Change Pack for Representation

# Communication Detail

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| Comm Reference: | 3110 - VO - PO |
| Comm Title: | Amendments to the CDSP Service Document Budget and Charging Methodology v5 and CDSP Service Document – CDSP Service Description. |
| Comm Date: | 14/11/2022 |

**Change Representation**

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| Action Required: | For Representation |
| Close Out Date: | 28/11/2022 |

# Change Detail

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| Xoserve Reference Number: | N/A |
| \* ChMC Constituency Impacted: | All DSC Parties |
| Change Owner: | Angela Clarke |
| Background and Context: | We are seeking views on proposals to amend the following CDSP Documents:   1. V5.0 of the CDSP Service Description to introduce the concept of ‘Mandatory Specific Services’ to the definition of ‘Specific Services’ to provide for a mechanism to charge certain Customers or certain Customers of a Customers Class for services that are mandated to be taken and paid for by that Customer under UNC; and 2. V5 of the CDSP Budget & Charging Methodology to:      1. update it with two additional Service Areas (detailed below) to become effective from 1st April 2023; and   b) include ‘Mandatory Specific Services’ in any reference to ‘Specific Services’ to align with the proposed amendments made to CDSP Service Description V5.0.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **No** | **Service Area** | **Shipper Users** | **National Grid NTS** | **DN Operators and Independent GT's** | **DN Operators** | **IGT’s** | | 16 | Central Switching Services Consequential | 100% |  |  |  |  | | 17 | Distribution Network Funded Service Activities |  |  |  | 100% |  |   **Proposed New Service Areas**  Service Area 16 – Central Switching Services Consequential  In June 2022 CoMC approved the introduction of 27 new service lines to support the UNC Faster Switching Significant Code Review ([XRN 5505](https://www.xoserve.com/change/customer-change-register/xrn-5505-amendments-to-v24-of-the-service-description-table/)) and to outline the touchpoints with Central Switching Service (CSS).  The lines were originally allocated to Service Area 1 – Manage Shippers Transfers which is 100% Shipper Funded and the proposal is to transfer relevant Service Lines that relate to CSS into its own discrete Service Area, so they are easier to locate and are ring fenced from the other Service Lines that are delivered by the CDSP for ease of reference. The related Service Lines will continue to be measured in the same way and will still remain funded as per the current funding arrangement, with this being 100% Shipper Funded  Service Area 17 **-** Distribution Network Funded Service Activities  The Budget and Charging Methodology doesn’t currently have a Service Area that is 100% Distribution Network funded and this has been highlighted by the need to introduce a number of new service lines to the DSC SDT, most notably to support the ongoing service delivery of the Flow Weighted Average Calorific Value (FWACV) Service – which was successfully implemented on 1st September 2022.  The requirement to introduce a new 100% funded Distribution Network Service Area has been discussed at DN Constituency meetings and once this has been agreed, the new Service Lines necessary to cover the FWACV Service will be taken to ChMC for information before final approval been sought at CoMC.  Once in place, the Service Area has the potential to enable new Services that are equally of 100% DN funding, to be allocated – this will be assessed on a change-by-change base, following agreement with the DN Customers.  If approval is given to update the Budget and Charging Methodology v5 the service Lines associated with the newly created Service Areas will be added to the latest version of the DSC Service Description Table. In addition, the CDSP Service Document CDSP Service Description v5 will be amended to reflect the addition of the two new Service Areas  The next stage of the process is to review the feedback from this consultation with a view to creating a Change Proposal to seek approval for the proposed amendments which will be presented at the CoMC on December 14th 2022  [**BUDGET AND CHARGING METHODOLOGY 5.1**](https://umbraco.xoserve.com/media/djshqxpm/cdsp-service-document-budget-and-charging-methodology-v51-introduction-of-2-new-service-areas-and-mandatory-specific-services.pdf)  [**CDSP SERVICE DOCUMENT SERVICE DESCRIPTION 5.2**](https://umbraco.xoserve.com/media/jfuidpu5/cdsp-service-description-v52.pdf) |

Industry Response Review

Change Representation

(To be completed by User and returned for response)

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| User Contact Details: | Organisation: | Wales & West Utilities | |
| Name: | Tom Stuart | |
| Email: | tom.stuart@wwutilities.co.uk | |
| Telephone: | 07964937739 | |
| Representation Status: | Defer | | |
| Representation Publication: | Publish | | |
| Representation Comments: | Comment 1  If these services are mandated by the UNC and are provided to all Shippers or GDNs as seems to be case with the services described, then why are they not Direct Services – Code Services.  If they are not Code Services, and we would argue that the FWACV service is not a Code Service as it is provided to fulfil the obligations on GTs of the Gas (calculation of) Thermal Energy Regulations, then they are Direct Services – non-Code Services.  If a new Service Area that provides for 100% DN funding is required, then this can be created within the existing categories of Services. If a new Shipper Service Area is required for CSS Services, then this can be likewise accommodated within the existing categories of Services.  We think that this change should be deferred until the above points are resolved.  Comment 2  The concept of Mandatory Specific Services could be used for the new service line introduced by UNC modification 0710 under which the CDSP will provide Class 1 read services to Shippers with a Class 1 Supply Point, but that justification is not part of this change proposal.  Regarding the legal text we suggest that, if implemented, proposed new clause should have “by a Customer” added as shown below for clarity.  2.3.2 Mandatory Specific Services are a subcategory of Specific Services and are those that are not ordered by a Customer but are provided as mandated by UNC to Mandatory Specific Service Recipients. | | |
| Confirm Target Release Date? | N/A | |  |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | Response to Comment 1-  Many thanks for your representation. With regards to the comments made regarding the appropriateness of FWACV being reflected as a Direct Code Service to our Distribution Network customers, we understand that Mod0793S amended section F of the Offtake Arrangements Document.  These updates reflect that the obligation to calculate and publish Calorific Values is one the DNOs are now responsible for, with the CDSP having a new CDSP Function to ensure we support the DNOs to perform this activity. With that in mind, whilst the responsibility of calculating CVs may originate in the Thermal Energy Regulations, it would be logical to reflect the new FWACV service as a Direct Code Service being provided by the CDSP to Distribution Network customers, due to changes that have been made, and CDSP Function that has been added, to the UNC – primarily in OAD, Section F.  Response to Comment 2 -  These services are mandated under UNC but only to certain customers. As mentioned in your comment, this is intended to be used for the Class 1 read service (to be introduced as a CDSP service under Modification 0710). Using this example, if we were to charge these services (Class 1 following Modification 0710 implementation) as a Direct Service – Code Services then the charges would be socialised across all of the customers that the Service Area relates to – for example if we added this service to Service Area 1 then 100% Shippers would fund the service when in reality the service is only used by c. 20% of Shippers.  As these are services that are only taken by a small number of customers at any one time it seems appropriate to charge for these services under Service Area 22 where the customers using the service will receive the charge (which aligns with the current Class 1 read service charging approach).  Service Area 22 relates to Specific Services which must be ordered by the customer in order to trigger the service to be delivered and the charges to be invoiced.  As these are services that are mandated to be delivered under UNC the service will be provided regardless of whether a Specific Service is ordered, thus creating a risk that the service is provided but no invoice triggered to collect the charges.  By introducing Mandatory Specific Services as a subset of Specific Services we can still charge the customer taking the service but we remove the need for the service to be ordered as a specific service and thus reduce the risk of not being able to invoice.  It should be noted that any services that fall into this category will be identified in the Service Description Table, Specific Services tab by prefixing the description of the service with the words ‘this is a Mandatory Specific Service’.  As requested the words ‘by a Customer’ have been added to the newly inserted paragraph 2.3.2. |

Please send the completed representation response to [uklink@xoserve.com](mailto:uklink@xoserve.com)

Change Representation

(To be completed by User and returned for response)

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| User Contact Details: | Organisation: | Northern Gas Networks | |
| Name: | Ben Mulcahy | |
| Email: | bmulcahy@northerngas.co.uk | |
| Telephone: | 07548107181 | |
| Representation Status: | Neutral | | |
| Representation Publication: | Publish | | |
| Representation Comments: | We are unclear as to the distinction of “Mandatory Specific Service” from the existing code related services. The definition provided in the proposed changes to the CDSP Service Document, under in 2.3.2 states that these are ‘not ordered but are provided as mandated by UNC’, which seems unclear and needs additional clarity. | | |
| Confirm Target Release Date? | N/A | |  |

# Xoserve’ s Response

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| --- | --- |
| Xoserve Response to Organisations Comments: | These services are mandated under UNC but only to certain customers. As mentioned in your comment, this is intended to be used for the Class 1 read service (to be introduced as a CDSP service under Modification 0710). Using this example, if we were to charge these services (Class 1 following Modification 0710 implementation) as a Direct Service – Code Services then the charges would be socialised across all of the customers that the Service Area relates to – for example if we added this service to Service Area 1 then 100% Shippers would fund the service when in reality the service is only used by c. 20% of Shippers.  As these are services that are only taken by a small number of customers at any one time it seems appropriate to charge for these services under Service Area 22 where the customers using the service will receive the charge (which aligns with the current Class 1 read service charging approach).  Service Area 22 relates to Specific Services which must be ordered by the customer in order to trigger the service to be delivered and the charges to be invoiced.  As these are services that are mandated to be delivered under UNC the service will be provided regardless of whether a Specific Service is ordered, thus creating a risk that the service is provided but no invoice triggered to collect the charges.  By introducing Mandatory Specific Services as a subset of Specific Services we can still charge the customer taking the service but we remove the need for the service to be ordered as a specific service and thus reduce the risk of not being able to invoice.  It should be noted that any services that fall into this category will be identified in the Service Description Table, Specific Services tab by prefixing the description of the service with the words ‘this is a Mandatory Specific Service’.  As requested the words ‘by a Customer’ have been added to the newly inserted paragraph 2.3.2. |

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**Version Control**

**Document**

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| Version | Status | Date | Author(s) | Remarks |
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