

Rough Order of Magnitude (ROM) Request and Response

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, 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
Regulatory Impact	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Regulatory Reference (if applicable)	UNC Modification 0841 UNC Modification 0841A
Change Overview	<p>Modification 0841 and 0841A background:</p> <p>Both Modifications have been raised to improve the ability of UNC Parties to fulfil their obligation jointly to control and govern the CDSP on an economic and efficient basis (under UNC General Terms, Section D, 1.4.4), through the introduction of explicit requirements for economic and efficient.</p> <p>At a high-level, both Modifications:</p> <ul style="list-style-type: none"> • Introduce new business rules that the CDSP is obliged to follow in presenting its annual business plan / budget. • Introduce an obligation on the CDSP to provide specific content in its business plan • Introduce a requirement for the CDSP to produce a report that indicates where it has and has not satisfied the information rules • Introduce explicit assurance activities: <ul style="list-style-type: none"> ○ Under Modification 0841, this is mandated as a third-party assurance activity which must be completed every year to demonstrate the CDSP Budget is meeting the business rule requirements. ○ Under Modification 0841A, assurance activities are at the request of the DSC Contract Management Committee (CoMC), rather than being mandated each year. These assurance activities can be conducted by the DSC Contract Assurance Audit Plan, the DSC CoMC or an independent third-party. <p>The Modification proposes that the above principles should be achieved via amendments to the following documents:</p> <ol style="list-style-type: none"> 1. UNC GTD - Uniform Network Code – General Terms Section D

	2. DSC Terms & Conditions 3. CDSP Service Doc - Change Management Procedures 4. CDSP Service Doc - Contract Management Arrangements 5. CDSP Service Doc - Budget and Charging Methodology	
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> 27/10/2023 <i>Revised ROM response provided post October WG meeting.</i>	
Requestor Contact Details	Name:	James Rigby
	Organisation:	Xoserve
	Email:	james.rigby@xoserve.com
	Number:	07739689512
Xoserve Lead Contact (to be provided by the CDSP)	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

Customer Class(es) Impacted by Change:	<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>
Justification for Customer Class(es) selection	<ul style="list-style-type: none"> The new processes would impact all DSC parties with related costs being shared by all constituencies The Service Change would involve the CDSP disclosing Confidential Information relating to such Customers to Customers of another Customer Class or to Third Parties; 	

3b. Overview of impacts

Overview of impacts

Requirement for additional CDSP resources

- Additional CDSP resources will be needed should either Modification (0841 or 0841A) be implemented. These resources would include:
 - 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.

In addition to the CDSP resource, depending on which Modification is implemented and the chosen assurance option, there are varying indicative cost ranges for the assurance activities:

Modification 0841

- 3rd Party assurance provider to independently assure the business plan. The 3rd 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 3rd party assurance. With this in mind, we have provided an indicative cost range for 2 types of assurance activities,

- 3rd party assurance using the 'Efficiency Review' as a template of scope.
- 3rd 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.

Modification 0841A

- At the request of DSC CoMC, the CDSP shall include details of assurance activities carried out by the DSC Internal Audit Process, the DSC CoMC or sufficiently independent 3rd Party. This would align with the BP process being assured under the existing Contract Assurance Audit Plan either by internal resource or by the independent 3rd party assurer who CDSP has a co-source arrangement with, for the purpose of providing independent assurance of the process being audited, as approved by ARC.

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 CDSP resource required and the options for the assurance activities.

Please note, the cost ranges in the table are not intended to create the total estimated cost as we have provided options for the assurance activities.

The indicative cost range for CDSP resource required to support the BP process will be required and the same amount for both Modification 0841 and Modification 0841A. This is reflected within the first line of the table below.

We have then provided the various options in terms of the assurance activities which will be dependent on the Modification implemented and assurance activity chosen. This is reflected in lines 3 to 4 in the table below.

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
Inclusion in CDSP Contract Assurance Audit Plan conducted by internal resource	£0.00	£0.00
Inclusion in CDSP Contract Assurance Audit Plan conducted by 3 rd party resource	£0.00	£0.00

Please note, the 'Efficiency review scope' activity is based on the recent Efficiency Review, whereas the Audit scope cost range includes all or a combination of the following:

- 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 regardless of which option is selected and the indicative cost range of the assurance activity depends on the scope and the requirement for a 3rd party to complete.

Modification 0841 Indicative Costs

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

This includes the CDSP Assurance Resource AND the 3rd Party Assurance – Efficiency review scope costs.

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

This includes the CDSP Assurance Resource AND the 3rd Party Assurance – Audit scope costs.

Please note, the cost range for the 3rd 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.

Modification 0841A Indicative Costs

If assurance of the Business Plan process is included in the CDSP Contract Assurance Audit Plan and carried out by internal resource on a cyclical basis (assumed frequency to be **between every 1 to 3 years**), there will be no additional cost to DSC Customers, the total enduring solution is estimated to cost between **£50,000 - £70,000**.

If assurance of the Business Plan process is included in the CDSP Contract Assurance Audit Plan and is carried out by a 3rd party as part of the co-source arrangement the CDSP has in place, on a cyclical basis (assumed frequency to be **every 3 years**), there will be no additional cost to DSC Customers, the total enduring solution is estimated to cost between **£50,000 and £70,000**.

Please note, if the frequency of the audit as part of the co-source arrangement, is proposed to be more than every 3 years, there would be an additional cost to DSC Customers.

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>
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In terms of funding, the change is expected to be funded by all DSC Constituencies with the exact split to be determined and agreed.

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