

## **Modification 0388 - Fixed parameters for determining Shipper contribution to Unidentified Gas**

### **Development cost estimation explanation**

At the 18 August UNC Modification Panel Xoserve was requested to provide supporting information for a cost estimate for Modification 0388. Due to a number of factors Xoserve is unable to provide a rough order of magnitude for the development and ongoing operational aspects of Modification 0388. This is explained below.

Xoserve is currently developing the invoicing solution for Modification 0229 - Mechanism for Correct Apportionment of Unidentified Gas. The invoicing solution is to be implemented for April 2012. Modification 0388 changes one aspect of the requirements for Modification 0229 - the mechanism for the calculation of charges from the use of daily SAP to a set forecast SAP.

The proposer's intention is that Modification 0388 is implemented for the charging year commencing April 2012. To efficiently incorporate the changes required by Modification 0388 in time for April 2012 the modification needs to be implemented before November 2011. If this is achieved, its possible that the change required could be incorporated within the current development phase with minimal impact to cost. There will be changes to the analysis work already completed and changes to the design documents, but these would not be considered fundamental.

The changes to accommodate Modification 0388 are very difficult for Xoserve to assess in terms of development cost impact as the project work for Modification 0229 is already in progress and it is unclear when any changes to present design may be required to be applied. It is the case that the later any implementation decision is made the greater will be the cost of change as some work completed would be redundant and greater re-work required.

If Modification 0388 is implemented after April 2012 Xoserve will have incurred the costs for developing and implementing Modification 229 and will have to create a new project to change the charge calculation basis, reporting routines and supporting invoice information and will require testing and auditing before it can be implemented.