Rough Order of Magnitude (ROM) Analysis

for Greater Transparency over AQ Appeal Performance

UNC MOD 378

Version 1.0

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Disclaimer:

This ROM Analysis has been prepared in good faith but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known t at the time of its preparation. No representations of accuracy or completeness are included and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

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This ROM does not, and is not intended to; create any contractual or other legal obligation

Change driver / origin

Modification Proposal 378 aims to increase the amount of data provided on the industry MOD81 reports so that there is more transparency about the way in which Shippers have used the AQ Review Process.

Analysis

Network Operators advise the Shippers of the provisional AQ value for all of the Meter Points within their portfolio by 31st May in each year for Small Supply Points (SSPs) and the 30th June for Larger Supply Points (LSPs). Shippers then have until 13th August to amend any AQ value which they consider inaccurate and submit meter readings which substantiate the revised AQ being sought. Shippers are obligated to ensure they apply a consistent methodology across their portfolio, they are even handed in their submission of AQ amendments and they have not been selective over the AQs subsequently appealed.

Mod 378 aims to make information relating to successful AQ Appeals outside of the June to August window available in addition to the (AQ Amendment) MOD81 reports currently issued, thus providing the Industry Users with a wider view of the use of the AQ Review / Appeal and Amendment processes.

MOD81 consists of 10 sub reports, 7 of which are deemed relevant for AQ Appeals (Mod378). Please refer to Appendix A for details.

ROM Costs & Timescales

Note: ROM information is not based on any formal systems analysis.

Estimated costs:

System analysis, design, development and implementation

Estimated costs:

The solution will cost at least **£26k**, but probably not more than **£39k**

Ongoing costs

There are some non material on-going annual costs for production, validation and issue of the reports, but as these are to be done within the existing Mod 81 report process these costs will not be charged.

Estimated duration:

- The Analysis Phase, will take at least 8 weeks, but probably not more than 15 weeks
- Delivery; including detailed design and development, testing and post implementation support; will take at least 14 weeks, but probably not more than 22 weeks.
- The total of for the project is therefore in the range of 22-37 weeks, including post implementation support.

Assumptions

- No shipper testing required

- The reports will be delivered via email.
- Report is required on an annual basis
- Report production and delivery will be in November each year, to coincide with the MOD81 reports
- Report will be provided to all Shippers active in the market with a portfolio at the time of the data-cut
- Any assumptions made regarding the report requirements, as currently defined in Mod 378 (see below), will not have any material impact on the estimated project costs
- Any changes to the scope of requirements, as currently defined in MOD 378, will not have any material impact on the estimated project costs / timescales
- The volume of data within the report is not expected to be an issue for data extraction or data delivery

Report Assumptions

- All counting, across all reports, will be at Meter Point level
- A 'New EUC Band' is not required for Report 9 (this is not reported in MOD81 equivalent report)
  - Count of Pre / Post Appeal MPs is assumed to be at the Previous EUC Band (i.e. Pre Appeal = MP count at start of gas year and Post Appeal = MP count at end of gas year at the Previous EUC Band)
- Reports are to include only those Meter Points which have been successfully appealed and have a re-confirmation with an associated Appeal reference

Concerns

Service Levels

- There is some concern around performance considerations, due to the nature of the report / relationships and size of tables that information will be required to be taken from

Business Rules:

- Changes as a result of an AQ Appeal impact the whole Supply Point. Mod 378 is not clear as to if / how details of the other [non-appealed] Meter Points at the Supply Point are to be included in any of the counts (particularly reports 6, 8 & 9 counting Meter Points and reports 5 & 7 counting energy values). This will be the energy for the meter point in 6 and 8
- Before project delivery commences, the rules need to be clarified; the clarity of the rules may have an impact on the ROM costs

Note: the concerns above are those identified to date based upon the stated requirements. Detailed analysis may identify more topics to be considered, as would changes to the current stated requirements.

Impacts

xoserve:

- None identified at present

Networks:

- None identified at present

Shippers

- None identified at present

Ofgem

None identified at present

Appendix A

Report Requirements (as detailed in Mod 378 – v3 16/08/11)

Report 1 AQ APPEAL TRENDS REPORT – Total number of confirmed AQ Appeals by LDZ, count and energy

The report is split by LDZ, RSU and shows the number of confirmed AQ Appeals between the specified date parameters of the report. The report also captures how the energy values are affected pre and post the confirmed AQ appeals. Included will be any MPRN that has had a change in AQ resulting from an AQ appeal. In the case of aggregate supply points, it is intended that only the MPRNs that had a change in AQ would be included.

LDZ	State	CountOfMPR	SumOfPrevious AQ	SumOfNew AQ

Report 2 CONFIRMED AQ APPEALS – Increasing or Decreasing AQ by Shipper

The report captures the total number of confirmed AQ Appeals for each RSU and shows the affect of the appeals on the previous AQ values. It also indicates how the industry is / has undertaken AQ Appeals in regard to a balanced approach being applied.

State	ConfirmedAppeals	Decreasing AQs	Increasing AQs

Report 5 EUC BAND CHANGES – Decreasing AQs Energy for confirmed AQ Appeals

The report reflects the DECREASING energy values for each EUC band and tracks how this energy is dispersed between other EUC bands following the confirmed AQ Appeals. This report also captures the EUC Zone in which the energy was allocated and then captures where the energy has moved zones, as a result of the confirmed AQ Appeal.

State	LDZ Identifier	PreviousEUC Band	01	02	03	04	05	06	07	08	09	TotalOf NEW AQ

Report 6 EUC BAND CHANGES – Decreasing AQs by Meter Point for confirmed AQ Appeals

The report shows the same data as Report 5, although this report reflects the count of Meter Points following the confirmed AQ Appeals, where Report 5 shows the data in kWh.

State	LDZ Identifier	PreviousEUC Band	01	02	03	04	05	06	07	08	09	TotalOf MPRN

Report 7 EUC BAND CHANGES – Increasing AQs Energy for confirmed AQ Appeals

The report reflects the INCREASING energy values for each EUC band and tracks how this energy is dispersed between other EUC bands following the confirmed AQ Appeals. This report also captures the EUC Zone in which the energy was allocated and then captures where the energy has moved zones, as a result of the confirmed AQ Appeal.

State	LDZ Identifier	PreviousEUC Band	01	02	03	04	05	06	07	08	09	TotalOf NEW AQ

Report 8 EUC BAND CHANGES – Increasing AQs by Meter Point for confirmed AQ Appeals

The report shows the same data as Report 7, although this report reflects the count of Meter Points following the confirmed AQ Appeals, where Report 5 shows the data in kWh.

State	LDZ Identifier	PreviousEUC Band	01	02	03	04	05	06	07	08	09	TotalOf MPRN

Report 9 EUC BAND CHANGES – Pre / Post confirmed AQ Appeal Movement

The report captures all of the movement between EUC codes following successful confirmed AQ Appeals. It shows the original starting point of the EUC band prior to the confirmed AQ Appeals and then shows which EUC codes the Meter Points have moved into after the confirmed AQ appeal. The final column is a count that captures the gains and losses, the movement of Supply Points within that EUC code. This report would not include acquired brown

field and previously shipperless supplies.

State	LDZ Identifier	Previous EUC Band	New EUC Band	Pre Appeal MPRs	Post Appeal MPRs	Difference