



# Rough Order Magnitude (ROM) Request

Change Reference Number: (XRN 5044)

Please send completed form to: <mailto:box.xoserve.portfoliooffice@xoserve.com>

Section A: Change Details	
Change Title	Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4
Will the Change impact the UNC ( YES / NO )	Yes
MOD Reference (if raised)	Modification 0664 available at: <a href="http://www.gasgovernance.co.uk/0664">http://www.gasgovernance.co.uk/0664</a> Awaiting Amended Modification Version 8.0 from Mark Jones SSE
Contact Details of Person Requesting the ROM	
Contact Name	Mark Jones - SSE
Contact Email	mark.jones@sse.com
Contact Phone	07810 858716
Section B: Xoserve Acknowledgement and Business Analyst Contact Details	
<i>(Xoserve CIO Office will add)</i>	
ROM Received Date	11 <sup>th</sup> November 2019
ROM Response date	11 <sup>th</sup> December 2019* *response period extended while further Modification version awaited
Business Analyst Name	Brett Court
Business Analyst Email	brett.court@xoserve.com
Business Analyst Phone	

# Rough Order Magnitude (ROM) Response

## Type of ROM Evaluation

The solution will deal with the transfer of poor performing Supply Points (from Classes 2 or 3 to Class 4),

### **New Defined Terms:**

The following new defined terms will be required to be added to the UNC

#### **Minimum Percentage Requirement**

The minimum percentage of **Valid Readings** required over each Performance Period for each Supply Point in order for the Supply Point to remain in Class 2 or Class 3. For the avoidance of doubt, a Meter Reading will be determined as being a Valid Reading including Meter Readings for Smaller Supply Points that are not specifically subject to Validation, but are determined to be valid (M5.8.3 refers – as introduced by UNC Modification 0700) for determination of meeting performance.

This will be set at 25% initially for both Classes 2 and 3 (i.e. each Supply Meter Point in Class 2 or 3 must obtain Valid Meter Readings for 25% of the days within the Performance Period). The Minimum Percentage Requirement will be reviewed on an annual basis by the Performance Assurance Committee (PAC).

Where there is more than one Minimum Percentage Requirement in place across a Performance Period then the lower of the Minimum Percentage Requirements must be met for all of the Performance Period.

#### **Minimum Performance Measure**

The percentage of Supply Points that must meet the Minimum Percentage Requirement over each Performance Period in order for all Supply Points to remain in Class 2 or Class 3. This will be set at 90% initially for both Classes 2 and 3. The Minimum Percentage Requirement will be reviewed on an annual basis by the PAC.

Where there is more than one Minimum Performance Measure in place across a Performance Period then the lower of the Minimum Percentage Requirements must be met for all of the Performance Period.

#### **Performance Measure**

The percentage of daily Valid Meter Readings received, as measured by the CDSP, for each Supply Point in Classes 2 and 3 over each Performance Period.

#### **Performance Period**

The time period over which each Performance Measure will be derived. This will initially be set as a consecutive 3 calendar month period, but will be reviewed on an annual basis by the PAC. Where there is a change to the Performance Period then all Performance Measures commencing from that date on will be on the revised Performance Period. Any Performance Periods in place at the date of the Performance Period change will be unaffected by the Performance Period change.

#### **Performance Month**

The Supply Meter must be classified as either Class 2 or 3 for the entire calendar month to be considered for a Performance Month within the Performance Period. Where a Supply Meter has been reclassified outside of Class 2 or 3 for any part of the month, or been subject to a Change of Shipper after the first calendar day of the month, it will not be considered either to contribute to performance

within the month, nor be considered as part of the Shipper Portfolio for determining the 'Performance Contributing Portfolio'.

### **Performance Contributing Portfolio**

This is the Shippers total Class 2 and Class 3 Supply Meter Point portfolios, less any Supply Meters that are not included within the Performance Month – e.g. as a result of reclassification or Shipper transfer on any day other than the first of the month.

### **Lock-out Period**

The time period over which Shippers will not be able to re-register Supply Points into Classes 2 or Class 3 that have been removed from either of these Classes due to them failing the Minimum Percentage Requirement. The Lock-out Period will begin on the day of re-registration into Class 4. The lock-out period will cease to apply if there is a change of Shipper at the Supply Point or if the Supply Point qualifies to be registered as a Class 1 Supply Point. The lock-out period will be initially set at 3 months and will be reviewed on an annual basis by the PAC. Where there is a change to a Lock-Out Period all Supply Points that are in a Lock-Out period will be subject to the shorter of the Lock-Out periods.

### **Notification of revised Minimum Percentage Requirement, Minimum Performance Measure, Performance Period and Lock-Out Period**

For each Gas Year, the Performance Assurance Committee will maintain or revise the Minimum Percentage Requirement, the Minimum Performance Measure, the Performance Period and Lock-Out Period.

The Performance Assurance Committee will consult with the Uniform Network Code Committee on any revisions and provide the reasons for the revisions.

Not later than 31st August in the Preceding Year (and in sufficient time to meet CDSP system time constraints), the PAC will confirm to the CDSP any revisions, who will apply them from 1<sup>st</sup> October for the Upcoming Gas Year.

Where the Performance Assurance Committee is unable to or does not determine any revisions for the upcoming Gas Year, the CDSP shall rollover all values applying in the preceding Gas Year

The business rules are below.

#### **Business Rules**

1. It is proposed that the current read provision obligations in section M, 5.7 and 5.8 are extended to add minimum individual Supply Meter Reading performance targets (Minimum Percentage Requirement). In addition to the existing portfolio level, Valid Read submission targets, each Supply Point registered in settlement Classes 2 and 3 will have Valid Supply Meter Readings measured daily where they meet the criteria to be considered for the Performance Month.

2. While the existing portfolio level Valid Reading submission targets will remain (97.5% per day for Class 2, 90% per day for Class 3), in addition, each Supply Point will need to meet a minimum level of performance over the Performance Period. If any Supply Meter in either Class 2 or 3 provides less than [25%] of daily reads (the 'Minimum Percentage Requirement') across the consecutive period, the Supply Point will be required to be reclassified to Class 4 following that period provided that the Shipper has not met a satisfactory performance across its Class 2 and 3 Performance Contributing Portfolio (as described in Business Rule 10.). 3. The table below demonstrates the mechanism for measuring Supply Point level read performance, where the number of accepted Valid Meter Readings provided for a Supply Point in any given Performance Month is recorded and measured to generate an individual monthly read submission performance. The Performance Measure calculated for each Supply Point will be average of the Performance Months contained within each Performance Period.

	MPRN 1	MPRN 2	MPRN 3	MPRN 4	MPRN 5	MPRN 6	MPRN 7	MPRN 8	MPRN 9	MPRN 10
Day 1	1								1	
Day 2	1	1							1	
Day 3	1	1			1				1	
Day 4	1	1							1	
Day 5	1	1			1	1			1	
Day 6	1	1				1				
Day 7	1	1		1	1	1				
Day 8	1	1				1				
Day 9	1	1			1	1				
Day 10	1	1				1				
Day 11	1	1			1	1				
Day 12	1	1				1				
Day 13	1	1			1	1				
Day 14	1					1				
Day 15	1				1	1				
Day 16	1					1				1
Day 17	1				1	1				1
Day 18	1					1				1
Day 19	1				1	1				1
Day 20	1					1				
Day 21	1					1				
Day 22	1					1				
Day 23						1				
Day 24	1				1	1				
Day 25	1				1	1				
Day 26	1				1					
Day 27	1				1					
Day 28	1				1					
Day 29	1									
Day 30	1									
Day 31										
<b>Total</b>	29	12	0	1	14	21	0	5	4	0
<b>Percentage</b>	93.55%	38.71%	0.00%	3.23%	45.16%	67.74%	0.00%	16.13%	12.90%	0.00%

4. Read submission would be measured by the receipt of a Valid Reading, accepted into CDSP systems, including those not explicitly subject to Validation (re: M5.8.3) but deemed valid for performance purposes. The relevant percentage would be calculated for each Performance Period, calculated through the ratio of Valid Readings by days across the Performance Period, which will be set initially as a 3 month period, and set on an annual basis by the PAC.

5. Following a change of Shipper, Supply Point Valid Reading performance will be reset for the new Shipper. Performance measurement will begin from the 1st day of the next Performance Period after the change of Shipper for the Supply Point and so allowing complete months to be measured.

6. Any Supply Meters that move into Class 2 or 3 from Class 1 or 4 after the first day of the month will be considered against the Performance Period from the start of the subsequent month – i.e. the start of the next Performance Month.

7. Any Supply Meters that move from Class 3 to Class 2 or vice-versa during the Performance Period will have to meet the Valid Meter Reading submission level of the lower target for the whole of the Performance Period.

8. Reporting will be produced and sent to Shippers by the 20th day of each month and will highlight to Shippers all Supply Points where the individual Performance Measure has fallen below the Minimum Performance Standard. Notification and backing data containing the individual Supply Points will be sent to the relevant Shipper(s). Summary reporting will also be delivered to the PAC in a timely manner.

9. Affected Shippers will be obliged to change the Class of the relevant Supply Points to Class 4 at the earliest opportunity, but in any event the transfers must be completed within 30 calendar days from receipt of the report. The only exceptions to this are any Supply Points where the Class 1 Requirement applies during the Performance Period – including, for the avoidance of doubt, those where the Supply Meter Point is comprised in a Supply Point in respect of which the circumstances set out in the Class 1 Ratchet Charge Guidance Document apply.

10. To allow for faulty meters and problematic sites any Shipper that achieves the Minimum Performance Measure for:

- a) at least [90%] of their Class 2 Supply Meter portfolio shall not be required to reclassify any existing Class 2 Supply Meters to Class 4
- b) at least [90%] of their Class 3 Supply Meter portfolio shall not be required to reclassify any existing Class 3 Supply Meters to Class 4”

11. The Performance Measure will be solely based on the Performance Period. Any improvement in performance after a Performance Period, but prior to the registration into Class 4, will not be considered and cannot be used as a reason for non-registration into Class 4. Once a Supply Point is determined to have failed the Performance Target for a Performance Period the Supply Point will be required to be reclassified – regardless whether performance subsequent to the Performance Period, but prior to reclassification, improves such that the Supply Point would not have failed the Performance Target in the subsequent Performance Period.

12. If the identified poor performing Supply Points have not been registered into Class 4 within 30 days of receipt of the reports by Shippers, the CDSP will reclassify these Supply Points to class 4. as soon as is practical.

13. Any Supply Points in Classes 2 and 3 transferred to Class 4 due to the failure to meet the minimum Performance Measure at the Supply Meter may not be transferred to Classes 2 and 3 for a minimum Lock-out period, which will initially be set at (3) months, from their transfer into Class 4. This Lock-Out Period will be determined on an annual basis by the PAC. This condition will not apply after a change of Shipper where the new Shipper will be able to change any Class 4 Supply Point into Class 2 or Class 3 in line with normal UNC timescales. This Lock-Out period will not apply to a Supply Point that requires to be re-registered from Class 4 to Class 1.

14. New reports will need to be added to the Performance Assurance Register in order to provide Shipper performance in adhering to the criteria specified in this Modification.

### **The Proposed Change**

(Xoserve' s understanding of the Modification)

There is a requirement for the CDSP to monitor performance of Class 2 and 3 Supply Meters. Where such Supply Meters are underperforming within the defined reporting period these will be reclassified as Class 4 Supply Meters subject to its individual performance and the Shipper's portfolio level performance. The individual and portfolio level targets will be subject to assessment on an annual basis.

A report will be provided to the PAFA providing Shipper User's performance.

Where a Shipper is required to reclassify Supply Meters, they will be prompted to do so by provision of a report detailing the underperforming Supply Meters. After a defined period of time, where a Shipper has not reclassified the Supply Meter, the CDSP will complete this action on their behalf.

Once a Supply Meter Point has been reclassified it cannot return to Class 2 or 3 for a period of [3 months] where it remains within that Shipper's ownership.

To provide a ROM response the below high-level assumptions have been made:

- 1. A new internal screen that would be developed to identify the eligible sites and trigger existing Class Change functionality.
- 2. Custom report would be developed provide the data for sharing with Shipper
- 3. A table within UK Link will be required in order to maintain performance parameters

4. Enhancement in SPC process to incorporate the necessary changes as a result of this Modification regarding class change validations
5. Functionality would be designed to enable distinguishing and enable reporting between normal class change and mandated class change.
6. The interface will have the option to stagger the SPC load as per the configured maximum limit on UK Link systems

### Change Impacts

#### General Impacts to Xoserve and External Parties:

- Reclassification of Class 2 and 3 Supply Meters to Class 4 Supply Meters where its individual performance and the Shippers portfolio level performance are not deemed compliant.
- Shippers are requested to reclassify Supply Meters that are not compliant within a number of days, as defined by the Modification. This value is currently [30] days.
- CDSP to reclassify the Supply Meters if not performed by the Shipper
- The registered Shipper at the time of reclassification will be unable to reclassify a Supply Meter to Class 2 or Class 3 for a period of [3 months] where it has been reclassified due to its performance within that Shippers ownership. Other Shipper Users may register / reclassify the Supply Meter
- Shippers will receive a monthly report that informs the underperforming meters.
- The performance of Shippers will be reviewed within the PAC.

#### External Interface Impacts (Changes to Screens, Portals, Files, Permitted Values, etc.)

- The existing Class Change file and file format will be used. No specific file format changes are expected.
- Its reasonable to assume an increase in number of Class Changes as a result of underperforming meters, but no performance enhancement is considered within this ROM.

#### Impacts to Gemini System:

N/A

#### Impacts UKL Manual Appendix 5b:

This cannot be determined until the legal text is provided.

#### DSC Service Areas Impacted:

Manage Supply Point Registration

Note: DSC Change Committee will resolve any difference between the funding split implied by the above and the benefit split of the proposed change.

### Costs and Timescales

#### Change Costs (implementation):

An enduring solution will cost at least **£140k**, but probably not more than **£ 220k** to implement. This does not include any costs for Market Trials.

<p><b>Change Costs (on-going):</b></p> <p>N/A</p>
<p><b>Timescales:</b></p> <p>This will require a UK Link Major release for implementation.</p>
<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Any changes in the approach to the solution may impact the content of this ROM, including the cost.</li> <li><input type="checkbox"/> Inclusion of any new requirements within the Modification may change the content of this ROM, including the cost.</li> <li><input type="checkbox"/> These efforts are based on the high-level analysis, based on the discussion for requirement and solution, the stated efforts may change.</li> <li><input type="checkbox"/> Any other report or process changes will incur extra cost.</li> <li><input type="checkbox"/> We have identified changes are needed to Supply Point Administration to prevent reclassification within [3months] of a reclassification due to having failed performance targets.</li> <li><input type="checkbox"/> Existing validation to prevent Class change within two months of a previous Class change will not be amended (UNC G 1.11.3(a) refers)</li> <li><input type="checkbox"/> ISU- SPA and Billing area assessment have been performed. Any other areas / system assessment has not been performed.</li> <li><input type="checkbox"/> It is assumed that existing infrastructure will be used to deliver the change.</li> <li><input type="checkbox"/> Detailed rules, e.g., this should not be triggered if class change is already in progress, will be discussed during changes assessment phase</li> <li><input type="checkbox"/> The solution assumed within the ROM is that CDSP will trigger the SPC for the Class Change on a Shipper's behalf. We have not considered functional changes to the SPC file, e.g. existing functionality to allow the Shipper to cancel the Class Change request as per BAU before D-2 will not be suppressed. The Shipper will receive unsolicited responses to the SPC files issued by the CDSP.</li> <li><input type="checkbox"/> Existing MBR functionality would be used to notify user on Class Change and reads upload.</li> </ul>
<p><b>Dependencies:</b></p> <p>N/A</p>
<p><b>Constraints:</b></p> <p>N/A</p>
<p><b>Observations:</b></p> <p>N/A</p>

**Document Version History**

Version	Status	Date	Author(s)	Summary of Changes
V1.0	Sent to Xoserve on behalf of Mod proposer	19/12/18	Rebecca Hailes	First draft, section A completed.

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V2.0	Sent to Xoserve on behalf of Mod proposer	23/10/2019	Helen Cui	Follow up Request, section A completed.
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