and other shippers. | | | | |
| Implementation Date: | Approve | | Reject | | Defer |
| Xoserve preferred solution option: | Approve | | Reject | | Defer |
| DSG preferred solution option: | Approve | | Reject | | Defer |
| Publication of consultation response: | Publish | | | Private | |

# E2: Xoserve’ s Response

|  |  |
| --- | --- |
| Xoserve Response to Organisations Comments: | Thank you for your comments.  Your response and preference will be fed back in the ChMC meeting ahead of the change being voted on.  With regards to your concerns with Change of Shipper scenarios, the intention is for an offline notification to be sent to the Registered User when their site has been Network Designated and it needs to be re-classified.  The changes to the Confirmation process which are being implemented as this change will prevent a Shipper confirming this Supply Point as anything other than Class 1 after the Network Designated Flag has been set.  If a User already has a Confirmation at Requested or Confirmed Status, then a notification will also be issued to such Users notifying them of the need to reclassify the Supply Point.  We expect to stipulate the process and exactly how this solution is going to work within the Detailed Design Change Pack following Change Managers decision to progress with the change (expected June ChMC). |

# E1: Organisation’s preferred solution option

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User Contact Details: | Organisation: | Wales & West Utilities | | | |
| Name: | Richard Pomroy | | | |
| Email: | [Richard.Pomroy@wwutilities.co.uk](mailto:Richard.Pomroy@wwutilities.co.uk) | | | |
| Telephone: | 029 2027 8552 or 07812 973337 | | | |
| Organisation’s preferred solution option, including rationale taking into account costs, risks, resource etc. | Option 2 is the solution that allows delivery by the required date of 1st October 2019. As a principle we do not like having manual solutions as this gives potential for failures as we have seen with the amendment invoice. We accept that further changes for a system solution need to be developed. Any additional changes to the system solution developed at a later date to enhance the service will need to be funded by Shippers. | | | | |
| Implementation Date: | Approve | | Reject | | Defer |
| Xoserve preferred solution option: | Approve | | Reject | | Defer |
| DSG preferred solution option: | Approve | | Reject | | Defer |
| Publication of consultation response: | Publish | | | Private | |

# E2: Xoserve’ s Response

|  |  |
| --- | --- |
| Xoserve Response to Organisations Comments: | Thank you for your comments  Your response and preference will be fed back to ChMC meeting ahead of the change being voted on.  We note your concern with the principle of manual solutions being proposed. As detailed in Section D, the intention is to make the solution automated as soon as possible, with only one Ratchet Year (October –May 2019/20) being proposed to use the manual work around.  For the manual solution, all necessary processes and checks will be implemented to reduce the risk of error.  Regarding funding arrangements for the Part B element of this change, we have noted your view and will make Change Managers aware of this. |

# E1: Organisation’s preferred solution option

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User Contact Details: | Organisation: | Gazprom Energy | | | |
| Name: | Alison Neild | | | |
| Email: | [Alison.neild@gazprom-energy.com](mailto:Alison.neild@gazprom-energy.com) | | | |
| Telephone: | 0161 829 0039 | | | |
| Organisation’s preferred solution option, including rationale taking into account costs, risks, resource etc. | Agree that Option 2 is required to meet the timelines set out by the UNC MOD and Option 1 would not be possible. Therefore support moving forward with **Option 2** as a minor release.  However we do not agree that this in a minor release equates to no impact on shipper systems or processes. Therefore request that the Detailed Design Change Pack is issued as soon as is practicably possible in order to gain clarity of the process, for example confirmation of the following queries:   1. How the current shipper will be informed that a site that is currently not Class 1 has been designated as Class 1 and the 20 day notice period begins 2. How the prospective shipper will be informed of the change, is this expected to be through the rejection code only? What about prospective shippers with open offers/confirmations at the time of change 3. How the DMSP service is triggered for these changes. | | | | |
| Implementation Date: | Approve | | Reject | | Defer |
| Xoserve preferred solution option: | Approve | | Reject | | Defer |
| DSG preferred solution option: | Approve | | Reject | | Defer |
| Publication of consultation response: | Publish | | | Private | |

# E2: Xoserve’ s Response

|  |  |
| --- | --- |
| Xoserve Response to Organisations Comments: | Thank you for your comments.  Your response and preference will be fed back to ChMC meeting ahead of the change being voted on.  In terms of the ‘no impact’ comment, it is our intention within the Part A scope to avoid any system changes for Users. That being said, we would want this ratified by Users and once we receive approval from Change Managers to progress (expected June ChMC), we would look to issue the Detailed Design Change Pack as soon as possible for User consideration and ultimate approval.  In direct response to your comments, we have provided a high level view:   1. Once we are informed by the Network of the Network Designation, we expect an email notification would go to the [DSC Contract Manager of the] Registered User where their site has been Network Designated and needs to be moved into Class 1 within 20 business days. 2. We will identify Users with Confirmations at RQ and CO Status to notify them about the requirement to undertake the Class Change once the Supply Point is Live. We will notify the relevant Shipper DSC Contract Manager. 3. We would not expect that this is a Shipper obligation to notify the DMSPs that DM Equipment was required.   Please note this will be called out within the Detailed Design Change Pack. |

# E1: Organisation’s preferred solution option

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| User Contact Details: | Organisation: | Orsted | | | |
| Name: | Lorna Lewin | | | |
| Email: | lolew@orsted.co.uk | | | |
| Telephone: | 0207 451 1974 | | | |
| Organisation’s preferred solution option, including rationale taking into account costs, risks, resource etc. | We support Option 2 as this will have minor impacts to our internal systems and business processes, whilst meeting the requirements set out in UNC modification 0665. | | | | |
| Implementation Date: | Approve | | Reject | | Defer |
| Xoserve preferred solution option: | Approve | | Reject | | Defer |
| DSG preferred solution option: | Approve | | Reject | | Defer |
| Publication of consultation response: | Publish | | | Private | |

# E2: Xoserve’ s Response

|  |  |
| --- | --- |
| Xoserve Response to Organisations Comments: | Thank you for comments.  Your response and preference will be fed back to ChMC meeting ahead of the change being voted on. |

Section G: Change Management Committee (ChMC) Change Pack Summary

# Communication Detail

|  |  |
| --- | --- |
| Comm Reference: | 2268 - RJ - DA |
| Comm Title: | XRN4871 - Modification 0665 – Changes to Ratchet Regime |
| Comm Date: | 19/03/2019 |

**Change Representation**

|  |  |
| --- | --- |
| Action Required: | For review |
| Close Out Date: | 27/03/2019 |

# Change Detail

|  |  |
| --- | --- |
| Xoserve Reference Number: | XRN4871 - Modification 0665 – Changes to Ratchet Regime |
| Change Class: | Functional Change |
| ChMC Constituency Impacted: | Shipper Users |
| Change Owner: | David Addison  [David.Addison@xoserve.com](mailto:David.Addison@xoserve.com)  0121 623 2752 / Mobile 07428559800 |
| Background and Context: | Modification 0665 – ‘Changes to Ratchet Regime’ has been raised and seeks to amend the current Ratchet Charging Arrangement and it allows Transporters to designate Supply Points (Network Designated) that should, in addition to existing mandatory Class 1 Supply Points, be subject to existing Ratchet Charges. Class 2 Supply Meter Points will be subject to a lesser Ratchet Charge.  Change Proposal XRN4871 has been raised to deliver the system requirements set out within this modification.  Attached for reference:    Due to the proposed timescales and the requirement to implement the changes by 01 October 2019, the Change Proposal has been raised ahead of the modification being officially approved. To confirm, Panel approval is expected in March and an Ofgem decision in April.  This Change Pack seeks to solicit views from the industry regarding the approach for this change. |

# Change Impact Assessment Dashboard (UK Link)

|  |  |
| --- | --- |
| Functional: | Supply Point Administration and Invoicing |
| Non-Functional: | N/A |
| Application: | SAP ISU |
| User: | Shipper |
| Documentation: | N/A |
| Other: | N/A |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Files | | | | |
| File | Parent Record | Record | Data Attribute | Hierarchy or Format  Agreed |
| N/A | N/A | N/A | N/A | N/A |

# Change Design Description

|  |
| --- |
| Modification 0665 – “Changes to Ratchet Regime” has been raised and seeks to amend the current Ratchet Charging Methodology to create a two tier Charging Regime. The higher charge will be applied to existing mandatory Class 1 Supply Points and also to Supply Meter Points that the Transporters designate ‘as subject to the Class 1 Ratchet Charging Arrangements’ where ‘safeguards around accurate capacity declarations’ are necessary. This ‘Class 1 Ratchet Regime’ reflects the existing charging arrangements in terms of composition of the Ratchet Charges and the Ratchet Multiplier remains as is.  The lesser charge will be applied to Supply Meter Points where the Networks do not consider that these safeguards are necessary. The composition of the Ratchet Charges is slightly amended, and has a lower Ratchet Multiplier.  In summary the requirements for the CDSP are:   * Implementation of an amended Ratchet Charging Arrangement applicable for Daily Metered Supply Meter Points that are not Network Designated. [Class 2 Ratchet Charge]. * A mechanism is required to flag in UK Link where a Network has designated a Supply Meter Point which should be subject to the existing [Class 1] Ratchet Charge. These will then be subject to the ‘Class 1 Requirement’ in UNC. * When a Supply Meter Point has been Network Designated the CDSP shall notify the registered Shipper, and the relevant Supply Point will as soon as reasonably practicable be required to be a Class 1 Supply Point * If a Shipper does not reclassify the Supply Point as Class 1 within 20 Supply Point Systems Business Days of the notice of Designation, then the CDSP will reclassify the site as Class 1 after so notifying the relevant Shipper and providing not less than 20 Supply Point Systems Business Days’ notice of the revised classification effective date unless the CDSP has been informed that the Supply Meter Point is unable to be Daily Read in accordance with current code requirements.   For the full details please see [modification 0665](http://www.gasgovernance.co.uk/0665).  Please note that due to the tight timescales for implementation (before 01 October 2019), we are proposing that any changes to external interfaces including file formats are limited and the all associated notifications will be offline.  We are requesting industry views on the following aspects of the change solution:   * **Visibility of Network Designation to Prospective Users**   + As we are seeking to limit the scale of impacts to Users, and in particular Users who do not operate DM Supply Points, **we are NOT proposing to make this data item available to Shipper Users in SPA files** – e.g. Nomination Response (including Enquiry); Confirmation; etc.   + We would suggest that if there is a requirement to make this data item available in SPA files, that this is considered within the CSS Consequential interface changes – scheduled for 2021   If the industry believes that Prospective Users need to have visibility of the Network Designation, potential options could be:   * + Changes to DES     - This is not recommended as the change may be precluded by the timescales.   + Addition to API services     - This would be the preferred option if visibility was required but would need to be assessed.   + Other options from the industry are welcomed for consideration. * **Rejection of Nomination / Confirmation (including Reconfirmation) / Class Change**   + If a site is Network Designated it must be Class 1, any relevant transactions will need to be rejected, such as:     - Nomination     - Confirmation     - Class Change   + We would propose that w**e use the existing Rejection Code CLS00002 – “Supply meter point should be Class 1”**. This code is used for the above processes already.   + Shippers need to consider if this rejection will cause exceptions within their systems as the site will not meet the current Class 1 requirements.   + Other options from the industry are welcomed for consideration. * **Outstanding Offers and Inflight Change of Shipper / Capacity Revision**   + The industry needs to consider where a Supply Meter Point gets set to Network Designated but has and outstanding offer or an accepted confirmation:      * + Outstanding Offer on a Network Designated site which has a Class other than Class 1   We could:   * Invalidate Offer * Reject the Confirmation where the Shipper attempts to confirm an Offer on a Network Designated Supply Meter Point * Allow Offer to continue, but oblige Shipper to reclassify the SMP   + Accepted Confirmation on a Network Designated site which has a Class other than Class 1   We propose to allow Confirmation to progress, but oblige Shipper to reclassify the SMP   * + Other options from the industry are welcomed for consideration. * **New Ratchet Charging Arrangement**   + The current Ratchet Charge includes the **ZRA – Customer Ratchet Charge** and the **SRA – SOQ Ratchet Charge**   + The new Ratchet Charge for Class 2 sites will also include the **ECN – Exit Capacity LDZ Charge.** This is planned to be incorporated into the ZRA Charge for Class 2 Ratchets only     - This appears on the CAZ Invoice and ZCS Supporting information     - The **RT\_I09\_CAP\_RATCHET\_CHARGE\_DETAIL** record has theRATCHET\_PREMIUM value which we expect will be populated differently between Class 1 and Class 2 Ratchets. This needs to be considered by Shippers.   Whilst this approach does eliminate specific file changes to UK Link Users, it is acknowledged that for Users who are active in the DM SMP market, that these changes MAY require system or process changes to these Users. Users are invited to provide alternative solution options for consideration.  We are asking Users to consider and provide their views on this change and the proposed approach / options. |

# Associated Changes

|  |  |
| --- | --- |
| Associated Change(s) and Title(s): | Modification 0665 – Changes to Ratchet Regime |

# DSG

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| DSG discussion date: | 18/03/2019 |
| Any further information: | The options were discussed, and whilst it is acknowledged that this was done within the meeting and attendees were not afforded preparation time, the options presented were recognised as being pragmatic. DSG members agreed with the approach to issue an extraordinary Change Pack to solicit wider industry views on the proposed approach, noting a shortened response timescale. |

# Implementation

|  |  |
| --- | --- |
| Target Release: | July Minor Release |
| Status: | TBC |

Please see the table below for representation comments template; responses to [uklink@xoserve.com](mailto:uklink@xoserve.com)

Section H: Representation Response

|  |  |
| --- | --- |
| User Name: | Kirsty Dudley |
| User Contact: | 07816 172 645  [Kirsty.Dudley@eonenergy.com](mailto:Kirsty.Dudley@eonenergy.com) |
| Representation Status: | N/A |
| Representation Publication: | <Publish> |
| Representation: | Reviewing the proposal our observations are as follows:   * This approach doesn’t impact as many flows as we had anticipated, we want to ensure that all flows have been reviewed to ensure no ‘surprise’ tweaks at a later date as it evolves through the change process * It is sensible to create new rejection codes for this * We raised to the proposer our concerns at 40WDs and we would still prefer 60WD but we are happy to align with the approved mod |
| Target Release Date: | We would prefer a major release however the dates are to be aligned to those approved in in the modification (subject to approval) |
| Xoserve Response: | Thank you for your comments. Please see below our responses:     * In terms of file flows, our intention is to keep the changes to a minimal and make no structural amendments. As the options and assumptions stipulated within this Change Pack are from an initial assessment only, the change must go through detailed design to confirm the final solution and the impacts to Users. * Due to the timescales associated with this change, we are proposing to re-utilise an existing rejection code to minimise the changes for Users since initial analysis suggests we have a code that would sufficiently describe the reason for this rejection. This approach has been ratified by DSG. It was suggested that we consider creating a new rejection code as an enduring solution (this would not be for the first year implementation). * As modification 0665 has been approved by Ofgem, we will deliver the solution as stipulated within the modification and aim for an aligned implementation date. |

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| User Name: | Richard Pomroy, Wales & West Utilities Ltd |
| User Contact: | [Richard.Pomroy@wwutilities.co.uk](mailto:Richard.Pomroy@wwutilities.co.uk)  029 2027 8552  07812 973337 |
| Representation Status: | N/A |
| Representation Publication: | Publish |
| Representation: | We note the desire to implement this by 1st October 2019 which was clear from the consultation responses. This will inevitably mean that it is implemented in a way that causes least change to processes. This leads to the possibility that further change proposals will be raised to amend the solution at a later date.  This change is funded by DNs and NTS. Our view is that DNs and NTS  should not be required to fund future changes that incur costs due to reworking the solution if those changes could have been implemented in the initial implementation had a different implementation date been proposed.  These costs should be funded by Shippers as they are the party benefiting from an early implementation date. |
| Target Release Date: | See above comments on the risk of additional avoidable costs being incurred by implementing a minimum change solution for October 2019 compared to a more complete package in a later release. |
| Xoserve Response: | Thank you for your comments regarding the funded arrangements for any future associated changes.  We have noted this and will make Change Managers aware of this view. |

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| User Name: | Louise Hellyer, Andrew Green |
| User Contact: | Louise Hellyer  [Louise.hellyer@totalgp.com](mailto:Louise.hellyer@totalgp.com)  01737 275638 |
| Representation Status: | Support |
| Representation Publication: | Publish |
| Representation: | *Visibility of Network Designation to Prospective Users*   * We are comfortable that the sites are not flagged in SPA files; assuming the list of sites is reasonably small. If the number were to grow significantly then a different approach may be needed. There is also some concern that this approach is out of synch with the method given for interruptible sites, but is a pragmatic approach to get this progressed. * Following that we would therefore support the inclusion of the information within the later CSS to align it more with how interruptible sites are captured and to give better longevity. * One small concern is around recipients, it would be important to ensure that the list is maintained and therefore a “no Change” email could be sent in situations where the report should be issued but that the shipper had no actions to be taken. We need to avoid a new site being added in Oct20 and not being picked up as the email was sent to an old recipient. This could also happened for Sites that no longer qualify. * To understand the customer communications would there be anything being sent to them from the Network to understand the requirement for the siteworks to get a datalogger installed (in the current world AMR would not be adequate for a SPC1 site)?   *Rejection of Nomination / Confirmation (including Reconfirmation) / Class Change*   * Although this rejection code suggested is not ideal and could generate some internal confusion we do not believe it will cause system issues. We also believe that the potential confusion can be managed reasonably easily internally.   *Outstanding Offers and Inflight Change of Shipper / Capacity Revision*   * Our preference would be for outstanding and inflight actions to continue to complete and then require processing. We believe that if this is not the case the customer could be adversely affected as they may not register for supply on the start of their contract opening them up to potential out of contract rates at their current supplier. This could also be the case of charges related to capacity revisions and being subject to incorrect rates for longer than required.   *New Ratchet Charging Arrangement*   * With invoicing the proposed method where the file format is not changed is fine. The key is no change in structure; how the value/rate is made up is something that we can work with internally. |
| Target Release Date: | We are comfortable with the target release date. |
| Xoserve Response: | Thank you for your comments. Please see below our responses:  *Visibility of Network Designation to Prospective Users*   * Thank you for confirming you are comfortable with the Network Designated visibility. * In terms of your concern, we will look to develop a suitable communications process which should provide the relevant parties with the required details. At this stage we are unable to confirm exactly how this will work but we will take into consideration your comments when this is looked at in detail. * As a Class 1 site under current UNC Code rules it would be the responsibility of the Transporter to install Daily Read Equipment and as part of the install process, it is assumed that the Transporters will trigger this reinstallation accordingly. We will ensure this is included within the process development.     *Rejection of Nomination / Confirmation (including Reconfirmation) / Class Change*   * Thank you for confirming that utilising an existing rejection code is manageable. Please note, the rejection code detailed within the Change Pack (**CLS00002 – “Supply meter point should be Class 1”),** was a suggestion and may not be the one re-utilised. This will be confirmed within the detailed design phase and communicated with a final Change Pack but following initial analysis it suggests we have a code that would sufficiently describe the reason for this rejection. * DSG have suggested that we consider creating a new rejection code as an enduring solution (this would not be for the first year implementation).   *Outstanding Offers and Inflight Change of Shipper / Capacity Revision*   * Thank you for confirming your preference for outstanding and inflight offers to progress.   *New Ratchet Charging Arrangement*   * Thank you for confirming you are comfortable with changes to the values/rates within file formats as long as there are no structural amendments. |

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| User Name: | Megan Coventry |
| User Contact: | Megan Coventry  [Megan.coventry@sse.com](mailto:Megan.coventry@sse.com)  02392277738  (Name, Email, Telephone) |
| Representation Status: | Support |
| Representation Publication: | Publish |
| Representation: | We support this change to deliver the system requirements toward implementation of modification 0665 ‘Changes to Ratchet regime’. |
| Target Release Date: | We support implementation as part of the July Minor release. |
| Xoserve Response | Thank you for comments and confirming your support. |

|  |  |
| --- | --- |
| User Name: | Npower |
| User Contact: | Amie Charalambous  Gas.Codes@npower.com  07917271763 |
| Representation Status: | Approve |
| Representation Publication: | Publish |
| Representation: | We are supportive of this change. |
| Target Release Date: | Support target release date |
| Xoserve Response | Thank you for your comments and confirming your support. |

Appendix 1

# Change Prioritisation Variables

Xoserve uses the following variables set for each and every change within the Xoserve Change Register, to derive the indicative benefit prioritisation score, which will be used in conjunction with the perceived delivery effort to aid conversations at the DSC ChMC and DSC Delivery Sub Groups to prioritise changes into all future minor and major releases.

## Change Details

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Change Driver Type: | CMA Order | | | MOD / Ofgem | | |
| EU Legislation | | | License Condition | | |
| BEIS | | | ChMC endorsed Change Proposal | | |
| SPAA Change Proposal | | | Additional / 3rd Party Service Request | | |
| Other | | | <If [Other] please provide details here> | | |
| Customer group(s) impacted if the change is not delivered: | Shipper | | IGT | | | Network |
| Xoserve | | NG Transmission | | | NTS |
| Other | | <If [Other] please provide details here> | | | |
| Associated Change Ref Number(s): | N/A | | Associated MOD Number(s): | | | MOD0665 |
| Perceived delivery effort (days): | 0-30 | | | 30-60 | | |
| 60-100 | | | 100+ | | |
| Does the change involve the processing of personal data? | ‘Any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier’ - includes MPRNS. | | | Yes (if selected please answer the next question) | | |
| No | | |
| A Data Protection Impact Assessment (DPIA) will be required if the change involves the processing of personal data in any of the following scenarios: | New Technology | | | Theft of Gas | | |
| Mass Data | | | Xoserve Employee Data | | |
| Vulnerable Customer Data | | | Fundamental changes to Xoserve | | |
| Other | | | <If [Other] please provide details here> | | |
| (If any of the above boxes have been selected then please contact the Information Security team (Kevin Eltoft-Prest) to complete the DPIA. | | | | | |
| Change Beneficiary:  *How many market participant or segments stand to benefit this change?* | Multiple Market Participants | | | | Multiple Market Group | |
| All UK Gas Market Participants | | | | Xoserve Only | |
| One Market Group | | | | One Market Participant | |
| Primary Impacted DSC Service Area: | Service Area 7: NTS Capacity / LDZ Capacity / Commodity / Reconciliation / Ad-Hoc Adjustment and Energy Balancing Invoices | | | | | |
| Number of Service Areas Impacted: | One | | | | Two to Five | |
| Five to Twenty | | | | All | |
| Improvement Scale? | High | | Medium | | | Low |
| Are any of the following at risk if the change is not delivered? | Safety of Supply at risk | | | | | |
| Customer(s) incurring financial loss | | | | | |
| Customer Switching at risk | | | | | |
| Are any of the following required if the change is delivered? | Customer System Changes Required | | | | | |
| Customer Testing Likely Required | | | | | |
| Customer Training Required | | | | | |
| Primary Application impacted: | BW | | ISU | | | CMS |
| AMT | | EFT | | | IX |
| Gemini | | Birst | | | API |
| Other | | <If [Other] please provide details here> | | | |
| Business Process Impacted: | AQ | | SPA | | | RGMA |
| Reads | | Portal | | | Invoicing |
| Other | | <If [Other] please provide details here> | | | |
| Any known impacts to external services and/or systems as a result of this change? | Yes | Multiple DSC service lines impacted | | | | |
| No |

## Workaround Details

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Workaround in operation? | Yes | If [No] please do not continue completing the [Workaround Details] section | | |
| No |
| Who is accountable for the workaround? | Xoserve | | External Customer | Both |
| What is the Frequency of the workaround? |  | | | |
| What is the lifespan for the workaround? |  | | | |
| What is the number of resource effort hours required to service workaround? |  | | | |
| What is the Complexity of the workaround? | Low | *(easy, repetitive, quick task, very little risk of human error)* | | |
| Medium | *(moderate difficult, requires some form of offline calculation, possible risk of human error in determining outcome)* | | |
| High | *(complicate task, time consuming, requires specialist resources, high risk of human error in determining outcome)* | | |

## Prioritisation Score

|  |  |
| --- | --- |
| Change Prioritisation Score: | 27% |