

# Rough Order of Magnitude (ROM) Request and Response

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## 1. Purpose of a ROM

The DSC CDSP Service Document – Change Management Procedure sets out the expectations of the ROM process.

4.6.2 Subject to paragraph 4.6.3, within 10 Business Days after receiving a ROM Request, the CDSP shall send to the Customer and the Committee a report (Rough Order of Magnitude Report or ROM Report) setting out (so far as the CDSP is able to assess at the time):

- (a) a high level indicative assessment of the impact of the Potential Service Change on the CDSP Service Description and on UK Link;
- (b) the CDSP's opinion as to whether the Potential Service Change would be a Restricted Class Change, would have an Adverse Impact on any Customer Class(es) or would be a Priority Service Change, where applicable;
- (c) the CDSP's approximate estimate of:
  - (i) the Costs (or range of Costs, where options under paragraph (e) are identified) of Implementing the Potential Service Change;
  - (ii) the impact of the Potential Service Change on Service Charges; and
  - (iii) the period of time required for Implementation;
- (d) any material dependencies of Implementation on other Proposed Service Changes or other likely Priority Questions; and
- (e) if it is apparent to the CDSP that there are likely to be materially different options as to how to Implement the Potential Service Change, a high level description of such options.

## 2. ROM Request –

Please populate the details below and send to [box.xoserve.portfoliooffice@xoserve.com](mailto:box.xoserve.portfoliooffice@xoserve.com), to enable the CDSP to undertake the impact assessment to provide the ROM Response (section below). *Please note, the ROM requestor may be asked for further details if it is believed that request is not clear and additional information is required in order to provide a ROM Response.*

### 2a. ROM Request Details

ROM Request Details	
Change Title	Introduction of cost efficiency and transparency requirements for the CDSP Budget, and revisions to DSC change processes
Regulatory Impact	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Regulatory Reference (if applicable)	<a href="#">UNC Modification 0841</a>
Change Overview	<p>This Modification sets out to:</p> <ul style="list-style-type: none"> <li>• Introduce new business rules that the CDSP is obliged to follow in presenting its annual business plan / budget.</li> <li>• Introduce an obligation on the CDSP to provide specific content in its business plan</li> <li>• Introduce a requirement for the CDSP to produce a report that indicates where it has and has not satisfied the information rules</li> <li>• Introduce 3<sup>rd</sup> Party assurance of the adherence to the rules</li> </ul> <p>The Modification proposes that the above principles should be achieved via amendments to the following documents:</p> <ol style="list-style-type: none"> <li>1. UNC GTD - Uniform Network Code – General Terms Section D</li> <li>2. DSC Terms &amp; Conditions</li> <li>3. CDSP Service Doc - Credit Policy</li> <li>4. CDSP Service Doc - Change Management Procedures</li> <li>5. CDSP Service Doc - Contract Management Arrangements</li> <li>6. CDSP Service Doc - Third Party and Additional Services Policy</li> <li>7. CDSP Service Doc - Budget and Charging Methodology</li> </ol>
Date Raised	28/04/2023 <i>Revised ROM requested at the August WG meeting.</i>
Required Response Date	12/05/2023 <i>Revised ROM response provided post September WG meeting.</i>
Requestor Contact Details	Name: James Rigby
	Organisation: Xoserve

	Email:	james.rigby@xoserve.com
	Number:	07739689512
<b>Xoserve Lead Contact (to be provided by the CDSP)</b>	Contact Name:	James Rigby
	Contact Email:	james.rigby@xoserve.com

### 3 ROM Response – To find the high-level costs and timescales please go to section 3c which can be found [here](#).

#### 3a. Impacted Constituency

<b>Customer Class(es) Impacted by Change:</b>	<input type="checkbox"/> Shipper	<input type="checkbox"/> Distribution Network Operator
	<input type="checkbox"/> NG Transmission	<input type="checkbox"/> IGT
	<input checked="" type="checkbox"/> All	<input type="checkbox"/> Other <Please provide details here>
<b>Justification for Customer Class(es) selection</b>	<ul style="list-style-type: none"> <li>• The new processes would impact all DSC parties with related costs being shared by all constituencies</li> <li>• The Service Change would involve the CDSP disclosing Confidential Information relating to such Customers to Customers of another Customer Class or to Third Parties;</li> </ul>	

#### 3b. Overview of impacts

<b>Overview of impacts</b>	<b>Requirement for additional CDSP resources</b>
	<ul style="list-style-type: none"> <li>• Additional CDSP and 3<sup>rd</sup> Party resources will be needed should the Modification be implemented. These resources would include: <ul style="list-style-type: none"> <li>○ An additional Xoserve resource, who would be responsible for ensuring our adherence to the new rules and creating and maintaining reporting (to customers via inclusion in the business plan, CoMC, the Xoserve SLT / Board), and ensure exceptions are managed through to conclusion.</li> <li>○ 3<sup>rd</sup> Party assurance provider to independently assure the business plan. The 3<sup>rd</sup> Party would need to be contacted via a robust procurement exercise and then managed / assured as BAU. The Modification does not explicitly state the scope of the 3<sup>rd</sup> party assurance. With this in mind, we have provided an indicative cost range for 2 types of assurance activities,</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ 3<sup>rd</sup> party assurance using the 'Efficiency Review' as a template of scope.</li> <li>▪ 3<sup>rd</sup> party audit of the business plan / budget. This is based on including the following activities: assessment of process and controls in place, an integrity review of models used for the budget setting process and an audit of the actual numbers in the plan to give assurance over accuracy and appropriateness.</li> </ul>
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UK Link Component Systems	Level of Impact (L/M/H)	File Format (Y/N)	Screens (Y/N)	Reporting (Y/N)	Batch Jobs (Y/N)	Validation (Y/N)	Processes (Y/N)	Other
UK Link Gemini					N/A			
UK Link System Application (e.g. SAP ISU, BW, PO)					N/A			
UK Link Portal					N/A			
UK Link Online Services					N/A			
Contact Management Service (CMS)					N/A			
UK Link Network (Inclusive of IX, EFT and AMT)					N/A			

Additional Systems	Level of Impact (L/M/H)	File Format (Y/N)	Screens (Y/N)	Reporting (Y/N)	Batch Jobs (Y/N)	Validation (Y/N)	Processes (Y/N)	Other
Data Discovery Platform (DDP) Core					N/A			
Discovery API					N/A			
Reporting	H	N	N	Y	N	Y	Y	N/A
Gas Enquiry Service (GES)					N/A			

### 3c. High level costs and timescales

Costs provided within the ROM response are indicative and high level based on high level analysis.

Below details the high-level implementation cost range and provides an indication of any ongoing costs identified from the high-level analysis.

#### **Implementation costs**

We've provided an indicative cost range for Xoserve resource required and the 2 options for the 3<sup>rd</sup> party assurance. *Please note, the cost ranges in the table are not intended to create the total estimated cost as we have provided 2 options for the 3<sup>rd</sup> party assurance.*

Element	Estimated Range	
	Low	High
CDSP Assurance Resource	£50,000	£70,000
3rd Party Assurance - Efficiency review scope	£330,000	£530,000
3rd Party Assurance - Audit scope	£100,000	£180,000

Please note, the 'Efficiency review scope' activity is based on the recent Efficiency Review, whereas the Audit scope cost range includes the following high-level activities:

- Assessment of the process and controls in place
- Integrity review of the models used in the budget setting process
- An audit of actual numbers in the plan to give assurance over accuracy and appropriateness

The CDSP Assurance Resource cost range (£50,000 - £70,000) will be required and the indicative cost range of the 3<sup>rd</sup> party assurance depends on the scope.

If the 3<sup>rd</sup> party assurance requires an 'Efficiency review scope', the total enduring solution is estimated to cost between **£380,000 - £600,000**.

If the 3<sup>rd</sup> party assurance requires an 'Audit scope', the total enduring solution is estimated to cost between **£150,000 – £250,000**.

Please note, the cost range for the 3<sup>rd</sup> party assurance are an illustrative estimate only and the actual cost will be determined following the procurement exercise which will be completed once the requirements are fully scoped and agreed.

#### **Ongoing costs**

The estimated implementation costs would be ongoing.

#### **Timescales:**

The high-level estimate to develop and deliver this change is at least 16 weeks.

#### **Validity of ROM:**

Please note, the information provided in the ROM response is an 'at a point in time' assessment which is valid for 6 months.

### 3d. Release type

Please provide a view on the anticipated release type this change would need to be delivered under.

Release Type	<input checked="" type="checkbox"/> Ad-hoc / Stand-alone	<input type="checkbox"/> Minor
	<input type="checkbox"/> Major	

Next available Release (based on the Release Type)	ChMC approval to Release scope	ChMC approval of Detailed Design
N/A – ad hoc / standalone expected	TBC	TBC

### 3e. Impact on Service Line(s)

Impact on Service Line(s)	<p>Based on an initial view, we do not expect the implementation of this change will require a change to the DSC Service Description Table as we believe it is covered under existing Service Lines.</p> <p>This will be clarified and confirmed ahead of implementation.</p> <p>In terms of funding, the change is expected to be funded by all DSC Constituencies with the exact split to be determined and agreed.</p>
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### 3f. Assumptions

- Any changes in the approach to the solution may affect the overall schedule and costs for the change.
- Costs are high level, based on high level analysis. Detailed analysis will be needed to determine the final solution which will impact both cost and schedule.
- Any costs associated to Market Trials are not included.
- The high-level analysis is based on changes to central processes and does not account for changes to customer processes as a result of any potential work.
- The high-level analysis and costs are based on current production system