

UNC Draft Modification Report	At what stage is this document in the process?
<h1>UNC 0855:</h1> <h2>Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident</h2>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification seeks to address any settlement discrepancies arising from the Central Switching System (CSS) Priority 1 (P1) incident by creating a suitable resolution framework.</p>	
<p><b>Next Steps:</b></p> <p>This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this Modification. The close-out date for responses is <b>12 October 2023</b>, which should be sent to <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>. A response template is available at <a href="http://www.gasgovernance.co.uk/0855">http://www.gasgovernance.co.uk/0855</a>.</p> <p>The Panel will consider the responses and agree whether or not this Modification should be made.</p>	
<p><b>Impacted Parties:</b></p> <p>High: Suppliers; Shippers; Consumers</p> <p>None: National Gas NTS, Distribution Network Operators and Independent Gas Transporters</p>	
<p><b>Impacted Codes:</b></p> <p>UNC and IGT UNC: This Modification is being raised to specifically address the Settlement issues arising from the P1 Incident on CSS.</p> <p>REC.: This Modification is required following a P1 Incident within the REC. REC will need to assess any impacts to their Code.</p>	

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<b>Modification timetable:</b>	
Pre-Modification Discussed	26 January 2023
Date Modification Raised	10 August 2023
New Modification to be considered by Panel	17 August 2023
First Workgroup Meeting	24 August 2023
Workgroup Report to be presented to Panel	21 September 2023
Draft Modification Report issued for consultation	22 September 2023
Consultation Close-out for representations	12 October 2023
Final Modification Report available for Panel ( <i>at short notice</i> )	16 October 2023
Modification Panel decision	19 October 2023

 Any questions?

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## 1 Summary

### What

1. On 6<sup>th</sup> July 2023 a Priority 1 incident was declared by the Switching Service Operator on the Central Switching Service (CSS) when a large number of Registrations (c.193,000) did not successfully progress to a state where they would become Active Registrations by the original Supply Effective From Date within CSS. As a result, CSS did not issue the Secured Active Notifications required under the Retail Energy Code to the Gas Retail Data Agent. These Secured Active Notifications are termed 'Definitive Registration Notifications' under the Uniform Network Code when received by the CDSP. As the CDSP has not received these notifications from CSS in advance of the Registration Effective Date, the CDSP is unable to record the Nominated Shipper as the Relevant User of the Supply Point in accordance with UNC TPD Section G 5.2.4 b) – i.e. by 05:00 on the Registration Effective Date. Different Shippers and Suppliers managed the response to the CSS P1 Incident in different ways. The following resolution paths are considered to have impacted Settlement, so are within the scope of this Modification:
  - a. cancellation of Registrations that had passed (or were about to reach) their Supply Effective From Date in CSS, and resubmission for a subsequent Supply Effective From Date – meaning that the **Original Intended Supply Start Date** was not achieved; or
  - b. waiting for the Switching Operator to issue retrospective Secured Active Notifications – leading to a discrepancy between the UKL Registration Effective from Date and the Supply Effective From Date in CSS (**CSS Registration Effective from Date**).
2. This will cause a gap between the Registration Date in UK Link and the CSS. This will mean that there is an issue where Settlement (which is generated from UK Link systems) will not be attributed to the relevant Shipper that is recorded in the CSS, the system that should master Registrations.
3. This Modification includes a retrospective but finite component recognising that this Modification is raised to address Settlement issues arising from this specific incident on the CSS.
4. For Gas this issue is expected to impact in excess of 80,000 gas Registrations. Due to the period for CSS resolution and the nature of the Supply Meter Points impacted, the aggregate adjustment value, where relevant, is expected to be material.
5. This Modification proposes that in the event that the Central Data Service Provider (CDSP) becomes aware that Registration details in the UK Link system are not aligned to Central Switching Service (CSS) or as the Original Intended Supply Effective From Date is not recorded in CSS, the Shipper recorded in CSS will be responsible for the Supply Meter Point for the purposes of invoicing, despite not being recorded as such within the Supply Point Register. Where relevant the Modification addresses the disconnect between CSS and UK Link by enabling the CDSP to process an adjustment for the period between the CSS Registration Effective From Date (or the Original Intended Supply Effective From Date) until the Registration is effective in UK Link systems (i.e. the Effective Registration Date) so the relevant energy **and transportation charges** for the period of misalignment is correctly allocated to the relevant Shipper.
6. To assist in the Settlement processes this Modification also proposes that the CDSP, where a Meter Reading is not already present, adds a valid Meter Reading on the CSS Registration Effective Date (or the Original Intended Supply Effective From Date), and sets out which User may replace such a Meter Reading, and the timescales within which they may do so in order to affect Settlement.

## Why

7. This Modification is intended to address Settlement discrepancies caused by an issue in the CSS that resulted in circa 80,000 Gas Registrations not progressing in accordance with the Retail Energy Code, leading to a difference between the Original Intended Supply Effective From Date in the Retail Energy Code and the Registration Effective Date recorded in UK Link systems.

## How

8. This Modification proposes transitional changes to the UNC to address Settlement discrepancies caused by the CSS P1 Incident. This Modification proposes that:
  - a. The CDSP undertakes, where material, an adjustment to correct the disconnect between CSS and UKLink
  - b. There is clarity in the UNC as to which party is responsible for Settlement in the event that CSS and the UK Link system are misaligned; and
  - c. The CDSP may load a Meter Reading on the CSS Registration Date (or the Original Intended Supply Effective From Date), which User may replace such Meter Reading and the purpose for which this Meter Reading is loaded; and
  - d. There is clarity about the circumstances that the CDSP shall generate and issue invoice adjustments
  - e. There is the ability for Losing and Gaining Shippers to opt out of Settlement adjustment.

## 2 Governance

### Justification for Authority Direction

1. This Modification has a material impact and is retrospective in nature. Therefore, it requires Authority direction.
2. The CSS P1 Incident affects c. 80,000 Gas Supply Meter Points with a total Annual Quantity of 1.25TWh and the period of Settlement Adjustment is likely to be up to 30 calendar days. This issue has had a material commercial impact on industry parties and also on consumers as a consequence.
3. This Modification includes a limited, targeted, and finite Retrospective component. Ofgem Guidance states that this may be considered where “a situation where the fault or error giving rise to additional costs or losses was directly attributable to central arrangements” – in this instance the CSS.
4. The value of the adjustments has yet to be defined as the CDSP do not formally know the impacted Supply Meter Points, as some of the failed Registrations have yet to occur and this will be subject to a reconciliation by the Switching Operator. As part of UNC Modification 0836S the CDSP provided the following table that showed the potential commercial impacts of the Settlement Adjustments. Whilst no Supply Meter Points with the VLDMC AQ shown have been impacted by this issue there have been a number of Supply Meter Points at or around 10 GWh – which could equate to a daily gas allocation of circa £1.5-5k per day.

This uncertainty could be visible to consumers:

	Typical Domestic Property	Average sized Industrial/ Commercial Property	Very large Daily Metered site
Assumed AQ (kWh)	16,258	564,000	139,500,00
Peak Day Consumption (SOQ – kWh)	149	3,528	687,032
Typical Transportation Charges per Day	£0.70	£7.35	£535.85
Average gas allocation per day kWh/cost	45 kWh £1.76	1,545 kWh £60	382,252 kWh £14,907
Peak day gas allocation per day kWh/cost (i.e. worst case scenario)	149 kWh £11.18	3,528 kWh £265	687,032 kWh £51,527

- Switch not processed – old Shipper continues to be billed, new Shipper not billed

## Requested Next Steps

This Modification should:

- be considered a material change and not subject to Self-Governance.
- issued to consultation.

It is proposed that this Modification progress to Workgroup, but that this is concluded within one month (but may include more than one Workgroup) so that Shippers have an opportunity to support development of the Modification.

## Workgroup’s Assessment

Workgroup participants agreed with the proposer that the Modification should follow Authority Direction as it is likely to have a material impact due to the highlighted features above.

## 3 Why Change?

1. This Modification proposes implementing the framework to enable Settlement Adjustments caused as a result of the Central Switching Service (CSS) Priority 1 (P1) Incident which has led to the disconnect between the Supply Effective From Date (or the Original Intended Supply Effective From Date) in CSS and the Registration Effective Date in UK Link systems for circa 80,000 Registrations.
2. This Modification includes a retrospective but finite component recognising that this Modification is raised to address Settlement issues arising from the specific incident on the CSS referenced above.
3. This disjoint will mean that there is an issue where Settlement (which is generated from UK Link systems) will not be attributed to the relevant Shipper that is recorded from the Supply Effective From Date in CSS .
4. Due to the period for resolution and the nature of the Supply Meter Points impacted the adjustment value is expected to be material.
5. This issue has created a set of complex challenges to industry participants. A number of options are being contemplated by industry parties to reduce the impact to their consumers and on their systems and processes. Users may elect a number of resolution paths therefore we need to ensure that this Modification

caters for these diverse resolutions.

The following paths are understood and catered for in this Modification:

- a. **Switching Operator Issue of Retrospective Secured Active Notifications:** The Switching Operator has progressed option (referred to as option 2) where they have issued the Secured Active Notifications for the original Supply Effective From Date from 2<sup>nd</sup> August 2023. These notifications could be up to 27 days later than they should have been issued, this will also include instances where the CSS have notified the CDSP that the Registration is Active within CSS and that it would send a Definitive Registration Notification, and failed to do so. We understand that DCC are seeking a derogation from REC PAB in order to do so. **These Supply Meter Points are included within this Modification.**
- b. **Supplier Proactive Cancellation of Registrations and Registration resubmission for a Future Effective Date.** Some Suppliers have cancelled the original Registration that has reached the intended Supply Effective From Date in CSS, but the original Registration has not been set to Active by CSS. **These Supply Meter Points are intended to be included within the scope of this Modification** as the CSS P1 Incident means that there may be a disjoint between the Original *Intended* Supply Effective From Date and the Registration Effective Date in UK Link systems.

The Central Switching Service has been unable to identify the number of Registrations that have been impacted that have a future Supply Effective From Date, but at 24<sup>th</sup> July 2023 the CDSP have estimated that a further 2k Registrations will be impacted unless Suppliers proactively cancel the Registration and resubmit for a prospective date. The CDSP have sought to identify future dated Registrations that are impacted so that Shippers can proactively manage these Registrations – CDSP estimates that approximately 1k Registrations have been cancelled and resubmitted as a result of this. These Supply Meter Points will be **excluded** from the Modification as the Original Supply Effective From Date in CSS and the Registration Effective Date in UK Link are aligned. This Modification will only consider Supply Meter Points where these two dates are misaligned – as this is where a Settlement discrepancy will have arisen.

6. This incident will result in a difference between the original intended Supply Effective From Date in the Retail Energy Code and the Registration Effective Date in the Uniform Network Code. This issue will lead to Settlement discrepancies that this Modification seeks to address. This necessitates a retrospective element albeit associated with a tightly defined population of impacted Supply Meter Points
7. Different industry parties will have impact assessed this incident differently and consequently may have resolved the situation differently, the known resolutions are detailed above but this Modification will consider Supply Meter Points in scope where the Original Intended Supply Effective From Date and the Registration Effective Date in the Uniform Network Code differ.
8. This Modification proposes that in order to qualify as a candidate Supply Meter Point for Settlement Adjustment the Supply Meter Point must have been:
  - a. Defined as an impacted Supply Meter Point by the Switching Operator – i.e. the Secured Active Notification failed to be issued by the Switching Operator by the Original Intended Supply Effective From Date or
  - b. Included in the CDSP assessment of impacted Supply Meter Points – and the Original Intended Supply Effective From Date did not align to the UK Link Registration Effective Date
9. In accordance with 5b the incoming Shipper **must warrant which Supply Meter Points are valid instances of Supplier Proactive Cancellation of Registrations and Registration resubmission for a Future**

**Effective Date (as per Rule 5b above).** To support this process the CDSP will identify the candidate Supply Meter Points that it considers could meet the criteria – i.e. original Registration for that Supply Meter Point was cancelled and was resubmitted for a **later** Registration Effective Date for the same Shipper. The incoming Shipper must confirm those within the CDSP notice apply, and any additional Registrations that they consider meet the relevant criteria. Where such Supply Meter Points are warranted by the incoming Shipper these will be included in the adjustment processes and Meter Readings shall be applied.

10. This Modification further proposes that the CDSP need not perform the Settlement Adjustment where both the Losing and Gaining Shippers opt out of the Settlement Adjustment. This is proposed as a number of the Registrations impacted are understood to be ‘internal’ Registrations as a result of portfolio re-alignment within company group operations.
11. **Responsibility for a Supply Point.** The changes for the Faster Switching SCR, amongst other things, defined the basis on which a User became the Registered User of a CSS Supply Point in the Supply Point Register. The UNC changes did not consider the circumstances where the CSS and UK Link systems were misaligned. This is not a failure of the SCR as this was a scenario that was not envisaged by the Ofgem Switching Programme, and indeed any changes to remedy such instances were deferred from the Programme. This Modification seeks to clarify the responsibility for the Supply Point in the exceptional event that CSS and UK Link systems are misaligned.
12. **Insertion of a Meter Reading for the CSS Registration Effective Date.** Where a Supply Point is created an Opening Meter Reading should be obtained for the Supply Point Registration Date in accordance with TPD Section M 5.13. Where this is not provided, the CDSP will estimate a Meter Reading. This Meter Reading is used in Settlement to define the gas used between the previous and the new Registered User, the Suppliers and potentially end consumer billing. The CDSP has proposed to insert a Meter Reading on the date that the Supply Point Registration of the CSS Supply Point would have become effective in the Supply Point Register had all messages been generated and received successfully – this is referred to as the **CSS Registration Effective Date Meter Reading** but will also include the Original Intended Supply Effective From Date). This Meter Reading will only be inserted where a Meter Reading does not otherwise exist in UK Link systems on the CSS Registration Effective Date. This Meter Reading will be a Valid Meter Reading – i.e. it would be used for reconciliation (i.e. a Reconciliation Meter Reading) and could be used for AQ – but since it is proposed that this is added once the Opening Meter Reading has been loaded then it is unlikely to be utilised as the AQ Closing Reading (TPD M 2.3.7 (a) refers). This will enable Users to continue to use this Meter Reading as if the CSS and UK Link systems were aligned. Treatment of this Meter Reading will be different from a standard Opening Meter Reading in that only the User who is recorded on UK Link systems (i.e. the party that will become the Outgoing User with UK Link systems are updated with the Supply Point Registration) will be able to replace this, as opposed to the incoming User. It is required that both Shippers will cooperate with one another and ensure that any alternative Meter Reading that is agreed upon must be replaced by the User able to do so. For the avoidance of doubt, there may be some instances where the CSS Registration Effective Date Meter Reading cannot be loaded into the UK Link system – in such instances the Meter Reading will be derived and provided to the Users, but any Replacement of such Meter Readings will need to be provided via manual processes.
13. **Timeline for Calculation of the Adjustment.** This Modification proposes that the CDSP will perform the calculation of the Adjustment not earlier than the end of the third month following the issue of the CSS Effective Date Meter Reading to both Shippers or the Modification implementation date (whichever is the later). (For the avoidance of doubt Meter Readings may be replaced following the calculation being conducted, but any such Replacement Readings will not be factored into the Adjustment calculation, nor amend the Adjustment .) This means that any Replacement Readings must be accepted by the CDSP prior to this point in order to be considered for the Adjustment.

## 4 Code Specific Matters

### Reference Documents

REC Schedule 23 – Registration Services defines the normal progression of a CSS Registration.

### Knowledge/Skills

No specific knowledge or skills are expected to be required.

## 5 Solution

**The following transitional components are expected to be considered for the period of the CSS P1 Incident reference INC0216074.**

**BR1.** The CSS P1 Incident scope will be considered as being from the period of 7<sup>th</sup> July 2023 (being the earliest Original Intended Supply Effective From Date impacted by the incident on 6<sup>th</sup> July 2023) until all impacted Supply Meter Points have been identified and the Registrations effected in the UK Link system whether resolved by:

- a. Switching Operator Issue of Retrospective Secured Active Notifications, which will also include instances where the CSS have notified the CDSP that the Registration is Active within CSS and that it would send a Definitive Registration Notification, and failed to do so.
- b. Supplier Proactive Cancellation of Registrations and Registration resubmission for a Future Effective Date.

**BR2.** In these circumstances the CSS Recorded Shipper (i.e. a Shipper who is recorded on the Central Switching Service as the registered Shipper, but as a result of the CSS P1 Incident is not recorded as the Registered User (i.e. Portfolio Shipper) in the UK Link system)) will be responsible for the Transportation invoicing.

**BR2 Note 1:** This Modification seeks to clarify the responsibility for the Supply Point where, as a result of the CSS P1 Incident that CSS and UK Link systems are misaligned, or the Original Intended Supply Effective From Date was not achieved. This is intended to be an exceptional event – specific to the CSS P1 Incident.

**BR3.** Where a Meter Reading does not already exist, the CDSP will insert a Meter Reading on the date that the Supply Point Registration of the CSS Supply Point would have become effective. This is referred to as the **CSS Registration Effective Date Meter Reading** but will also include the Original Intended Supply Effective From Date). Such Meter Reading will be notified to both the Registered User (i.e. the Portfolio Shipper) and the CSS Recorded Shipper. This will enable Users to continue to use this Meter Reading as if the CSS and UK Link systems were aligned. Only the User who is recorded on UK Link systems (i.e. the party that will become the Outgoing User when UK Link systems are updated with the Supply Point Registration) will be able to replace this, as opposed to the incoming User. When the CDSP notifies the incoming and outgoing Shippers of the Meter Reading, they shall also notify the counterparty Supplier and Shipper – i.e. they will notify the incoming Shipper of both the outgoing Supplier and Shipper, and the outgoing Shipper of the incoming Supplier and Shipper. The

CDSP will also issue the 'P1 Incident Manager' contact details for the relevant Shippers within this notification – where this has been provided to the CDSP for this purpose.

**BR3 Note 1:** It is expected that both Shippers will cooperate with one another and ensure that any alternative Meter Reading that is agreed upon, must be replaced by the User able to do so.

**BR3 Note 2:** The CDSP will notify the outgoing and incoming Shipper of the Meter Reading on **CSS**

**Registration Effective Date**, whether the Meter Reading is estimated by the CDSP or is already present in the UK Link system.

**BR4.** The methodology for Meter Reading estimation will be determined by the prevailing Class at the time of the CSS Registration Effective Date and in accordance with UNC TPD 5.4.1 and 5.4.2 for Classes 1 and 2, and for 3 and 4, respectively.

**BR4 Note 1:** It is not expected that Meter Readings will be required for Class 1 and 2 Supply Meter Points as it would be expected that other daily read processes would have already inserted a Meter Reading, but the ability to insert such Readings should not be prevented if required.

**BR4 Note 2:** For Class 3 and 4 Supply Meter Points (i.e. use the NDM Supply Meter Point Demand in accordance with TPD M5.4.2, and for the avoidance of doubt if there is a later Meter Reading than the CSS Registration Effective Date Meter Reading, then the consumption will be profiled using this methodology between the Meter Readings preceding and following the CSS Effective Date).

**BR5.** The CDSP will calculate the adjustment required once the Registration has taken effect and the Opening Meter Reading and the CSS Registration Effective Date Meter Reading have been recorded in UK Link systems.

**BR5 Note:** This Modification proposes that the CDSP shall perform the adjustment as a one-off activity.

**BR6 (TBC).** Intra Group transfers will be exempt from this modification as they have no impact on Settlement but both the Losing and Gaining Shipper will need to inform the CDSP that they have opted out for transfers to one another.

**BR6 Note 1:** This is proposed as a number of the Registrations impacted are understood to be 'internal' Registrations as a result of portfolio re-alignment within company group operations.

**BR7.** The CDSP will perform the adjustment calculation no earlier than at the end of the third month following issue of the CSS Effective Date Meter Reading to both Shippers, or the implementation Date of the Modification, whichever is the later.

**BR8.** Adjustments will be issued to the relevant Shipper Users within M+2 of the adjustment being identified

**BR8 Note:** For the avoidance of doubt Meter Readings may be replaced following the adjustment calculation being conducted, but any such Replacement Readings will not be factored into the adjustment calculation nor amend any Adjustment undertaken for this reason.

**BR9:** The incoming Shipper must warrant which Supply Meter Points are valid instances of Supplier Proactive Cancellation of Registrations and Registration resubmission for a Future Effective Date. Where such Supply Meter Points are warranted by the incoming Shipper these will be included in the adjustment processes and Meter Readings shall be applied.

## 6 Impacts & Other Considerations

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

This Modification does not affect a current live SCR or major industry project.

#### Consumer Impacts

This Modification should offer positive benefits to consumers that have been impacted by these Registrations. The Faster Switching SCR moved the responsibility for mastering Registration from the UK Link system to

CSS. For these impacted consumers this may lead to confusion by Suppliers regarding responsibility for the Supply Point which may lead to issues with consumer billing. This Modification should provide certainty to industry parties sooner, so that they are able to communicate this to the consumer, thus reducing the impact to the consumer.

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

This Modification should enable the Shippers to get certainty regarding the Settlement impacts. As it currently stands there is no process for attributing the Adjustments to the Shipper recorded in CSS. This uncertainty is likely to lead to uncertainty between Suppliers and Shippers which will be communicated to consumers.

<b>Impact of the change on Consumer Benefit Areas:</b>	
Area	Identified impact
<p><b>Improved safety and reliability</b>                      Misalignment between Registration and Settlement could lead to a number of industry processes being adversely impacted.                      Further impacts could be identified should an emergency situation arise if the Shipper has been prevented from updating consumer contact details as they were not recorded as the Registered User.</p>	Positive
<p><b>Lower bills than would otherwise be the case</b>                      Whilst uncertainty exists some consumers may be placed onto default tariffs. This Modification affords certainty to Suppliers that may be passed to consumers.</p>	None
<p><b>Reduced environmental damage</b>                      None identified.</p>	None
<p><b>Improved quality of service</b>                      This process should reduce the risk of protracted Settlement uncertainty as a result of the CSS P1 Incident. This should limit the risk to consumer billing – whilst not mitigating this entirely, it is still considered positive in relation to the consumer experience without the greater level of Settlement certainty that this Modification affords.</p>	Positive
<p><b>Benefits for society as a whole</b>                      None identified.</p>	None

**Cross-Code Impacts**

Other impacted Codes are REC; REC Change Proposal R0067 has been raised to consider some of the issues defined in this Modification.

Some components of this Modification will need to be reflected in the IGT UNC and an associated Modification is to be raised. The implementation of UNC and IGT UNC Modifications will need to be coordinated.

### EU Code Impacts

None identified.

### Central Systems Impacts

Change Proposal, [XRN5535A - Processing of CSS Switch Requests Received in 'Time Period 5'](#) has been raised to consider the circumstances where the GRDA receives messages after 02:59:59. XRN5535A will include a new DSC Service Line where the CDSP is made aware that the Registration details in UK Link are not aligned to the Central Switching Service, that it shall initiate prospective Registration in UK Link. This relies on the UNCC acceptance of the CDSP using 'proxy Secured Active Notifications' which has been renewed in July 2023 following notification to the UNCC of this incident.

Change Proposal 5535B has been raised to assess the necessary operational and system costs for Modification 0836S and any changes to the DSC Service Lines. A ROM has been provided to the 0836S Workgroup to describe the impacts. The CDSP will need to conduct an assessment of the scalability of the solution once the final scale of the impacted Registrations are known – and the scale of Adjustments required.

### Rough Order of Magnitude (ROM) Assessment

The Workgroup noted that two ROM cost options were provided, agreeing that the recommended non automated email option was preferable as the automated email function is not likely to be used again following conclusion of the P1 incident.

It should be noted that should Modifications 0836S and 0855 be implemented, the costs in the ROM for this Modification would supersede and not be additional to the costs identified in the ROM for Modification 0836S - *Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067.*

Rough Order of Magnitude (ROM) Assessment <i>(Workgroup assessment of costs &amp; lead times)</i>	
Cost estimate from CDSP	£70k to £120k for the recommended non-automated email option.
Ongoing Costs	The ongoing cost will be in the range of £27k to £35k per annum. These costs are being reviewed to clarify the costs associated with responding to the P1 incident and ongoing system functionality support costs - these will be discussed at the DSC Change Management Committee.

### Performance Assurance Considerations

If implemented, this Modification should reduce the risk of protracted Settlement uncertainty as a result of the CSS P1 Incident.

## Initial Representations *(Joint Office to complete)*

None Received.

## Panel Questions

**Q1.** Is the impact of the P1 incident on Shippers material if customers retained or lost are netted off.

**Ans.** It was noted that although the analysis might prove beneficial for some parties when considering the materiality of the issue being resolved by the Modification, the CDSP would only be able to provide netting off values based on estimated reads. Therefore, these would be difficult to draw conclusions against as actual reads provided later might significantly change the values provided in the analysis.

It was noted that parties have been provided with estimated reads for their portfolios and could undertake their own analysis.

## Workgroup Impact Assessment

### Meeting 31 August 2023

There is a view, particularly in the domestic market that losses and gains net each other off to the point that there is no significant impact on settlement. Others were of the view that the benefit of a reduction in settlement uncertainty is the primary driver for this Modification.

It was noted that a proportion of the 84K sites impacted were intra-company transfers and a proportion of these might be domestic sites which overall might not have a material impact on settlement.

It was agreed that the Invoice Adjustment window of 28 Days was too short and that this should be extended to 3 months.

A request was made that any shared cost benefits for systems changes that were also required by Modification 0836S should be highlighted in the ROM.

### Meeting 08 September 2023

It was noted that of the 84k sites impacted, 59k were intragroup transfers in the domestic market with an approximate energy value of 0.5TWh of the 1.25TWh impacted.

It was noted that there was agreement at the DSC Change Management Committee to proceed at risk for the development of the system solution for Modification 0836S. However, any future spend agreed through the Change process would include this value and not be in addition to it.

The Workgroup reviewed the ROM and noted the recommendation for a non-automated email option.

## Reference Documents

[Associated CDSP Change Proposals for missing messages](#) document is published alongside this report for clarity and is intended to show all DSC Change Proposals necessitated by the Missing Messages issue (including the CSS P1 Incident in July 2023). It is intended to demonstrate the relevant functionality implemented by each change.

## 7 Relevant Objectives

### Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This Modification furthers Relevant Objective f) as it allows the CDSP to undertake Settlement Adjustments as required therefore this further promotes the efficiency of industry processes.

### Workgroup Assessment of Relevant Objectives

The Workgroup agreed with the proposer that this Modification should further Relevant Objective f) as it allows the CDSP to undertake Settlement Adjustments as required therefore this further promotes the efficiency of industry processes.

## 8 Implementation

No specific Modification implementation date is specified, however, given the potential material Settlement implications leading to uncertainty for consumer billing, it is requested that this implementation date is as soon as reasonably practicable.

It should be noted that implementation would need to be coordinated with the IGT UNC.

## 9 Legal Text

Legal Text has been provided by Cadent and is published alongside this report.

### **Workgroup Assessment**

The Workgroup has considered the Legal Text and Commentary and is satisfied that it meets the intent of the Solution. The version published has minor typographical errors corrected following its review at Workgroup.

## 10 Recommendations

### **Panel's Recommendation to Interested Parties**

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this Modification.

## 11 Appended Representations

Initial Representations – None