










| UNC Final Workgroup Report | | At what stage is this document in the process? |
|--|--|---|
| <div> <div>UNC 0651:</div> <div>Changes to the Retrospective Data Update provisions</div> </div> | | <div> <div>01</div> <div>Modification</div> </div> <div> <div>02</div> <div>Workgroup Report</div> </div> <div> <div>03</div> <div>Draft Modification Report</div> </div> <div> <div>04</div> <div>Final Modification Report</div> </div> |
| <div> <div>Purpose of Modification:</div> <div> This UNC Modification is seeking to amend those changes to the UNC identified within UNC Modification 0434 <i>Project Nexus – Retrospective Adjustment</i> specifically relating to Retrospective Data Updates, to incorporate the requirements of Option 4 as identified within the Request 0624R <i>Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address Data Workgroup</i>. </div> </div> | | |
|  | The Panel does not recommend implementation. | |
|  | <div>High Impact:</div> <div>None</div> | |
|  | <div>Medium Impact:</div> <div>Shipper Users</div> | |
|  | <div>Low Impact:</div> <div>None</div> | |

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| Timetable | | |
| Modification timetable: | | |
| Initial consideration by Workgroup | 22 March 2018 | |
| Amended Modification considered by Workgroup | 25 May 2018 | |
| Workgroup Report presented to Panel | 18 July 2018 | |
| Draft Modification Report issued for consultation | 18 July 2018 | |
| Consultation Close-out for representations | 09 August 2018 | |
| Final Modification Report available for Panel | 11 August 2018 | |
| Modification Panel decision | 16 August 2018 | |
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1 Summary

What

The purpose of this UNC Modification is to change the Retrospective Data Update elements of Modification 0434 (as amended by Modification 0610S *Project Nexus - Miscellaneous Requirements*) to incorporate the requirements set out within Option 4 (simplified version of Option 1 plus a data cleanse exercise) as identified within the Workgroup 0624R.

Why

Some consider that in their current form, the Retrospective Data Update elements of Modification 0434 give rise to a number of impacts and risks which have the potential to have an adverse impact on customers. These are as follows:

- Reduces the incentive on Shipper Users to ensure data quality is 'right first time' and subsequently maintained.
- Due to the expected development effort and delivery timelines, the changes necessary to implement the Retrospective Data Update solution within UK Link may adversely impact the implementation timelines of other expected major industry change; specifically, that associated with the Ofgem Faster Switching Program (OSP) and Central Switching Service (CSS).
- The full systematised Retrospective Data Update solution (Option 3 as identified by Request 0624R) provides for an 'over engineered', costly to implement and maintain measure for which the benefits are not proven and at best has a limited life span given the advent of Smart and Advance Metering technologies.

Some consider the Request 0624R Cost Benefit Analysis (CBA) was incomplete as a consequence of ambiguous data provided by some industry parties and consequently did not provide the required evidence or sufficient justification for the high cost of a fully systematised Retrospective Data Update solution. Therefore, this should be replaced with a more appropriate and cost-effective approach to the benefit of customers.

How

UNC would be modified to:

- Change the Retrospective Data Update elements of Modification 0434 (as amended by Modification 0610S) to incorporate the Retrospective Data Update mechanism identified as Option 4 within Request 0624R.
- Require Shipper Users to provide relevant Meter Information as required by the Central Data Services Provider (CDSP) to enable a one-off industry 'data cleanse' exercise to be conducted.

2 Governance

Justification for Self-Governance, Authority Direction or Urgency

This Modification requires Authority Direction as the changes necessary are likely to have a material impact on customers as it amends some of the proposals that were to be implemented as part of Modification 0434 'Project Nexus – Retrospective Adjustment' which was previously considered to be a material change and was directed for implementation.

Requested Next Steps

This modification should:

- be considered a material change and not subject to self-governance
- proceed to Consultation

The Workgroup consider the Modification is sufficiently developed to be issued to consultation. In addition, the Workgroup agrees with the Panels determination on Authority Direction procedures for the reasons set out above and that respondents may wish to provide commercially sensitive supporting information for consideration by the Authority.

3 Why Change?

Introduction

Modification 0434 'Project Nexus – Retrospective Adjustment' was approved by Ofgem on 21 February 2014. The Modification provided the ability for Shipper Users to replace Meter Readings and to retrospectively correct data errors associated with Meter Information, Address and Supply Points. This latter function is identified within the UNC as Retrospective Data Updates and is commonly identified by the informal acronym, RAASP.

On 08 January 2016 the now defunct Project Nexus Steering Group (PNSG) determined that implementation of the Retrospective Data Update elements of Modification 0434 should be deferred and not implemented along with the 'core Project Nexus changes on the Project Nexus Implementation Date (PNID). It should be noted that the arrangements within Modification 0434 pertaining to the amendment of periodic Meter Readings and the subsequent automatic reconciliation were implemented at PNID. PNSG deemed that inclusion of Retrospective Data Update functionality was a risk to the timely implementation of Project Nexus as a whole and deferral would also allow for extended testing of the 'core' UK-Link system changes¹.

Modification 0573 *Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements* was raised by National Grid Distribution (now known as Cadent) on 09 February 2016 and approved by Ofgem on 26 February 2016. The Modification deferred implementation of the Retrospective Data Update elements of Modification 0434 to 01 October 2017.

¹[Project Nexus Steering Group Minutes – 8 January 2016](#)

The Address and Supply Point elements of RAASP were subsequently removed as being superfluous by UNC Modification 0610S 'Project Nexus - Miscellaneous Requirements', which was approved by the UNC Modification Panel under self-governance procedures on 20 April 2017 and implemented on PNID.

Subsequent to this, Cadent raised GT Licence 'Consent to Modify' C057, to further defer the implementation date for the remaining Retrospective Data Update elements of Modification 0434 to "a Day no earlier than 01 November 2018".

On 10 July 2017 Cadent raised UNC Request 0624R – 'Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address Data' to afford the industry the opportunity to review the Retrospective Data Update components of UNC Modification 0434 (as amended by UNC Modification 0610S) with the aim of assessing, through a cost benefit analysis(CBA), the merits of progressing with the solution identified within UNC Modification 0434 or an alternative option if identified within the Workgroup. The primary driver for Cadent raising the Request was that a considerable period of time (4 years) had elapsed since development of Modification 0434 and therefore its currency and on-going relevance should be reviewed.

At its February 2018 meeting, the UNC Modification Panel approved closure of the 0624R Workgroup following publication of the Workgroup report².

UNC Request 0624R

As described above, Request 0624R was raised as a worthwhile exercise, given the considerable passing of time and the changing commercial landscape since Modification 0434 was approved by the Authority. Of particular importance was the need to re-examine the business case for implementing the Retrospective Data Update elements of Modification 0434.

To support the development of Request 0624R, the Central Data Services Provider (CDSP), Xoserve carried out an impact assessment on the Retrospective Data Update requirements and identified a series of alternative options³ all of which provided a solution to varying degrees of automation, complexity and requirement for manual intervention.

In order to inform a CBA for the varying options, including the current fully automated solution (Option 3), the Workgroup initiated a Request for Information (RFI) exercise. Xoserve supported this exercise by co-ordinating, receiving and collating responses and produced an anonymised summary of the RFI consultation responses.⁴

In total 16 organisations responded to the RFI consultation, comprising of 11 Shipper Users, 4 Transporters and 1 iGT. The views expressed within the representations received were polarised in nature between Shipper User and Transporter respondents.

Shipper Users unanimously favoured the fully automated systematised solution identified as Option 3. This option would deliver the full functionality to reflect the remaining unimplemented parts of Modification 0434 (as amended by Modification 0610S) and would provide to Shipper Users, in their opinion, the most cost-effective solution due to minimal operational resource overhead requirements.

² [Modification Request 0624R Workgroup Report](#)

³ [Solution options scenario comparison](#)

⁴ [Summary of consultation responses to UNC 0624R Request for Information exercise](#)

However, Transporters responded that Option 4 (which comprises of a data cleanse activity and a simplified version of the Option 1 solution) was, overall, a more effective remedy given that it could be implemented more rapidly and at less cost than Option 3 and could offer substantial near-term benefits.

During analysis of the RFI Xoserve identified that a number of respondents had interpreted the questions differently and wrote out to a number of parties in an effort to seek clarity. However, the final published tables in the view of the Workgroup remained ambiguous, containing incomplete data given that only a minority of Shipper Users responded to the RFI.

Generally, a CBA would compare the implementation/operational costs of each option along with the benefits case, which for the purposes of the 0624R CBA would be Shipper User costs along with overall Shipper User avoided costs for each option.

Xoserve advised Workgroup 0624R that only one Shipper User provided financial data pertaining to their perceived benefits case for each option and this can be seen in Table 4 of the summary of consultation responses document, 'Expected Constant Materiality of Errors' which Xoserve identify as *'the cost incurred by their respective organisations to manage identified errors under each solution option'*.

The particular Shipper User identified cost savings to them of between £3m and £6m per year for each option. The veracity of this data must though be in some doubt given that Option 5 (a 'Business as Usual' (BAU) or for the purposes of RAASP option comparisons, effectively a 'no change to present' scenario) was also given a cost saving figure of £3m.

In view of the limited number of responses and the variations in how parties interpreted the RFI questions, the Workgroup were unable to provide a meaningful or complete CBA for inclusion within the Workgroup 0624R Report.

Given that the Workgroup were unable to provide a conclusion from the CBA, Cadent analysed the data provided and have postulated that the benefit to Shipper Users can be inferred from the Shipper User operational resource costs of each option within Table 2 of the summary of consultation responses document. In this way Option 3 can be viewed as having an enduring benefit of approximately £1m per year in reduced Shipper User operational resource costs in comparison to Option 4 (noting that Option 3 would be likely to cost at least £1.1m more than Option 4 to design, build and implement).

Therefore, some consider that the conclusion is that the benefits case for implementing the fully systematised Option 3 solution as contained within UNC Modification 0434 has not been made.

UNC Modification 0434 (option 3) solution – concerns

The content of Modification 0434 was predicated on the requirements identified within the 'Retrospective Updates' Business Requirements Definition (BRD)⁵. The Business Requirements Document (BRD) featured the following change drivers and business objectives:

- To improve the accuracy and quality of the data held on the Supply Point Register.
- To provide accurate data to an Enquiring, Proposing Shipper or a new Shipper on transfer of ownership.
- To enable the processing and receipt of any financial adjustments as a result of a data update.

⁵ [Business Requirements Definition document](#)

- Accurate energy allocation and transportation charging.
- To develop a robust regime to allow historical data to be accurately corrected on the Supply Point Register to ensure the data held by the GTs reflects the actual position of a Supply Meter Point at any point in time.

Noting the above, Cadent is concerned that in its present form, the fully systematised (Option 3) Retrospective Data Update solution is inconsistent with the above and has several drawbacks:

- It removes the incentive on Shipper Users to ensure that ALL data submitted to the CDSP is accurate and 'right first time'. Cadent acknowledges that occasionally mistakes and oversights may occur but these should be regarded as the exception not the rule and all efforts should be taken by industry parties to prevent their occurrence at source. In particular it is imperative in the run up to implementation of the CSS under Ofgem's 'Faster Switching programme that industry data is of the highest quality. Providing Shipper Users with a mechanism to retrospectively amend poor data could suggest that data quality/accuracy is of secondary importance as it can simply be 'fixed' at a later date.

Of interest it will be noted Shippers/Suppliers have previously remarked on the importance of ensuring data is 'right first time'.

- In its representation to Modification 0434 a Shipper User respondent noted:
 - *.... concerns that a modification such as this, which introduces a retrospective element, may not promote or encourage the correct behaviours in terms of provision of timely and accurate data in the first instance".*
- In their comments on Supply Point Administration Agreement (SPAA) CP 421 a Supplier noted:
 - *"We are minded to reject the proposal to allow suppliers to make wholesale changes to the data they have already submitted as part of the GTDIS programme. Such a step would set a damaging precedent, suggesting to parties that striving for data accuracy is not important as it can just be changed later on. Accurate data provision is utterly critical for the healthy function of the incentive scheme. Mixed messages about the importance of providing the right data at the right time will not help parties to participate meaningfully in the scheme".*
- The solution provides for a simple way of retrospectively rectifying data errors. However, remedies are already available such that anomalies can be resolved without recourse to retrospection and for which obligations already exist within UNC. Retrospective actions impact adversely on other Shipper Users (through resultant settlement volatility) who may well have invested in ensuring their data is correct first time. In its representation to Modification 0434 one Shipper User noted:
 - *"Shippers who operate to ensure that the highest standards of data accuracy are maintained both within their individual portfolio updates and billing processes may continue to be adversely impacted by parties who do not perform the same level of scrutiny and audit to their data".*
- The time and effort required to build, test and implement (through a DSC Change Committee sanctioned CSDP release) a fully systematised and over engineered solution could seriously compromise delivery of other industry change programmes of arguably greater priority.
- It is likely that a 'fully automated' Retrospective Data Update solution could become largely redundant either before it is implemented or shortly afterwards. Within the work undertaken by the 0624R Workgroup it was noted that the overall view expressed by Shipper Users was that the volumes of corrective updates required would potentially *'increase as a result of discrepancies encountered during the ramp up of Smart Meter roll out through to 2020'*. It is reasonable to infer

from this that as it is the accelerated rate of Smart and Advanced Meter installations which Shipper Users identify as being a key reason for data error creation then completion of the Smart Meter roll out program should lead to a significant reduction in the quantity of ‘new’ data errors being created thereafter.

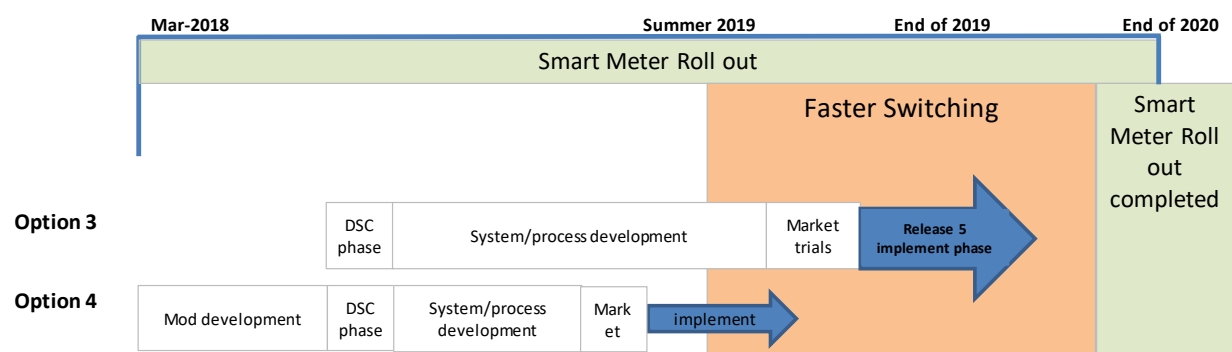
- Shipper Users presently have obligations to procure Meter Readings on a monthly basis for Smart and Advance Meters. Should an RGMA systems read rejection be received it will be noted that Shipper Users have an obligation to rectify the data immediately and by definition not seek to utilise retrospective measures. Modification 0477 ‘Supply Point Registration - Facilitation of Faster Switching’ implemented in 07 November 2014, requires relevant data to be provided by the CDSP to Shipper Users earlier in the Shipper User transfer process to enable validation to occur to ensure data is correct when submitted. In this respect Cadent would challenge Shipper Users assertions that there would be a ramp up of cases for retrospective update due to Smart Metering roll out.
- Every Retrospective Data Update which is undertaken would be likely to result in an Individual Meter Point Reconciliation and therefore create potential for unpredictable and ongoing volatility relating to Energy settlement impacting on all Shipper Users and ultimately to customers. Providing a fully automated Retrospective Data Update solution would be likely to substantially increase uncertainty indefinitely.
- As indicated within table 4 of the consultation summary document, the expected rate of data error both in year 1 and on an enduring basis is expected to be relatively low, ranging from an average of 1.3% to 1.9% of total Supply Meter Points. It is therefore questionable whether a fully automated and systematised solution can be justified for a relatively low percentage of such errors.

Indicative implementation timeline

The ‘glide’ path below outlines potential comparative timelines for implementation of an Option 3 and Option 4 solution. The timings are indicative only as DSC Change Committee discussion/prioritisation requirements and Xoserve release schedules along with Shipper User market trial requirements are presently uncertain.

The illustration below suggests that it is possible that Option 3 implementation may not occur sufficiently in advance of completion of the currently scheduled Smart Meter roll out timetable and also that there is a much greater risk of conflict with all aspects of the Faster Switching/CSS programme than Option 4.

Indicative implementation timeline



Preferred solution

Some consider Option 4 as identified by Request 0624R represents an optimal solution and is likely to deliver the following customer benefits:

- Meets all of the drivers and business goals as documented within the Retrospective Updates BRD.
- Identifies a sensible compromise which delivers an early solution with a focus on ‘up front cleaning’ of key industry data while providing a mechanism by which incorrect data can be readily rectified by exception.
- The ‘added value’ data cleanse exercise would be likely to rectify a large majority of existing data errors (85%+) as a one off managed activity. Early benefits to the industry of the data cleanse activity are:
 - Feed into CSS for better data quality
 - Provides for a mechanism to spot ‘polluters’ at an early stage to prevent ongoing occurrences.
- The Performance Assurance Committee (PAC) may also have an interest in this.
- Can be implemented in a reasonable timescale and at reduced cost which will mitigate the risk to other industry change of a greater priority.
- Will not degrade the incentive on Shipper Users to ensure that data is provided ‘right first time’.
- Incentivises parties to ensure processes/resources are in place to proactively monitor and remedy data anomalies.
- Reduces the likelihood of energy settlement volatility through excessive retrospective reconciliation volumes.

Option 3/Option 4 – option overview

| Option 3 – as per 0434 Solution |
|--|
| <ul style="list-style-type: none"> • Initial Design – as per Retrospective Updates BRD • Asset data corrected via automated process (i.e. file submission) • Scenarios relating to retrospective updates to Meter Removal, Meter Exchanges, Meter Installations and meter details are being assessed to ensure these are still appropriate • Retro update submitted with an effective date, are updated in the system reflecting the actual activity date in the relevant fields • All the reads recorded in the system during the retrospective update period will be marked inactive and no reconciliation variance will be created for these dates • Current shipper is expected to provide the new transfer read (if there is a shipper transfer) and a latest read along with retrospective update • Any amendment invoice position will be reversed and negative charge position will be created whilst applying the retrospective update |

Option 4 – Timestamp Asset data + Data Cleansing Exercise

- Asset data corrected via automated process (i.e. file submission)
- Applicable to current Asset only
- Data will be 'timestamped' - notifying the date retrospective update was applied to system
- Data will be presented with correct Effective Dates to relevant organisations e.g. file flows, Data Enquiry etc
- Start & End Reads to be provided by Shipper
- Shipper provides Metered Volume as part of file submission for whole period
- Xoserve process Consumption Adjustment
- Financial Adjustments based on volume provided

Data Cleansing Exercise

- Shippers to provide asset data as maintained within their systems in an agreed format
- Xoserve to compare the data contained in both sources (Shipper dataset and UK Link)
- Highlight any anomalies and cleanse, applying the same process as was undertaken for data validation during Project Nexus
- Shipper able to provide Metered Volume within agreed format for relevant retrospective update period
- Xoserve process Consumption Adjustment and apply calculate charges

Option 3/Option 4 – option comparison

Retrospective Data Update Candidate Data

The following Retrospective Data Update Candidate Data Items to be provided by the relevant Shipper User for the data cleansing exercise (as per 'Solution' business rules 3, 4, 5).

Meter Point Reference Number **

Shipper Short Code**

Meter Point Conversion Factor

Effective Date of Asset Installation (Meter and Converter)

Transaction Type Code

METER DETAILS:

Meter Serial Number

Model Code

Manufacturer Code

Year of Manufacture

Meter Type Code

Meter Mechanism Code

Measuring Capacity

Collar Status Code

Number of Dials/Digits

Multiplication Factor

Pulse Value Meter Asset Status Code

CONVERTER DETAILS:

Converter Serial Number

Model Code

Manufacturer Code

Year of Manufacture

Number of Dials/Digits

Multiplication Factor

Convertor Conversion Factor

Conversion Basis Code

Converter Asset Status Code

READING DETAIL:

Reading Index (Meter)

Round the Clock (RTC) (Meter)

Reading Index (Converted Converter)

Round the Clock (RTC) (Converted)

Reading Index (Unconverted Converter)

Round the Clock (RTC) (Unconverted)

Current Non-Opening Reading (Cyclic)

CONSUMPTION ADJUSTMENT DETAILS

Metered Volume / Value

Adjustment From Date

Adjustment to Date

Adjustment Reason Code

Adjustment Type

Data Item Change

4 Code Specific Matters

Reference Documents

[Modification 0434](https://www.gasgovernance.co.uk/0434) <https://www.gasgovernance.co.uk/0434>

[Modification 0573](https://www.gasgovernance.co.uk/0573) <https://www.gasgovernance.co.uk/0573>

[Modification 0610S](https://www.gasgovernance.co.uk/0610) <https://www.gasgovernance.co.uk/0610>

[Consent to Modify C057](https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-08/Consent%20to%20Modify%20C057.pdf) [https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-08/Consent to Modify C057.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-08/Consent%20to%20Modify%20C057.pdf)

[Modification Request 0624R](https://www.gasgovernance.co.uk/0624) <https://www.gasgovernance.co.uk/0624>

[Summary of consultation responses received to UNC 0624R](https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-01/RAASP%20Consultation%20Summary%20Document%200624R%20v2.0.pdf)
[https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-01/RAASP Consultation Summary Document 0624R v2.0.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/book/2018-01/RAASP%20Consultation%20Summary%20Document%200624R%20v2.0.pdf)

Knowledge/Skills

An understanding of the relevant Project Nexus 'retrospective' Modification and Business Requirements Definition documents would be advantageous.

5 Solution

Modification of the UNC is required to amend existing terms concerned with Retrospective Data Updates within TPD E6.7 and TPD M4.3 (inserted following approval of Modification 0434) to clarify that where a Shipper User carries out a Retrospective Data Update that an 'automatic' Reconciliation will no longer occur and to clarify the requirement on Shipper Users who carry out such Retrospective Data Updates to provide Reconciliation Metered Volumes and Reconciliation Metered Periods where they so wish for a Reconciliation to occur.

Shipper Users will also be required to provide Meter Point Reference Number (MPRN) information from their business systems to permit the CDSP to carry out a Retrospective Data Update cleansing exercise against the information held in the Supply Point Register.

The following activities will form the basis of the exercise:

1. The CDSP to provide pre-notification of the Retrospective Update Data cleansing exercise 60 Business Days prior to the agreed data extract date.
2. The CDSP will provide to each Shipper User an extract of their Supply Point portfolio as held on the Supply Point Register on the agreed data extract date.
3. Shipper Users to take an extract (asset portfolio extract) of the data held within their respective systems.
4. The asset portfolio extract will include, but not limited to, the data items outlined within the Retrospective Data Update Candidate Data Items table in Section 3 'Why Change'.
 - o The data items required within the asset portfolio extract will form part of the UK Link Manual and will be determined by the DSC Change Management Committee.
5. Shipper Users to submit their asset portfolio extract to the CDSP within 20 Business Days of the agreed extract date.
6. The CDSP will complete a portfolio comparison exercise within 20 Business Days of the receipt of the asset portfolio extract.
7. The CDSP will identify, and report, any data misalignment, discussing these with the individual Shipper User and following agreement, will apply the relevant updates to the Supply Point Register.
8. Where deemed necessary by the Shipper User, a Consumption Adjustment may also be requested in conjunction with the relevant asset portfolio data.

9. Any Consumption Adjustment request will be subject to the existing conditions and validations in place as part of the Request for Adjustments (RFA) process.

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 directly impact an SCR. However, if this Modification were not implemented and the Retrospective Data Update solution as identified within Modification 0434 (as amended by Modification 0610S) is required to proceed to implementation, then there is a risk that design, build and testing of the required UK-Link systems functionality will impact on a number of major industry change projects associated with CDSP systems and processes.

Consumer Impacts

This Modification, if implemented, would provide a more effective remedy to issues associated with energy settlement data quality which would ultimately benefit customers at reduced cost.

| Consumer Impact Assessment | |
|---|--|
| Criteria | Extent of Impact |
| Which Consumer groups are affected? | <ul style="list-style-type: none"> Domestic Consumers Small non-domestic Consumers Large non-domestic Consumers Very Large Consumers |
| What costs or benefits will pass through to them? | <ul style="list-style-type: none"> No direct benefits will pass through to consumers. However, some consider the proposed reduction in costs to allow retrospective adjustments in the proposed option would flow through to the general operating costs for the industry. The proposed Retrospective Data Update solution combined with a data cleaning exercise would ensure consumer information is updated when errors are identified. |
| When will these costs/benefits impact upon consumers? | No direct impact identified. |
| Are there any other Consumer Impacts? | None identified. |

Cross Code Impacts

A comparable IGT UNC change is likely to be required should this Modification be implemented. The IGT UNC Code Administrator is keeping progress of this Modification under review.

EU Code Impacts

None identified.

Central Systems Impacts

If this Modification is directed for implementation it would reduce the scale of change to central systems at a time of significant industry change, as these proposals are less complex than those currently approved for Modification 0434.

Workgroup Impact Assessment

Should this Modification be implemented, some consider the redistribution in costs identified in consumer impacts would borne more greatly by Shipper Users, as individually they would need to stand up processes to support the data cleanse activity and the activities not implemented by the descopeing of RASSP.

Some consider the data cleanse would be more involved and complex than described in this Modification. This would in part be due to the large number of domestic meter exchanges due to the SMART roll out which would be after the data cleanse exercise was undertaken. Some noted that this might be a similar impact for micro business consumers.

Some consider this Modification aims to encourage a more proactive approach to controlling data.

Rough Order of Magnitude (ROM) Assessment

For further details see the impacts identified in [Workgroup Report 0624](https://www.gasgovernance.co.uk/0624) <https://www.gasgovernance.co.uk/0624>.

Workgroup 0624R High Level Impact Assessment

| | |
|-------------------------|---------------------|
| Cost estimate from CDSP | £460,000 to 515,000 |
|-------------------------|---------------------|

7 Relevant Objectives

| Impact of the modification on the 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 | Impacted |

| | |
|--|------|
| shippers. | |
| 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. | None |
| 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 |

Some participants consider the measures identified within this Modification Proposal can be expected to facilitate GT Licence relevant objective d). This is because a new and proportionate Retrospective Data Update solution, combined with a data cleaning exercise would replace the existing, albeit unimplemented, solution identified in excess of 4 years ago which can be considered no longer appropriate in the present commercial environment. The new solution represents a more efficient and economic way forward which, while providing a means whereby data can be retrospectively corrected would encourage Shipper Users to proactively monitor and maintain accuracy of data relevant to energy settlement to the benefit of customers.

8 Implementation

No implementation timescales are proposed. However, it is recommended that following an Authority decision that appropriate consideration to implementation priority is given by the DSC Change Management Committee.

9 Legal Text

Suggested Legal Text has been provided by Cadent and is included below. The Workgroup has considered the Suggested Legal Text and is satisfied that it meets the intent of the Solution.

Suggested Text Commentary

| TRANSPORTATION PRINCIPAL DOCUMENT | Topic | Explanation |
|--|--------------|--------------------|
| SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION | | |

| | | |
|--|---|---|
| Amendment to paragraph 6.7.4 | Retrospective Data Update: Offtake Reconciliation | The proposed amendments to this paragraph mean that the CDSP will not undertake a reconciliation exercise unless the shipper has provided them with the Reconciliation Metered Volume and Reconciliation Metered Period data. |
| SECTION M – SUPPLY POINT METERING | Topic | Explanation |
| Amendment to paragraph 4.3.2(a) | Meter Information: Retrospective Data Update | The proposed amendments to this paragraph require the shipper to provide Reconciliation Metered Volume and Reconciliation Metered Period data to the CDSP if they require an Affected Offtake Reconciliation. |
| Amendment to paragraph 4.3.7 | Meter Information: Retrospective Data Update | The proposed amendments to this paragraph re-iterate that an Affected Offtake Reconciliation will not take place unless the shipper has provided Reconciliation Metered Volume and Reconciliation Metered Period data. |
| UNC TRANSITION DOCUMENT PART 11C – TRANSITIONAL RULES 1.UNFORM NETWORK CODE | Topic | Explanation |
| New paragraphs 23.2 – 23.7 | Retrospective Data Updates | The proposed paragraphs put in place a process for a one off data reconciliation exercise to be undertaken. |

Suggested Text

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION

6.7 Retrospective Data Update: Offtake Reconciliation

Amend paragraph E6.7.4 as follows:

6.7.4 Where a Retrospective Data Update is carried out and the necessary information has been provided under Section M4.3.2(b) to undertake an Affected Offtake Reconciliation, subject to paragraph 6.7.5:

(a) the CDSP will:

(i) in a case within paragraph 6.7.1(b)(i), re-determine the Reconciliation Values, on the basis of the Updated Data, for each Affected Offtake Reconciliation;

(ii) in a case within paragraph 6.7.1(b)(ii), determine Reconciliation Values, by reference to the Updated Data, on the basis of two Offtake Reconciliations for which the Reconciliation Metered Periods are the Reconciliation Metered Period for the Affected Offtake Reconciliation divided into two periods ending and starting respectively with the Read Date of the Meter Read comprised in the Updated Data;

(b) the Reconciliation Values under the Affected Offtake Reconciliation(s) shall be replaced by the Reconciliation Values determined under paragraph (a)(i) or (a)(ii);

(c) the CDSP will determine and invoice such adjustments in respect of the Reconciliation Values determined under the Affected Offtake Reconciliation(s) as are necessary to give effect to paragraph (b).

SECTION M – SUPPLY POINT METERING

4.3 Meter Information: Retrospective Data Update

Amend paragraph M 4.3.2 (a) as follows:

4.3.2 A Retrospective Data Update Notification shall:

(a) in addition to the other requirements set out in the UK Link Manual, specify:

(i) the Supply Meter, Supply Meter Installation or Supply Meter Point in respect of which the notification is submitted;

(ii) the Updated Data;

- (iii) the effective Date, being a date on or after the Code Cut Off Date and which is earlier than the Read Date for the last Valid Meter Reading obtained for the Supply Meter comprised in the Supply Meter Point;
- (iv) a Valid Meter Reading for which the Read Date is the Update Effective Date; and
- (v) Reconciliation Metered Volumes and Reconciliation Metered Periods if an Affected Offtake Reconciliation is required in accordance with Section E6.7.

Amend paragraph M 4.3.7 as follows:

- 4.3.7 Where the CDSP carries out a Retrospective Data Update it may give rise to an adjustment to an Affected Offtake Reconciliation in accordance with Section E6.7. An Affected Offtake Reconciliation will not be undertaken unless the information required under Section M 4.3.2(a) (v) has been provided.

UNIFORM NETWORK CODE – TRANSITIONAL DOCUMENT

PART 11C – TRANSITIONAL RULES

1. UNIFORM NETWORK CODE

23 RETROSPECTIVE DATA UPDATES

Insert new paragraphs 23.2 – 23. 7 as follows:

- 23.2 The CDSP shall provide 60 Business Days' notice to the Relevant Users of its intention to conduct a one-off Retrospective Data Update data cleansing exercise.
- 23.3 On a date specified by the CDSP (not less than 60 Business Days' from the initial notification referred to in 23.2 above) (the "Data Extraction Date"), the CDSP shall provide to the Relevant Users the Registered User Portfolio Report (as defined in the DSC Agreement) as it relates to each individual Relevant User;
- 23.4 On the Data Extraction Date, the Relevant Users shall take an extract of their asset portfolio in such format and containing such information as requested by the CDSP. This extract shall be provided to the CDSP within 20 Business Days' of the Data Extraction Date.
- 23.5 Within 20 Business Days following receipt of the extract of the asset portfolio from the Relevant Users, the CDSP shall conduct a portfolio comparison exercise and notify the Relevant Users of any data misalignment between information contained on the Registered User Portfolio Report and the asset records of the individual Relevant Users.
- 23.6 The CDSP shall only make changes to the Supply Point Register as a result of this data cleanse exercise where such a change has been agreed with the Relevant User.

23.7 A Relevant User may request a Consumption Adjustment following any amendments to the Supply Point Register in accordance with TPD Section M 1.9.

10 Consultation

Panel invited representations from interested parties on 16 August 2018. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Of the 14 representations received, 6 supported implementation, 7 were not in support and 1 provided comments.

Representations were received from the following parties:

| Organisation | Response | Relevant Objectives | Key Points |
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| Cadent | Support | d - positive | <ul style="list-style-type: none"> • Supports the Modification on the grounds that it meets the GT Licence relevant objective d) in that it represents a more efficient and economic solution than that currently intended to be implemented under UNC Modification 0434. • Believes this solution does not degrade incentives on Shipper Users to ensure data is accurate 'first time' as it requires an element of activity from each Shipper User should they wish to retrospectively amend relevant data. • The proposed 'data cleanse' exercise would be expected to give rise to early industry benefits in ensuring relevant customer information is updated and accurate. • Considers from a technical perspective, is a much simpler and less costly solution for the CDSP to build than that identified within Modification 0434 and is likely to reduce the risk of cost or time overrun due to any unforeseen issues arising. • Understands it can be implemented ahead of 2020 which will reduce the risk of the requisite changes impacting adversely upon other, potentially more important, industry change of a higher priority. • Would welcome an early Authority decision to enable the supporting systems and process changes to be included in the November 2019 Change Release 5. • The Modification 0434 solution provided arrangements for Shipper Users to replace Meter Readings and to retrospectively correct data errors. Whilst the functionality for Shipper Users to replace Meter Readings was implemented at Project Nexus Implementation Date |

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| | | | <p>(PNID) in June 2017, prior to this the Project Nexus Steering Group (PNSG) decided to defer implementation of the remaining arrangements (Retrospective Data Updates) to avoid a risk to delivery of the 'core' Project Nexus changes at PNID.</p> <ul style="list-style-type: none"> • Feels given the significant passing of time since approval of Modification 0434, has raised UNC Request Proposal 0624R – 'Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data' in July 2017 to provide the industry with an opportunity to review the business case for introducing the Retrospective Data Update arrangements identified within UNC Modification 0434. • Proposes the purpose of the review was to carry out a cost benefit assessment of the elements of Retrospective Adjustment arrangements yet to be implemented. • Believes that since the approval of Modification 0434, 'smart' technologies and the programme to install such meters nationally has advanced considerably in the intervening period between approval of Modification 0434 in early 2014, and so reduces considerably the requirement for a fully automated Retrospective Data Update solution as identified in Modification 0434. • Notes the CDSP, Xoserve carried out a full impact assessment to support Workgroup 0624R and identified a number of viable alternative solution options which would broadly deliver the drivers and business goals outlined within the Retrospective Data Updates 'Business Requirements Definition' (BRD) to varying degrees of complexity and automation. • Appreciates the options were discussed within the Workgroup and an RFI consultation document produced and published to capture the views of industry parties. Feels it should be noted that whilst the review under Request 0624R was carried out diligently, a conclusive Cost Benefit Analysis (CBA) could not be fully completed due to a number of data discrepancies/issues identified within the RFI responses. • Believes Option 4 as identified within Workgroup 0624R report represents the most appropriate alternative to the solution approved within Modification 0434 and as a consequence raised Modification 0651 to expedite this. • Understands and are sympathetic to Shipper Users' views regarding their requirement for a mechanism to allow them to retrospectively amend settlement positions |
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| | | | <p>through Retrospective Data Updates, believes there are a number of compelling reasons to amend the UNC and replace certain aspects of the arrangements identified within Modification 0434.</p> <ul style="list-style-type: none"> • Believes that Modification 0651 better meets Relevant Objective d) in that the solution provides a much more efficient and economic method for Shipper Users to provide Retrospective Data Updates, broadly meeting the requirements within the Retrospective Data Updates BRD whilst retaining incentives on UNC parties to prioritise getting the data right 'first time'. • Appreciates the main difference between the Modifications 0434 and 0651 solutions, being the removal of an 'automated' reconciliation with the requirement for Shipper Users to provide Metered Volume and Metered Period should they wish a reconciliation to take place. • Modification 0651 also provides for an early industry 'data cleanse' exercise which might correct at least 80% of the current errors within industry data and provide data of sufficient accuracy to facilitate timely energy settlement to the benefit of customers. • Believes it should be a fundamental industry principle that maintaining industry data quality is of the highest priority and UNC parties should invest in processes and systems to ensure accuracy of data. • Proposes there is a risk that some organisations may not sufficiently value or prioritise accuracy given that anomalous data could be readily changed by exception with minimal effort at a later date. • Considers those Shipper Users which have or continued to invest in systems and processes to ensure high data quality could be unfairly disadvantaged. • Suggests via industry discussions, predominantly the DSC Change Managers Committee (ChMC), that the complex Modification 0434 solution (which requires a systems build time of 12 months plus 3 months for 'market trials') cannot now be delivered within the Release 5 timescales (November 2019); to meet this release, approval would have been required at DSC ChMC no later than July 2018. • Understands the earliest that the remainder of Modification 0434 solution could be implemented would be during 2020; this in itself would give rise to a risk of the solution impinging upon and possibly impeding other industry changes. Conversely the Modification 0651 |
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| | | | <p>solution, being less complex and requiring less development could be implemented more quickly and therefore could meet the Release 5 timeline should approval be received by November 2018. Furthermore, the 'data cleanse' aspect of Modification 0651, would only take 3 months and could be developed in parallel to the required UK Link system changes and as a result early benefits such as 'clean' data feeding into CSS and potentially providing a mechanism for spotting 'polluters' would be realised.</p> <ul style="list-style-type: none"> • Proposes that once the roll out of Smart and Advanced Meters is mature, which is expected to result in a majority of Supply Meters being exchanged and as a consequence of the 'cleaning' of substantial amounts of data in the process, there should be a fundamentally reduced requirement for fully automated Retrospective Data Update systems functionality as identified in Modification 0434. • Believes the less complex measures proposed within Modification 0651 would therefore seem more proportionate and could be expected to readily capture the expected minimal numbers of exceptions on an enduring basis. |
| Centrica | Support | d - positive | <ul style="list-style-type: none"> • Has reviewed the risks and benefits associated with implementing the Retrospective Data Update approach as per Modification 0434 and supports the approach as outlined in Modification 0651. • Notes that Modification 0651 provides a pragmatic near-term approach to allowing for the correction of historical data misalignment, which will improve read, AQ and Reconciliation performance. • Appreciates the original design of Modification 0434 is more complex and given the time that has passed since it was developed and approved, does not reflect the significant progress that has been made with the roll-out of smart meters. • Is mindful of the extent of significant change that will need to be delivered by the CDSP in the next couple of years and the priority of delivering this change is unclear when compared against other significant changes. • Considers a full, enduring solution to Retrospective Data Updates is warranted, and an approach that is fit for the future evolution of the market should remain part of ongoing industry discussions. |

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| | | | <ul style="list-style-type: none"> • Considers a lead time of at least 6-9 months before the commencement of the bulk cleansing activity, as process and system changes will be required. Timing of delivery will also be important to ensure that implementation does not clash with other CDSP or wider industry changes/initiatives. • Believes there will be internal system impacts and costs which have yet to be fully assessed. • Feels that the size of the '<i>portfolio comparison exercise</i>', to be conducted by the CDSP, has been underestimated as the legal text only allows 20 Business Days to achieve this and subsequently notify parties of any data misalignment. • Believes in general, the length of time associated with the complete end-to-end data cleanse activity will require further consideration and may subsequently require further changes to the Transitional Rules under paragraph 23. |
| EDF Energy | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support this modification to change what was originally agreed as part of Modification 0434 (Project Nexus), as it will not derive customer benefits and will place additional costs onto Suppliers. • Understands the original design allowed for re-reconciliation, accurately reflecting the billed usage that Suppliers pass on to their customers into Xoserve's read history. • Feels the current position and the alternative solutions suggested would not allow accurate read history to be recorded, which will then impact the associated AQ values. • Questions what will happen to the budget originally allocated to implement RAASP as part of Nexus if Option Four is chosen, or if consumers will be rebated. • Suggests Option Three as a preference, as it would deliver a more efficient industry-wide solution, as originally intended through Project Nexus. • Considers Option Three, would result in a reduction in rejections and therefore, a reduction in creation volume as issues are able to be identified and resolved throughout the industry. Within the original Retrospective Adjustments for Assets and Supply Points (RAASP) solution, this will also deliver the required AQ re-reconciliation for the affected period. This will allow an aligned billing to settlement performance at a lower cost. |

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| | | | <ul style="list-style-type: none"> • Believes the data cleanse Option Four will be costly and difficult to deliver at an industry level; the actual benefit would only be slightly more than the current 'fix forward' approach EDF Energy takes today. This option would only partially address the billing to settlement gap for Suppliers. • Proposes competition will not be improved as the ability for improving customer data also rests with Xoserve not only with Suppliers, who are constantly trying to improve data quality. It would be negative for competition between Shippers and Suppliers, given the extra work and cost that Option Four would place on Suppliers. • When considering the options in Workgroup Report 0624R, believes introducing Option One and Option Four as an alternative would only facilitate and resolve Xoserve's issues. However, this puts a higher cost on Shippers / Suppliers without providing a solution different to the current 'fix forward' approach. • Appreciates the Modification states that the smart meter rollout will 'fix' the underlying issue. • Believes that retrospective asset updates to Xoserve's systems will always be needed for smart assets. The volume of errors should reduce, as the data should be cleaner for SMETS2 installations. However, cross-metering and new home plot to postal address metering errors are still likely to be present. Additionally, the large volume of smart installations between now and 2020, should still provide all parties an incentive to deliver full RAASP and accurately resolve metering issues at the point of delivery, or retrospectively post-delivery. • Notes the Modification states that improving the system and implementing full RAASP would take away the incentive to get it right first time. It is in Supplier's interest to do so, as delays to updating information has an impact on the performance of Suppliers, such as financial performance, billing to settlement gap, customer experience, and the prevention and swift resolution of complaints. It is counter-intuitive to dismiss the only future proofed solution to the currently known problems, based on a sceptical perception of Supplier behaviour. • Anticipates if a full RAASP solution is not delivered Suppliers would remain with the current restrictions, which do not allow for the complete and accurate updating of the information held. • Suggest an implementation time of six months plus one |
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| | | | <p>year for the data cleanse exercise.</p> <ul style="list-style-type: none"> • Notes the Legal Text references the period of days allowed for the data extraction and comparison. However, it does not appear to provide a timeframe for reviewing and correcting any anomalies between the data. Recommends this is included within the legal text to provide full clarity to the process and expectations for all parties involved. • Does envisage impacts and costs (see table in the representation for more detail). |
| E.ON | Comments | d - positive | <ul style="list-style-type: none"> • Supports the introduction of retrospective adjustments; the principle was approved as part of Project Nexus but due to delivery challenges had to be descope. • Understands the scope outlined in Modification 0651 differs from the original Modification 0434 retro proposal and supports the most cost effective and accurate solution designed proposal. • Understands Workgroup 0624R completed scope comparison analysis which identified the Modification 0651 proposal (option 4) doesn't fully introduce the BRS / Modification 0434 scope (option 3); it could therefore leave a requirement gap. • Is unsure how the requirement gaps are proposed to be filled, if at all. An example is the automatic recalculation of the energy position, which should be completed in a consistent and auditable way to avoid any settlement gaps or issues (or adding to UIG). • Has concerns that should Modification 0651 be implemented the data cleanse activity may overlap with cleansing required for switching, and is seeking assurances that the solution has adequate time lines and notice to complete any activity to support the cleanse. • Has concerns relating to the timing of a solution implementation (Modification 0434 or 0651), there is already a lot of activity being proposed for 2019. • Would like assurances there is sufficient change capacity for the CDSP to deliver this without further slippage in this solution. • Would support a solution that is needed and should really be utilised as the exception rather than the norm, but, with asset and system changes occurring through smart metering and switching, believes an effective and robust solution for retrospective adjustments is required to |

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| | | | <p>ensure efficient and accurate settlement allocation.</p> <ul style="list-style-type: none"> • Proposes a minimum of 6-9 months implementation but a preference of 12 months. • Notes from a costs perspective there will be both IT and operational impacts, and the costs have not been fully quantified, but have anticipated this to be a medium size cost. |
| First Utility | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support the proposal. • Appreciates a suite of UNC modification proposals were approved for implementation during 2014 to replace an aging UK Link system. • Understands it was recognised at the time that the wholesale replacement of systems presented an opportunity to incorporate enhancements to industry processes. The key elements of Modification 0434 was to enable Shippers to proactively make address amendments, update meter asset data and replacement of meter readings to then automatically calculate financial adjustments. • Believes this Modification proposes changes to the agreed retrospective solution while also incorporating a one-off data cleanse activity following development at UNC Workgroup 0624R. • Understands the views of attendees within this workgroup were polarised with Shippers preferring the agreed Modification 0434 approach and Distribution Network Operators preferring a de-scoped option. • Feels that those polarised views of Workgroup 0624R do not substantiate the claims for raising this modification proposal. • Believes a data cleanse exercise will provide resourcing challenges to Shippers in addition to the manually intensive processes they face today as a result of not having automated retrospective functionality. The data cleanse activity will also affect the CDSP as a result of manually processing financial adjustments. Finally, a data cleanse exercise conducted in 2019 will arguably not mean that industry data is cleansed for delivery of Faster & More Reliable Switching currently expected for 2021. • Proposes the DSC Change Committee to decide on implementation timescales if approved. • Expects to encounter additional costs in engaging with a data cleanse exercise along with the costs of processing |

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| | | | manual retrospective updates. |
| Gazprom | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support Modification 0651 as it delivers a reduction in the proposed RAASP service. • Believes that the current proposed timescale for implementation for the existing UNC requirements represent a reasonable timescale being only six months more than this proposed Modification 0651 solution. • Notes that the industry approved RAASP functionality as part of the NEXUS implementation which was fully funded and is included in the Uniform Network Code (UNC). Due to poor program management leading to numerous delays with the implementation of NEXUS as well as escalating program and industry costs, a decision was made to defer RAASP functionality delivery to enable NEXUS Go Live in June 2017 at least 2.5 years later than originally intended. • Believes that delivery of RAASP functionality is key to ensuring the new NEXUS system is fit for purpose, future proof and not subject to enduring industry workarounds. • An incomplete solution may introduce the risk of unintended consequences on both business as usual operations and future market developments such as the Faster & More Reliable Switching Significant Code Review (SCR). • Considers this Modification ultimately seeks to avoid costs for DNO's by allowing them to avoid delivering functionality that was budgeted and paid for as part of the NEXUS project. • If this Modification is approved it ultimately endorses and rewards parties who failed to ensure the timely and efficient delivery of the functionality agreed under Project Nexus. • Modification 0651 proposes a sub optimal enduring solution that will lead to additional costs being borne by Shippers for managing workarounds, which will ultimately result in higher industry costs for consumers. • Believes the RAASP Solution - as has been demonstrated in the development Workgroups the solution as currently set out in the UNC can be delivered as a reasonable cost particularly when compared with the complexity of the solution and apparent difficulty of achieving it when first assessed by Xoserve. • Suggests the need for RAASP is still apparent the industry re-examined the RAASP scenarios and it was determined by Xoserve, shippers and transporters who |

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| | | | <p>were in attendance, that all of the scenarios were still valid. It was also noted that these scenarios cut across proposed changes as part of the Faster and More Reliable Switching programme.</p> <ul style="list-style-type: none"> • Questions the proposer's assertion that they believe it is vital to ensure a solution, even if deficient to the current requirements, is implemented as soon as possible, challenging why there has been no effort made to do so over the last 12 months? • Notes that the difference in delivery timescales is not that significant, with a full solution only requiring an additional six months as set out in UNC Request 0624R, though the timeline in Modification 0651 does not clearly represent this. • Believes the cost assessment of the two options put forward, the full solution (option 3) and the option 4 solution were not replicated in the modification report, but were in UNC Request 0624R. To aid a proper assessment of the changes please see the table included within the representation. • Proposes the costs overall are higher for this proposal (Option 4) than delivering the requirements currently set out in the UNC RAASP solution. • Believes the solution proposed here is a retrograde step. It represents a less automated solution than the original proposal, creates more interfaces and hand- offs of data and relies more heavily on manual process, compared to the current UNC requirement. • Believes manual interfaces are the primary source of data errors in the market and to rely on such processes rather than fully automated solutions will mean a less accurate supply point register, which will negatively affect both business as usual operations and the Faster and More Reliable Switching Programme. • Notes that Ofgem have repeatedly highlighted concerns over the need to ensure industry data quality. • Data Cleanse – Suggests this is a wholly separate set of changes which has no relation to the RAASP solution and should have been raised separately. This limited exercise would in itself provide some marginal improvement to the accuracy of asset information in the market, but as this is not enduring it will degrade over time as a sub-optimal process is used to maintain it. • Significantly more running costs of operating a more |
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| | | | <p>resource intensive semi- manual solution. Instead of one central efficient automated solution would have numerous different industry approaches. Given the greater levels of error as a result of manual corrections being applied to system information.</p> <ul style="list-style-type: none"> • Higher rates of failed or delayed switches owing to less accurate system information which could detrimentally impact the Faster & More Reliable Switching program. • The Smart & Advanced Metering programme rollout could be hindered through less accurate asset information being available. • The proposed Data Cleanse is a one off limited resource requirement to manage and verify asset information changes. • Does not believe it is fair or reasonable that transporters should be able to avoid funding the RASSP solution on the basis of failing to efficiently deliver the NEXUS program. |
| ICoSS | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support this Modification as it is not about developing a solution that meets the needs of the RAASP requirements. • Feels this Modification has been raised to minimise cost to the DNOs (and their shareholders) from legacy requirements from their obligation to implement Project Nexus. By doing so, this Modification shifts that cost onto Shippers, who will pass this onto their customers and result in higher bills. • This Modification creates a second rate enduring solution that will be detrimental to data quality in the market at a time when the industry is seeking to improve it. • Considers the Modification is in two distinct parts, covering changes to the RAASP solution and then a data cleanse, that should properly be separate changes. <p><u>Changes to RAASP Solution.</u></p> <ul style="list-style-type: none"> • As has been demonstrated in the development (UNC Workgroups 0624R & 0651) of the solution as currently set out in the UNC, can be delivered as a reasonable cost, particular when compared with the complexity of the solution and apparent difficulty of achieving it when first assessed by Xoserve. • The need for this change is still apparent. In a meeting to re- examined the RAASP scenarios and it was determined by Xoserve, that all of the scenarios were still |

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| | | | <p>valid, in particular with the proposed changes as part of the Faster and More Reliable Switching programme.</p> <p><u>Implementation Timescales</u></p> <ul style="list-style-type: none"> • Questions the proposer's assertion that they believe it is vital to ensure a solution, even if deficient to the current requirements, is implemented as soon as possible. If this is the case why has the proposer, who is obliged to deliver the current UNC requirements, not made any effort to do so over the last 12 months. • Notes that the difference in timescales is not that significant, only six months as set out in UNC Request 0624R, although the timeline in the report does not clearly represent this. <p><u>Cost</u></p> <ul style="list-style-type: none"> • Surprisingly the cost assessment of the two options put forward, the full solution (option 3) and the sub-optimal solution (option 4) were not replicated in the Workgroup Report, but were in UNC Request 0624R. • To aid a proper assessment of the changes, please view the table within the representation. As can be clearly seen from this table, the costs overall are higher for this proposal than what currently exists within the UNC at present (current RAASP solution). <p><u>Qualitative Assessment</u></p> <ul style="list-style-type: none"> • Feels the solution proposed here is a retrograde step. It represents a less automated solution than the original proposal, creates more interfaces and hand-offs of data and relies more heavily on manual process, compared to the current UNC requirement. <p><u>Data Cleanse</u></p> <ul style="list-style-type: none"> • Believes this is a wholly separate set of changes which has no relation to the RAASP solution and should have been raised separately. • Feels this limited exercise would in itself provide some marginal improvement to the accuracy of asset information in the market, but this degrade over time as a sub-optimal process is used to maintain it. • Believes that the current proposed timescale for implementation for the existing UNC requirements represent a reasonable timescale for the optimal process to be implemented, being only six months more than this proposed solution. • Feels there are two distinct impacts which should have |
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| | | | <p>been two separate Modifications:</p> <ul style="list-style-type: none"> • <u>RAASP solution changes.</u> <ul style="list-style-type: none"> • Significantly more running costs (estimated to be around £1m). • Greater levels of error through manual corrections being applied to system information. • Higher rates of failed or delayed switches owing to less accurate system information. • Smart Metering programme rollout hindered through less accurate asset information. • <u>Data Cleanse</u> <ul style="list-style-type: none"> • One-off limited resource requirement to manage and verify asset information changes. • Believes the Modification Report and the Modification itself are deficient in a number of areas. It relies heavily on UNC Request 0624R but does not replicate the relevant information, in particular the cost information and any accurate information on implementation timescales. • Feels it is worth noting when determining whether the additional costs for the RAASP solution should fall on Transporters or Shippers. • Supports any change raised to implement the data cleansing aspect of this change only. |
| National Grid NTS | Support | d - positive | <ul style="list-style-type: none"> • Believes the solution proposed is proportionate to the issue based on data made available to the CDSP by Shippers. • Believes the provisions in the UNC introduced as part of Modification 0434 Project Nexus – Retrospective Adjustments are currently unimplemented in systems and so believes Modification 0651 provides a more proportionate solution to address this issue, and this solution can be implemented in a reasonable timescale. • Agrees that the implementation date should be guided by the recommendation of the DSC Change Management Committee, as work is required by the CDSP to allow implementation of this proposal. • Does not envisage any impacts or costs on internal systems or processes. |
| Northern Gas Networks | Support | d - positive | <ul style="list-style-type: none"> • Supports the proposal as it looks to amend the changes approved via Modification 0434 to incorporate the requirements of Option 4, the timestamp of Asset data |

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| | | | <p>and a one-off data cleansing exercise, which was developed in Workgroup 0624R.</p> <ul style="list-style-type: none"> • Supports this Modification as it is a proportionate solution which considers the issues faced by Shipper Users and the changes already delivered by Project Nexus. • Believes it has the added benefit of a one-off data cleanse which could rectify a large portion of existing data errors, aiding future projects such as the Central Switching Service (CSS) which is part of the Ofgem Switching Programme. • Understands the data cleanse would also have the affect of reducing the need for a fully automated solution as set out in the original Modification 0434. This is supported by Shipper Users advising in their Workgroup 0624R consultation responses that the volume of errors requiring corrective updates had not significantly increased since Project Nexus implementation. • Proposes it could also reduce impacts to central systems during a time of significant change congestion which includes the development of the Ofgem Switching Programme, Un-identified Gas (UIG) investigations and ongoing smart meter rollout. • Believes that the implementation date should be set by Transporters, with the aid of industry participants via the DSC Change Management Committee where the appropriate lead time for development and market trials should be considered. |
| npower | Oppose | d – negative | <ul style="list-style-type: none"> • Opposes Modification 0651 as it puts forward the least effective and most expensive solution to the requirement for retrospective data updates in settlements. • Believes the proposed data cleanse would be more onerous and time-consuming than is envisaged. A recent transporter portfolio data comparison exercise (as a result of Modification 0431) has taken some time to complete, and this was a previously existing process with a relatively basic set of data items to compare. • Proposes the Meter asset data is far more complex, and the suggested number of data items is far greater in number. There is a strong risk that this exercise would consume far more time and resource than is being predicted in this proposal. • Feels the proposal is at least partly based on the assumption that smart metering will put an end to such data exception issues. While some improvement is |

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| | | | <p>possible, to consider that the issue will disappear is unrealistic.</p> <ul style="list-style-type: none"> • Anticipates the proposed timing of such a one-off data-cleanse does not appear to take into account the imminent exchange of millions of meters through the smart roll-out programme. • Believes the enduring arrangements proposed here are of a simplified and 'watered down' variety, which would ultimately leave the industry with a weaker and less robust set of processes to manage this issue in future. • Proposes the desirable arrangements should include a robust set of processes that allow parties to retrospectively correct data in settlements on an ongoing and enduring basis, both during and after smart roll-out. • Feels while Transporters would benefit from reduced development costs to central systems in this proposal, there would be an increase in cost for Shippers, and the additional cost of resourcing an onerous data-cleanse means that this was the most expensive option presented for Shippers. • Suggests time and resource may already have been expended on the original design and scope that was already agreed pre-Nexus, by CDSP and Users. • The outcome of this proposal would be simply a reapportionment of (greater) industry costs, providing a higher likelihood of increasing customer bills as a result. • Understands the original design and scope for retrospective adjustments was agreed some years ago, collaboratively by the industry, and was uncoupled from the main delivery of Nexus in good faith with the expectation it would be delivered approximately twelve months later. • Believes from an industry perspective, the need for such arrangements has not changed. It would appear a retrograde step to replace a collaborative solution with one that favours one set of parties at the expense of others, diminishing the effectiveness of future arrangements in the process. |
| SGN | Support | d - positive | <ul style="list-style-type: none"> • Supports this Modification proposal as it provides a positive and pragmatic means of retrospectively updating data held by the CDSP. • Agrees with the proposer's view that this Modification is needed due to a period of 4 years elapsing since the |

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| | | | <p>development of Modification 0434.</p> <ul style="list-style-type: none"> • Believes that Modification 0651 has been carefully considered and developed by industry parties following the conclusion of Request 0624R, this review group looked at several options for addressing retrospective data updates therefore all options have been considered by industry parties. • Feels the option 4 solution that has been developed in Modification 0651 can be implemented within the shortest timescale at the least cost, is a major benefit and will have least impact on other high priority changes such as Faster Switching. Additionally, Modification 0651 in our opinion will have less impact on systems than Modification 0434 RAASP elements and should therefore be implemented. • Understands the implementation lead time should be led by the DSC Change Management Committee. |
| SSE | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support Modification 0651 • Understands Project Nexus was a very costly industry project that took several years to develop. As part of the delivery, due to the delays to the project, Shippers agreed to support the Transporters, who were responsible for delivering the project, to delay the RAASP element to deliver what was already a very delayed project. • Believes the Transporters are now looking to put in place a sub-optimal solution, without the RAASP elements, which has resulted in Shippers having to function without any form of RAASP solution since the implementation of Project Nexus and incur ongoing costs for manual solutions which are resulting in less accurate data within settlements. • Proposes that this continued lack of functionality is likely to be contributing to the high levels of unidentified gas that are being experienced by Shippers since the implementation of Project Nexus. • Believes that this Modification is not about delivering the best solution for the industry for the long-term benefit of the new Nexus systems but is an attempt by the Transporters to lower their costs in delivering a sub-optimal solution, to the detriment of Shippers. • Understands Shippers have reaffirmed that the full RAASP solution is required and do not see how the Transporters are able to state what they believe is a better solution for Shippers, who manage their own processes and will have to live with a sub-optimal solution |

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| | | | <p>if this Modification is implemented.</p> <ul style="list-style-type: none"> • Notes it has been confirmed by Xoserve that RAASP can be delivered at a cost which is a relatively small fraction of the overall industry costs incurred as a result of Project Nexus. As part of the analysis for Workgroup 0624R, Shippers provided data that overwhelmingly gave a cost benefit of implementing the full RAASP solution as detailed in Modification 0434. • Notes the data cleanse proposal has some merits, however they could be quite low as it would require a significant number of industry parties to engage at the same level and over the same timeframe in order to gain a large benefit from the exercise. • Believes the data would be likely to degrade over time after this data cleanse, and doing the exercise would be likely to take resource away from working towards and implementing the full solution as approved in Modification 0434. • Should the data cleanse exercise be deemed to provide an overall benefit, then it could be carried out as a separate exercise in conjunction with the full RAASP solution, if raised as a separate Modification. |
| Scottish Power | Oppose | d – negative | <ul style="list-style-type: none"> • Does not support Modification 0651. • Believes that a data cleanse exercise on its own will not allow sufficient correction (for example is there sufficient functionality currently to ensure appropriate retrospection where required to fully correct a record). The two exercises would be “coincident” (not one after the other). • Would prefer the enduring fix rather than a data cleanse exercise. |
| Wales & West Utilities Ltd | Support | d - positive | <ul style="list-style-type: none"> • Supports this Modification 0651, because the solution proposed is proportionate to the size of the issue based on data made available to the CDSP by Shippers. • Suggests the UNC currently contains unimplemented provisions which are disproportionate to the issue. These were introduced as part of a wider ranging Modification 0434 and questions whether they would have been implemented had they been raised as a standalone proposal. • Believes the solution contained in Modification 0651 can be implemented in a reasonable timescale that will have less impact on other high priority industry change such as Faster and More Reliable Switching. |

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| | | | <ul style="list-style-type: none"> • Feels a key issue is whether a material number of retrospective changes would occur if the current provisions in the UNC were implemented. • Proposes in the case where there were material changes they would each have positive financial impacts on some Shippers and negative impacts on others that could go back as far as the Code Cut-off Date. • Feels given the concern over UIG they would expect that if there was a material level of retrospective adjustments then this could lead to some problems for Shippers as these changes could not be forecast. • They agree with the proposer of Modification 0651 that the current process in UNC which is not yet implemented is disproportionate to the benefit. • Notes that the cost benefit of this proposal is probably better than that for the process it replaces. In circumstances where the cost benefit propositions of two proposals are broadly similar then the simpler of the two proposals should be implemented as this reduces the implementation risk. |
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Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report, and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

Discussion

The Panel Chair summarised that Modification 0651 would amend those changes to the UNC identified within UNC Modification 0434 *Project Nexus – Retrospective Adjustment* specifically relating to Retrospective Data Updates, to incorporate the requirements of Option 4 as identified within the Request 0624R *Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address Data Workgroup*.

Panel Members considered the representations made noting that, of the 14 representations received, 6 supported implementation, 1 provided comments and 7 were not in support.

Some Panel Members noted that only one shipper was able to respond to the previous RFI (under Request 0624R); this made calculation of any financial benefits difficult. Some Panel Members noted that the intention at the time was to implement the provisions in code set out by Modification 0434.

One Panel Member was of the view that the need for this change is still apparent and in a meeting on 24 May 2018 the industry re-examined the RAASP scenarios and it was determined by Xoserve, Shippers and Transporters who were in attendance, that all of the scenarios were still valid. It was also noted that

these scenarios cut across the proposed changes as part of the faster and more reliable switching programme. The Modification 0651 solution achieves these in a non-automated manner.

One Panel Member noted that Cadent's representation considered the scenarios referred to above and noted that Modification 0651 achieves these in a proportionate manner.

Some Panel Members noted that timeliness of the Ofgem decision on implementation of Modification 0651 will influence implementation dates in terms of system changes and other system changes in the pipeline. DSC Change Managers can mobilise changes and prioritise changes as required. Some Panel Members expressed concern about potential risk to delivery of changes.

Some Panel Members noted the suboptimal solution can be delivered sooner.

One of the Panel Members noted that the pricing table from 0624R (showing the potential delivery costs of the solution options) was omitted from the Final Modification Report for Modification 0651. This was considered by some to be a key piece of information for the cost benefit analysis.

Some Panel Members noted that the data in the pricing table from 0624R was not robust enough for inclusion (because it was based on the limited response to the RFI under Request 0624R).

Both consumer representatives⁶ noted that, for this Modification in particular, lack of information on the costs of implementation (and the effect on relevant objective d), focussing on competition) inhibited their ability to make an informed decision.

Other Panel Members noted that this challenge is often faced by the Modification Panel.

Panel Members determined unanimously that no new issues were raised during consultation.

Consideration of the Relevant Objectives

Panel Members considered relevant objective d) Securing of effective competition between Shippers and/or Suppliers.

Some Panel Members noted that implementation would have a positive impact because the take up of the retro-reads was so low that it would be inefficient to develop a fully integrated solution.

Some Panel Members noted that future improvements in data quality (relating to smart meters etc.) should mean that the need for automated retrospective solutions for asset data is less justified. The level of automation is the question.

Some Panel Members noted that the need for retrospective/prospective asset data corrections will continue to increase. Significant numbers of meter exchanges (in a short space of time) associated with the rollout of smart and advanced metering will mean an increase in this requirement.

Some Panel Members noted the divergence of views on the need for an automated solution.

⁶ It was noted that some of the external links earlier on the FMR were not functioning. Additional information is given below.

[Project Nexus Steering Group Minutes – 8 January 2016:](#)

<https://www.gasgovernance.co.uk/sites/default/files/ggf/Minutes%20Project%20Nexus%20SG%20080116%20v1.0.pdf>

Some Panel Members noted the need for proactive 'right first time' data quality and suggested the automation may mean this is discouraged and that increasing the amount/level of retrospective updates affects the uncertainty on settlement positions.

Some Panel members did not agree that a higher level of automation would discourage a 'right first time' attitude.

Determinations

Panel Members voted with 6 votes in favour (out of a possible 14), to recommend implementation of Modification 0651 and therefore did not agree to recommend implementation.

12 Recommendations

Panel Recommendation

Panel Members recommended that Modification 0651 should not be implemented.