



# **UNC Request Proposal 0624R – Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data**

**UNC Modification Panel - 20<sup>th</sup> July 2017**

**Cadent**  
Your Gas Network

# Background

- UNC Modification 0434 'Project Nexus – Retrospective adjustment' approved by Ofgem on 21<sup>st</sup> February 2014
- Retrospective Data Update elements deferred from PNID implementation
  - 8<sup>th</sup> January 2016 PNSG agreed that systems based solution for Retrospective Data Update elements of Modification 0434 should be deferred.
  - UNC Urgent Modification 0573 'Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements' approved by Ofgem on 26<sup>th</sup> February 2016 and implemented on PNID (1<sup>st</sup> June 2017) – effect of Modification was to defer implementation of Retrospective Data Updates to 1<sup>st</sup> October 2017
  - Read Replacement elements of Modification 0434 implemented on PNID
- Cadent anticipates bringing forward GT Licence 'Consent to Modify' shortly to seek to defer Retrospective Data Update implementation date (UNC TD IIC 23.1) to 'no earlier than 1<sup>st</sup> November 2018'

# Purpose of Request Proposal

- The UNC Modification Panel is asked to support the creation of a Workgroup to reassess the requirements and business case for Retrospective Data Updates in light of the functionality already delivered as part of the Project Nexus Implementation.
- The review would be expected to inform whether a systems solution should be pursued or otherwise.
- Authority involvement would be expected in determining how the industry should proceed.
- An industry consultation/request for information (RFI) should be initiated to inform the cost/benefit case based on the merits or otherwise of proceeding with the relevant systems investment. Information expected to be forthcoming would include:
  - a full development implementation cost assessment by the CDSP – to include the consequential impacts on other industry change
  - an assessment of the likely volumes of Retrospective Data Updates to be requested by Shipper Users
  - Based on volumes, an assessment of the impacts of this on the Shipper community and ultimately consumers.
- Need to identify party best placed to undertake consultation?
- Need up to 6 months to conduct thorough and fully informed review. Report back to Modification Panel in January 2018.

# Retrospective Date Update implementation considerations

- Systems based solution for Retrospective Data Updates likely to require substantial development resource within CDSP to implement
- Would be likely to require industry testing and market trials arrangements
- Would be likely to require separate UK-Link implementation 'release' given scale of change
- No work possible until assessment has been made with respect to the UK Link System including delivery of defect changes and successful completion of the appropriate stabilisation milestones.
- Analysis of retrospective data adjustment functionality would need to be undertaken to assess the impact of any changes made to UK Link since design baseline. The file interfaces with UK Link Users for retrospective data adjustments have yet to be approved.

# What has changed?

- A significant period of time has elapsed since Ofgem direction was made on Modification 0434
- Read Replacement has been implemented which is a significant component of Modification 0434
- No independent or stand alone cost assessment is available for Retrospective Data Updates.
- Costs to deliver against the implemented solution as a discrete piece of functionality will not be the same as if the solution had been included in the scope of PNID delivery.
- No separate benefits case is available for Retrospective Data Updates
- Entirely logical and prudent therefore to conduct a CBA (to include an RFI) to assess whether to proceed or to evaluate risk of 'sunk cost' arising
- No recent assessment of 'data environment' is available i.e.
  - Other industry measures to improve data quality?
  - Availability of better quality data?
  - Incentive to 'get it right first time'?
  - Consequential effects on UNC parties of disproportionate volume and 'spread' of Retrospective Data Updates?
- The change horizon now features Faster Switching, Central Registration Service, Meter Reading Submission (0594R) and Smart Metering implementation. Each of these could have a direct or indirect bearing on the cost/benefit of this change