

Change Proposal

UNC Modification 0636D - Updating the parameters for the NTS Optional Commodity Charge

Mod Reference: 0636D
CDSP Reference: XRN4657

Document Stage	Version	Date	Author	Status
ROM Request / Change Proposal	0.2	24/04/18	Alexander Yankovskiy	Draft
ROM Response	1	08/05/2018	Steve Ganney	Draft
Change Management Committee Outcome				Choose an item.
EQR				Choose an item.
Change Management Committee Outcome				Choose an item.
BER				Choose an item.
Change Management Committee Outcome				Choose an item.
CCR				Choose an item.
Change Management Committee Outcome				Choose an item.

Document Purpose

This document is intended to provide a single view of a change as it moves through the change journey. The document is constructed in a way that enables each section to build upon the details entered in the preceding section. The level of detail is built up in an incremental manner as the project progresses.

The template is aligned to the Change Management Procedures, as defined in the CDSP Service Document. The template is designed to remove the need for duplication of information. Where information is required in one section but has been previously captured in a previous section, the previous section will be referenced.

The summary table on the front page shows the history and the current status of the Change Proposal.

Section	Title	Responsibility
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A1	Glossary of Key Terms	N/A

Section 1: Proposed Change

This Proposal section has been drafted on Joint Office's behalf by Xoserve and any views expressed in them are the Proposer's (and not Xoserve's).

Note: This is a revised version of the Change Proposal Section, to ensure that the content is seen as the Proposer's view and not Xoserve's neural view of the proposal.

Originator Details			
Drafted and Submitted (on Behalf of Joint Office) By	Gazprom Marketing & Trading (Alexander Yankovskiy)	Contact Number	07506 490868
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Subject Matter Expert / Network Lead		Contact Number	
		Email Address	
Customer Class	<input checked="" type="checkbox"/> Shipper <input checked="" type="checkbox"/> National Grid Transmission <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> IGT		
Overview of proposed change			

Change Details

The 0636D change being proposed is effectively a hybrid of:

- a) 0636B: update OCC parameter values in line with RPI) and;
- b) 0636C*: EU-GB Interconnection Points (IPs) will remain on existing parameter values (rates) until 0621 implementation (1st October 2019)

The key difference is that unlike 0636C, 0636D is proposing to apply the updated rates (0636B) to the **IP NTS Entry Points** – in addition to Non-IP Entry Points and Non-IP Exit Points.

Part 1 - Update of NTS OCC Parameter Values

The proposal requires a change to the charging formula contained within Section Y (3.5 NTS Optional Commodity Rate).

The parameters of the NTS Optional Commodity charge formula are derived from flow rates, pipeline distances and underlying costs.

The current formula is:

$$p/kWh = 1203 \times M^{-0.834} \times D + 363 \times M^{-0.654}$$

Where:

D is the direct distance of the site or non-National Grid NTS Pipeline to the elected Entry Terminal

M is the Maximum NTS Exit Point Offtake Rate (MNEPOR) at the site, converted into kWh/day
[^] Means 'to the power of..'

The **proposed change** is to index the relevant parts of the formula to reflect inflation at a rate of RPI over the period since inception to today.

For all eligible **Non-IP Points** and **IP Entry Points**, the OCC to be applied is:

$$p/kWh = [2086.59] \times M^{-0.835} \times D + [610.70] \times M^{-0.654}$$

The update to the parameters would be effective for all non-IP sites and IP Entry sites availing of the OCC from the time of implementation of the Mod and no further updates are envisaged prior to October 2019.

It is proposed these values will be changed annually effective from 1st October.

Part 2 - IP Exit Point OCC:

The **current NTS OCC formula** will continue to be applied to those IP Exit Points until it is superseded by any future mod proposal e.g. 0621.

$$p/kWh = 1203 \times M^{-0.834} \times D + 363 \times M^{-0.654}$$

For avoidance of doubt:

- The updated (RPI indexation) OCC rate would only apply to eligible Non-IP Points and IP Entry Points
- The current OCC formula/rate will continue to apply to the IP Exit Points
- National Grid will be responsible for annual RPI updates of the underlying OCC costs/formula
- No changes are being proposed to the current User application process for NTS OCC

The Proposer's Reason(s) for the proposed service change	The proposer summarised their reasons for change in the modification as follows... Mod0636D (Joint Office)
Status of related UNC Mod	0636D is in Workgroup Development. The 0636D (and 0636/0636A, B and C) Workgroup Reports are required for consideration by the Workgroup on 9th May 2018 for inclusion in the Draft Mod Report.
Full title of related UNC Mod	UNC Modification 0636 – Updating the parameters for the NTS Optional Commodity Charge
Benefits of change	See Mod 0636D
Required Change Implementation Date	Anticipated :to be confirmed
Please provide an assessment of the priority of this change from the perspective of the industry.	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low Rationale for assessment: High Impact Mod

Section 2: Initial Assessment / ROM Request / Change Proposal

This ROM Request section has been drafted on Joint Office's behalf by Xoserve and any views expressed in them are the Proposer's (and not Xoserve's).

Note: This is a revised version of the ROM Request Section, to ensure that the content is seen as the Proposer's view and not Xoserve's neural view of the proposal.

Service Level of Quote/Estimate Robustness Requested	Evaluation Services <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> ROM estimate for Analysis and Delivery CDSP Change Services <input type="checkbox"/> Firm Quote for Analysis <input type="checkbox"/> Firm Quote for both Analysis and Delivery
Has any initial assessment been performed in support of this change?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Is this considered to be a Priority Service Change?	<input checked="" type="checkbox"/> Yes (Mod Related) <input type="checkbox"/> Yes (Legislation Change Related) <input type="checkbox"/> No
Is this change considered to relate to a 'restricted class' of customers? <p style="font-size: small; color: purple;">Consider if the particular change is only likely to impact those who fall under a particular customer class</p> <p style="font-size: small; color: purple;">If it impacts all customer classes (i.e. Transmission, Distribution & Shippers) then choose 'No'.</p>	<input checked="" type="checkbox"/> Yes (please mark the customer class(es) to whom this is restricted) <input type="checkbox"/> No <hr style="border-top: 1px dashed black;"/> <input checked="" type="checkbox"/> Shippers <input checked="" type="checkbox"/> National Grid Transmission <input type="checkbox"/> Distribution Network Operators <input type="checkbox"/> IGTs
Is it anticipated that the change would have an adverse impact on customers of any other customer classes? <p style="font-size: small; color: purple;">Please refer to appendix one for the definition of an 'adverse impact'</p>	<input type="checkbox"/> Yes (please give details) <input checked="" type="checkbox"/> No

General Service Changes Only (please ensure that either A or B below is completed)

A) Customer view of impacted service area(s)

This will potentially impact DSC BCM Service Area 7

B) If the change is anticipated to require the creation of a new service area and service line please give further details stating proposed name of new service area and title of service line:

N/A

Specific Service Changes Only:

Please detail the proposed methodology (or amendment to the existing methodology) for determining Specific Service Change Charges.
N/A
Please detail the proposed basis (that is, Charging Measure and Charging Period) for determining Specific Service Change Charges in respect of the Specific Service.
N/A
Impacts to UK-Link System or File Formats
Anticipated changes required to hold NTS Optional Commodity rates based on two separate NTS Optional Commodity arrangements (formula/rates); 1.IP Exit Points 2.Non-IP Points and IP Entry Points
Impacts UKL Manual Appendix 5b
Impacts to Gemini System
Anticipated changes required to hold NTS Optional Commodity rates based on two separate NTS Optional Commodity arrangements (formula/rates); 1.IP Exit Points 2.Non-IP Points and IP Entry Points
Please give any other relevant information.
Given the timescale for potential implementation (1 st October 2018) we kindly request Xoserve considers potential interim (manual workaround) and enduring (system) solutions for 0636D. It would be helpful to include potential implementation timescales/dates for any manual and systems solutions.

Please send the document to the following:

Recipient	Email
Xoserve Portfolio Office	changeorders@xoserve.com
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 3: ROM Request Acceptance

Is there sufficient detail within the ROM Request to enable a ROM Analysis to be produced?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, please define the additional details that are required.	

If the ROM Request is not accepted. Please forward this document to the Portfolio Office for onward transmission to the Change Management Committee

Section 4: ROM Analysis

This ROM is Xoserve's response to the above Evaluation Service Request. The response is intended to support customer involvement in the development of industry changes. Should the request obtain approval for continuance then a Change Proposal must be raised for any further analysis / development.

Disclaimer:

This ROM Analysis has been prepared in good faith by Xoserve Limited but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to Xoserve at the time of its preparation. Xoserve accordingly makes no representations of accuracy or completeness and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

Where Xoserve becomes aware of any inaccuracies or omissions in, or updates required to, this Report it shall notify the Network Operators' Representative as soon as reasonably practicable but Xoserve shall have no liability in respect of any such inaccuracy or omission and any such liability as may be implied by law or otherwise is expressly excluded.

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ROM Analysis

Change Assessment

The UNC Modification 0636D proposes that the NTS Optional Commodity charge formula is revised to index the relevant parts of the formula, to reflect inflation at a rate of RPI over the period since the NTS Optional Commodity Charge was introduced until today. This is outlined in the revised formula below;

For all eligible **Non-IP Points** and **IP Entry Points**, the OCC to be applied is:

$$p/kWh = [2086.59] \times M^{-0.835} \times D + [610.70] \times M^{-0.654}$$

In addition, UNC Modification 0636D proposed to maintain the **current NTS OCC formula** to those eligible IP Exit Points, until such time that this formula is superseded by any future mod proposals e.g. 0621. The current NTS OCC formula is detailed below;

For all eligible **IP Exit Points**, the OCC to be applied is;

$$p/kWh = 1203 \times M^{-0.834} \times D + 363 \times M^{-0.654}$$

Change Impact:

Billing Impacts

The billing system will require changes to recognise whether to bill for an Interconnector Point (Entry or Exit) or non- Interconnector Points using the separate formulas.

This impacts both Commodity and Reconciliation, with the following impacts:

- Billing configuration changes for 3 new charge type codes (Charge, adjustment and Reconciliation), new price keys, new rates and new rate types.
- Changes to the pre-bill report for the introduction of the new charge codes
- Changes to the PCD templates for the new charge codes

SPA Impacts

The following will be impacted:

- Nominations
- Confirmations
- SSMP Nominations
- SSMP Confirmations
- SAP contract change process
- Gemini work item

Gemini system

Changes are likely to be required to Gemini, these will include:

- Changes to Short Haul charge and Short Haul rebate charge creation process
- Changes to the monthly invoice generation process
- Changes to the Gemini screens that display the charges

Change Costs (implementation):

The solution will cost at least £100k, but probably not more than £115k to develop.

An offline interim solution has been considered, however the costs are likely to more than the online system solution and could not be delivered any sooner.

Change Costs (on-going):

There are annual on-going costs, but these are likely to less than ½ day for 1 FTE per annum.

Timescales:

- The strategy adopted for Post Nexus change is a Release strategy (changes grouped and implemented together at a set date) and it is expected that this change would form part of a major Release. Consideration for inclusion in a Release will be made when the Change Proposal is submitted to the Change Management Committee (ChMC).

Assumptions:

- LDZ sites will use the nominated DMSOQ value in place of MNEPOR.

Constraints:

- A Price change notification would be required.

Observations:

- It is likely that SAP BW reports are affected and require changes. However, due to time and resource constraints the number and materiality of reports has not been analysed.



Please send the document to the following:

<i>Recipient</i>	<i>Email</i>
Xoserve Portfolio Office	changeorders@xoserve.com
Requesting Party	As specified in ROM Request

Section 5: Change Proposal: Committee Outcome

The Change Proposal is approved. An EQR is requested			
Approved Change Proposal version			
The change proposal shall not proceed			
The committee votes to postpone its decision on the Change Proposal until a later meeting		Date of later meeting	
The committee requires the proposer to make updates to the Change Proposal:			
Updates required:			

Section 6: Evaluation Quotation Report (EQR): Change Proposal Rejection

Change Proposal Rejection				
	Yes		No	Is there sufficient detail within the Change Proposal to enable an EQR to be produced? If no, please provide further details below.
Further details required:				

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

**Section 7: Evaluation Quotation Report (EQR):
Notification of Delivery Date**

Notification of EQR Delivery Date	
Original EQR delivery date:	
Revised EQR delivery date:	
Rationale for revision of delivery date:	

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 8: Evaluation Quotation Report (EQR)

Project Manager		Contact Number	
		Email Address	
Project Lead		Contact Number	
		Email Address	

Please provide an indicative assessment of the impact of the proposed change on: <ul style="list-style-type: none"> i. CDSP Service Description ii. CDSP Systems 	
Approximate timescale for delivery of 'business evaluation report' (N.b this is from the date on which the EQR is approved.)	
Estimated cost of business evaluation report preparation This can be expressed as a range of costs i.e. 'at least £xx,xxx but probably not more than £xx,xxx'.	
Does the CDSP agree with the 'Restricted class change' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
Does the CDSP agree with the 'Adverse Impact' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
Does the CDSP agree with the 'Priority Service Change' assessment (where provided)? Please refer to detail provided in the Change Proposal	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)
General service changes	
Does the CDSP agree with the assessment made in the Change Proposal regarding impacted service areas?	<input type="checkbox"/> Yes <input type="checkbox"/> No (please give detail below)

<p>This should refer to whether the proposing party considers the service change to relate to an existing service area or whether it constitutes a new service area.</p>	
<p>Specific service changes</p>	
<p>Does the CDSP agree with the proposal made in the Change Proposal regarding specific change charges?</p> <p>This should refer to the proposed methodology (or amendment to existing methodology) for determining the specific service charges and the proposed basis for determining the specific service change charges.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please give detail below)</p>
<p>Please provide a draft amendment of the Specific Service Change Charge Annex setting out the methodology for determining Specific Service Change Charges proposed in the Change Proposal</p>	
<p>EQR validity period:</p>	

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 9: Evaluation Quotation Report: Committee Outcome

The EQR is approved			
Approved EQR version			
The Change Proposal shall not proceed. The Change Proposal and this EQR shall lapse			
The committee votes to postpone its decision on the EQR until a later meeting		Date of later meeting	
The committee requires updates to the EQR:			
Updates required:			
General service changes only (The detail upon which the response will be based is originally defined in the change proposal and potentially commented upon in the subsequent EQR)			
1.) Does the committee agree with the assessment of the service area(s) to which the service line belongs and the weighting of the impact?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
2.) If no, please enter the agreed service area(s) and the weighting:			
Specific service changes only (The detail upon which the response will be based is originally defined in the Change Proposal and potentially commented upon in the subsequent EQR)			
1.) Please confirm the methodology for the determination of Specific Service Change charges			
2.) Please confirm the charging measure and charging period for the determination of Specific Service Change charges			

Section 10: Business Evaluation Report (BER)

Change Implementation Detail										
1.) Detail changes required to the CDSP Service Description										
2.) Detail modifications required to UK Link										
3.) Detail changes required to appendix 5b of the UK Link Manual										
4.) Detail impact on operating procedures and resources of the CDSP										
5.) Implementation Plan										
6.) Estimated implementation costs										
6a.) How will the charging for the costs be allocated to different customer classes? (General Service Changes only)										
<p>Please mark % against each customer class:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50px; border: 1px solid black; text-align: center;"><input type="text"/></td> <td>National Grid Transmission</td> </tr> <tr> <td style="border: 1px solid black; text-align: center;"><input type="text"/></td> <td>Distribution Network Operators and IGT's</td> </tr> <tr> <td style="border: 1px solid black; text-align: center;"><input type="text"/></td> <td>DN Operator</td> </tr> <tr> <td style="border: 1px solid black; text-align: center;"><input type="text"/></td> <td>IGT's</td> </tr> <tr> <td style="border: 1px solid black; text-align: center;"><input type="text"/></td> <td>Shippers</td> </tr> </table> <p><u>100%</u></p>	<input type="text"/>	National Grid Transmission	<input type="text"/>	Distribution Network Operators and IGT's	<input type="text"/>	DN Operator	<input type="text"/>	IGT's	<input type="text"/>	Shippers
<input type="text"/>	National Grid Transmission									
<input type="text"/>	Distribution Network Operators and IGT's									
<input type="text"/>	DN Operator									
<input type="text"/>	IGT's									
<input type="text"/>	Shippers									
7.) Estimated impact of the service change on service charges										
8.) Please detail any pre-requisite activities that must be completed by the customer prior to receiving or being able to request the service.										
Implementation Options										
<p>Please provide details on any alternative solution/implementation options: This should include:</p> <ul style="list-style-type: none"> (i) a description of each Implementation Option; (ii) the advantages and disadvantages of each option (iii) the CDSP preferred Implementation Option 										

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Restricted Class Changes only
Is there any change in the view of the CDSP on whether there would be an 'Adverse Impact' on customers outside the relevant customer class(es)?

Yes (please give detail below)
 No

Dependencies:

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Constraints:

--

Benefits:

--

Impacts:

--

Risks:

--

Assumptions:

Information Security:
Out of scope:
Please provide any additional information relevant to the proposed service change:

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	dsccomms@gasgovernance.co.uk

Section 11: Business Evaluation Report: Committee Outcome

The BER is approved and the change can proceed			
Modification Changes Only			
Please ensure that the Transporters are formally informed of the Target Implementation Date			
Approved BER version			
The change proposal shall not proceed and the BER shall lapse			
The committee votes to postpone its decision on the BER until a later meeting		Date of later meeting	
The committee requires updates to the BER:			
Updates required:			

Section 12: Change Completion Report (CCR)

Change Overview

Please include detail on the following for the chosen implementation option: modifications to UKLink, impact on operating procedures and resources of the CDSP.
 Actions required of the customer prior to the commencement date

Please detail any differences between the solution that was implemented and what was defined in the BER.

Detail the revised text of the CDSP Service Description reflecting the change that has been made

Were there any revisions to the text of the UK Link Manual?

- Yes (please insert the revised text of the UK Link manual below)
- No

Proposed Commencement Date		Actual Commencement Date	
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Please provide an explanation of any variance

Please detail the main lessons learned from the project

Service change costs			
Approved Costs (£)		Actual Costs (£)	
Reasons for variance between approved and actual costs:			

Please send the document to the following:

Recipient	Email
Change Management Committee Secretary	enquiries@gasgovernance.co.uk

Section 13: Change Completion Report: Committee Outcome

The implementation is complete and the CCR is approved			
Approved CCR version			
The committee votes to postpone its decision on the CCR until a later meeting		Date of later meeting:	
The committee requires further information			
Further information required:			
The committee considers that the implementation is not complete			
Further action(s) required:			
The proposed changes to the CDSP Service Description or UK Link Manual are not correct			
Amendments to CDSP service description / UKLink manual required:			

Section 14: Document Template Version History

The purpose of this section is to keep a record of the changes to the overall version template and the individual sections within. It will be updated by the CDSP following approval of the template update by the Change Management Committee.

Version History:

Version	Status	Date	Author(s)	Summary of Changes
1.0	Approved		CDSP	Version Approved by Change Committee

--- END OF DOCUMENT ---

Appendix One: Glossary

Term	Definition
Adverse Impact	<p>A Service Change has or would have an Adverse Impact on Customers of a particular Customer Class if:</p> <p>(a) Implementing the Service Change would involve a modification of UK Link which would conflict with the provision of existing Services for which such Customer Class is a Relevant Customer Class;</p> <p>(b) the Service Change would involve the CDSP disclosing Confidential Information relating to such Customers to Customers of another Customer Class or to Third Parties;</p> <p>(c) Implementing the Service Change would conflict to a material extent with the Implementation of another Service Change (for which such Customer Class is a Relevant Customer Class) with an earlier Proposal Date and which remains Current, unless the Service Change is a Priority Service Change which (under the Priority Principles) takes priority over the other Proposed Service Change; or</p> <p>(d) Implementing the Service Change would have an Adverse Interface Impact for such Customers.</p>
General Service	A service provided under the DSC to Customers or Customers of a Customer Class on a uniform basis.
Non-Priority Service Change	A Service Change which is not a Priority Service Change
Priority Service Change	<p>A Modification Service Change;</p> <p>or</p> <p>A Service Change in respect of a Service which allows or facilitates compliance by a Customer or Customers with Law or with any document designated for the purposes of Section 173 of the Energy Act 2004 (including any such Law or document or change thereto which has been announced but not yet made).</p>
Relevant Customer class	A Customer Class is a Relevant Customer Class in relation to a Service or a Service Change where Service Charges made or to be made in respect of such Service, or the Service subject to such Service Change, are or will be payable by Customers of that Customer Class
Restricted Class Change	Where, in relation to a Service Change, not all Customer Classes are Relevant Customer Classes, the Service Change is a Restricted Class Change ;
Service Change	<p>A change to a Service provided under the DSC (not being an Additional Service), including:</p> <p>(i) the addition of a new Service or removal of an existing Service; and</p> <p>(ii) in the case of an existing Service, a change in any feature of the Service specified in the CDSP Service Description, and any related change to the CDSP Service Description</p>
Specific Service	A service (other than Additional Services) available under the DSC to all Customer or Customers of a Customer Class but provided to a particular Customer only upon the order of the Customer.