

Rough Order of Magnitude (ROM) Request and Response

1. Purpose of a ROM

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

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

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

2. ROM Request – To be completed by the customer

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

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

2a. ROM Request Details

ROM Request Details	
Change Title	Modification 0862 Amendments to the current Unidentified Gas Reconciliation Period arrangements
Regulatory Impact	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Regulatory Reference (if applicable)	Regulation change allocated reference and associated code - UNC Modification 0862 .
Change Overview	<p>This ROM has been raised in relation to Modification 0862 – ‘Amendments to the current Unidentified Gas Reconciliation Period arrangements’ which would change the UIG Reconciliation period so that UIG is reconciled in the same month/s that the energy originated from.</p> <p><u>Why change?</u></p> <p>The proposer states that changing the way UIG is reconciled is now necessary because:</p> <ul style="list-style-type: none"> • More supply meter points are read monthly which means a 12 monthly smear of UIG may be less accurate than it was historically; • If a party seeks to leave the market, a 12 monthly smear may mean that their share of UIG does not always match their original allocation; • Reconciling UIG in the month the energy originated from may mitigate against the discrepancies mentioned in bullet points 1 & 2. <p><u>Proposed Change:</u></p> <p>When a read is submitted for a meter point, meter point reconciliation is carried out to determine the difference between estimated and actual energy consumption. The difference in energy is then smeared across the reconciliation period (read date to read date). The opposite value of all reconciliations in an LDZ for that billing month are totally up as Unidentified Gas. Instead of total Unidentified Gas then being ‘weighted’* and divided into 12^{ths} and allocated to the previous 12 months in 12 equal sized pots, the total Unidentified Gas would be ‘weighted’* and allocated to <u>just the month/s that it originated in.</u> For the avoidance of doubt, the allocation will be spread across the</p>

	<p><u>whole of the month/s and not limited to the exact dates</u> of that month that the energy originated from.</p> <p><u>Definition:</u> <i>*'Weighted' means the relevant AUGE weighting factors per Class and EUC would be applied to the UIG values.</i></p> <p>On the surface this is a relatively simple change as Modification 0862 seeks to change the <u>period</u> that the Unidentified Gas Reconciliation is allocated against but <u>does not</u> seek to change <u>any</u> other element of how Unidentified Gas is reconciled.</p> <p><u>Assumptions:</u></p> <ul style="list-style-type: none"> • It is not anticipated that any other meter point reconciliation calculations or associated processes would be amended under Modification 0862. • Apart from changing the UIG reconciliation period, no other UIG reconciliation processes are expected to change. • It is expected that any solution would not include invoicing at Meter Point level. The current invoicing format would be utilised for the relevant month/s where the UIG originated from. • The solution anticipates UIG will continue to be reconciled back to Line in the Sand so that no UIG is unaccounted for. <p>Please consider the following questions as part of the ROM Response to 0862:</p> <ul style="list-style-type: none"> • What are the downstream impact/s of changing the UIG Reconciliation period on ALL existing meter point reconciliation processes, including but not limited to, UIG Reconciliation processes? • Are there any other downstream impacts unrelated to meter point reconciliation processes that workgroup need to be aware of? I.e. system impacts? • What could the implementation of this modification look like? Would transitional arrangements be required? Or could a 'big bang' approach be employed? Please provide analysis of both options. • Are there any anticipated costs associated with this change and what are the indicative costs associated with Modification 0862? 	
Date Raised	07/12/2023	
Required Response Date	05/01/2024	
	Name:	Kathryn Adeseye

Requestor Contact Details	Organisation:	Xoserve
	Email:	kathryn.adeseye3@xoserve.com
	Number:	0121 2292351
Xoserve Lead Contact (to be provided by the CDSP)	Contact Name:	Kathryn Adeseye

3. ROM Response – To be completed by the CDSP – XRNXXXX (XRN for internal purposes only and to be removed before issuing to customers)

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

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

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

3a. Impacted Constituency

Customer Class(es) Impacted by Change:	<input checked="" type="checkbox"/> Shipper	<input type="checkbox"/> Distribution Network Operator
	<input type="checkbox"/> NG Transmission	<input type="checkbox"/> IGT
	<input type="checkbox"/> All	<input type="checkbox"/> Other <Please provide details here>
Justification for Customer Class(es) selection	UIG charges are sent to Shippers in an ASP File Format (Amendments_Invoice_Supporting_Information) as part of Amendment Invoice hence Shippers will be impacted as part of this change.	

3b. Overview of impacts

Overview of impacts	<p>An overall end to end summary is provided below:</p> <ol style="list-style-type: none"> 1. UIG reconciliation will be apportioned across the same months based on the actual meter point reconciliation data. This will change from the current 12-month apportionment logic based on all the MPRN reconciliation for the impacted month (which could include months from the current billing month back to the Line in the Sand (LIS) date). Enhancements will be carried out in the current UIG calculation process to accommodate the above-mentioned change.
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For Example, if the meter point reconciliation is spanning across a 5-month period then, only for those 5 months, UIG Reconciliation will be calculated at Shipper, LDZ, EUC, Class type and actual billing period level. The existing UKLink meter point reconciliation functionality automatically splits the reconciliation energy down by calendar month. This aligns the energy to transportation billing periods. These calendar month units are referred to as "Variance Periods". The Variance period energy would be considered for each month of the 5-month period and used to apportion the UIG Reconciliation to the corresponding billing months' Market shares.

2. Revised Monthly Throughput values are to be calculated for the impacted month (which could be from the current billing month back to the LIS date).
3. The new approach will utilise the current LDZ Significant meter error reconciliation process (i.e. "Qualifying LDZ Reconciliations" as defined in UNC TPD E7.5) where the charges are apportioned over the period of adjustment using the throughput shares applicable to those specific periods.
4. Finally, UIG charges will be aggregated at the Shipper, LDZ and Billing period level, which will be the same as the current process.

Assumptions:

1. New approach will use the historical throughput values as at the Go Live date.
2. If the Reconciliation period is for one day, then the UIG reconciliation value will be shared over the whole month's revised weighted market share.
3. There is no change to any other calculations within the Amendment invoicing process.
4. There is no change to the current meter point reconciliation process.
5. There is no change to the daily throughput data received from Gemini to UK Link system.
6. There is no change to the Daily UIG allocation process in Gemini system.
7. There is no change to the current Annual Shrinkage and Significant LDZ error calculation.
8. LDZ offtake reconciliations as defined in UNC TPD E7.3 (i.e. those which are below the 50 GWh threshold specified in TPD E7.5 – see above) and other offline reconciliation that currently feeds UIG smear will also follow the new logic and will be calculated for the impacted months (which could include months from the current billing month back to the LIS date).
9. There is no change required to the first level Supporting Information file (ASP). The Supporting Information file size could increase due to a greater number of entries in the K91 Record (Reconciliation_Invoice_UG_Smear) values on the .ASP Core Amendments Invoice Supporting Information. No changes are required to the file format occurrence for this segment as the increased number of segments are still within the present defined maximum occurrence.

10. The process for raising UIG Reconciliation charges for voluntarily discontinued or terminated shippers remains unchanged.
11. A small number of potentially impacted reports have been identified as part of this assessment. Actual impacts to reports are unlikely, based on the nature of the proposed changes, but this will be fully investigated as part of the detailed design.
12. For internal testing, any confidential data in the test environments will be anonymised/masked. If unanonymised/masked data is required to facilitate any external testing, then additional costs would be incurred. In addition, if any new data items are identified during design, which are required for internal or external testing, additional costs would be incurred to include these in the test environments.
13. The costings/timeline provided are based on a stand-alone release. If bundled into a major release, for example, there may be efficiencies identified.

Below are the responses to the specific questions raised:

Q. What are the downstream impact/s of changing the UIG Reconciliation period on ALL existing meter point reconciliation processes, including but not limited to, UIG Reconciliation processes?

A. This change will not have any impact to the individual meter point reconciliation process or the amendment invoice creation process.

Q. Are there any other downstream impacts unrelated to meter point reconciliation processes that workgroup needs to be aware of? I.E., system impacts?

A. Supporting information file ASP could have more records for the K91 segment, as going forward the monthly UIG reconciliation entries will be created in the system for the impacted months (which could include months from the current billing month back to the LIS date) and same will be sent to Shippers. No changes are required in the file format occurrence for this segment as the increased number of segments are still within the present defined maximum occurrence of up to 900,000 K91 records.

Q. What could the implementation of this modification look like? Would transitional arrangements be required? Or could a 'big bang' approach be employed? Please provide analysis of both options.

A. We recommend a big bang approach. This means that there would not be any transitional arrangements for this change. From the Go Live date the new logic would apply and all billing months, back to the LIS date, would be eligible immediately for UIG reconciliation, as applicable. The alternative approach would be to not apply UIG reconciliation to any historic months that are more than 12 months old at the implementation date. This would allow the number of eligible historic months to increment each month until 2-3 years after implementation. This would mean that historic "closed" months would not be re-opened by the move to "actual

	<p>reconciliation period” smearing. However this would need additional transitional rules to determine how UIG reconciliation would be dealt with for the billing periods from Implementation-12 months back to LIS date and would mean that the objectives of the Modification would not be fully achieved until 2-3 years after implementation.</p> <p>There is already a precedent that LDZ Significant meter error reconciliations (“Qualifying LDZ Reconciliations” as defined in UNC TPD E7.5) and the Annual LDZ Shrinkage Adjustment (UNC TPD N3.4) can apply to billing periods back to the LIS dates, so those historic months are never truly “closed out” until the LIS is reached.</p> <p>The high level cost assessment has only considered the recommended “Big Bang” approach and not any alternative approaches.</p> <p>Q. Are there any anticipated costs associated with this change and what are the indicative costs associated with Modification 0862?</p> <p>A. Please see below for the cost details.</p>

UK Link Component Systems	Level of Impact (L/M/H)	File Format (Y/N)	Screens (Y/N)	Reporting (Y/N)	Batch Jobs (Y/N)	Validation (Y/N)	Processes (Y/N)	Other
UK Link Gemini	N	N	N	N	N	N	N	<i>If ‘Other’ is ticked, please provide justification</i>
UK Link System Application (e.g. SAP ISU, BW, PO)	M	N	N	N	N	Y	Y	<i>Number of table entries as part of smearing process will increase, hence the BW extraction jobs will process more number of entries.</i>
UK Link Portal	N	N	N	N	N	N	N	<i>As above</i>
UK Link Online Services	N	N	N	N	N	N	N	<i>As above</i>
Contact Management Service (CMS)	N	N	N	N	N	N	N	<i>As above</i>

UK Link Network (Inclusive of IX, EFT and AMT)	N	N	N	N	N	N	N	As above
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Additional Systems	Level of Impact (L/M/H)	File Format (Y/N)	Screens (Y/N)	Reporting (Y/N)	Batch Jobs (Y/N)	Validation (Y/N)	Processes (Y/N)	Other
Data Discovery Platform (DDP) Core	N	N	N	N	N	N	N	<i>If 'Other' is ticked, please provide justification</i>
Discovery API	N	N	N	N	N	N	N	As above
Reporting	TBC	N	N	N	N	N	N	
Gas Enquiry Service (GES) –	N	N	N	N	N	N	N	

3c. High level costs and timescales

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

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

Implementation costs

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

For each costed solution option:

An enduring solution will cost at least £130k, but probably not more than £250k,

Ongoing costs

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

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

No ongoing costs anticipated but this will be confirmed at detailed design.

Timescales:

The high-level timeline to deliver this change will take approx. 16 weeks, this does not include up to 4 weeks of PIS (to include an amendment invoice cycle).

Validity of ROM:

Please note, the information provided in the ROM response is an ‘at a point in time’ assessment which is valid for 6 months from the Required Response Date.

3d. Release Type

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

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

Next available Release (based on the Release Type)	ChMC approval to Release scope	ChMC approval of Detailed Design
<i>N/A – to be confirmed as part of detailed design following further workgroup discussion</i>	N/A	N/A

3e. Impact of Service Line(s)

Impact on Service Line(s)	<p>From an initial consideration of the DSC Service Line impact, the Service Area which these processes currently come under is:</p> <p>Service Area 10: Invoicing Customers which as per the Budget and Charging Methodology (12% NGT and 88% DNOs)</p> <p>Based on an initial view, the following Service Line relates to this process:</p>
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ASGT-CS-SA10-10: As agent of the Gas Transporters submission of scheduled Invoice Documents for each Invoice Type following the end of each Billing Period.

Whether a change to the Service Line is required as a result of this Modification is currently unknown. As the Service Lines are at a high-level, a change may not be required. This will be determined at detailed design.

Please note, this is for discussion only and to seek views from the WG to support later discussions within the DSC change process. In terms of agreeing Service Areas and funding splits, this will be undertaken at the DSC Change Management Committee (ChMC).

Please note, the funding split as per the Budget and Charging Methodology has been provided with the Service Areas however, the funding split can be proposed as something different when a specific change is raised based on impacted and benefitting parties.

3f. Assumptions

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

4. Version Control

Version	Date:	Author	Status
1.0	20/07/2022	Ellie Rogers	Clean version
1.1	07/11/2023	Josie Lewis	Minor updates made
2.0	15/04/2024	Kathryn Adeseye	Minor updates made