

DSC Change Proposal Document

Customers to fill out all of the information in the sections coloured ■
 Xoserve to fill out all of the information in the sections coloured ■

A1: General Details

Change Reference:	4992		
Change Title:	Modification 0687 - Creation of new charge to recover Last Resort Supply Payments		
Date Raised:	30/07/2019		
Sponsor Representative Details:	Organisation:	Total Gas and Power	
	Name:	Louise Hellyer	
	Email:	louise.hellyer@totalgp.com	
	Telephone:	+44 (0) 17 37 27 56 38	
Xoserve Representative Details:	Name:	Ellie Rogers	
	Email:	Ellie.rogers@xoserve.com	
	Telephone:	0121 229 2138	
	Business Owner:		
Change Status:	<input type="checkbox"/> Proposal	<input type="checkbox"/> With DSG	<input type="checkbox"/> Out for Review
	<input type="checkbox"/> Voting	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Rejected

A2: Impacted Parties

Customer Class(es):	<input checked="" type="checkbox"/> Shipper	<input checked="" type="checkbox"/> Distribution Network Operator
	<input type="checkbox"/> NG Transmission	<input type="checkbox"/> IGT
	<input type="checkbox"/> All	<input type="checkbox"/> Other <Please provide details here>
Justification for Customer Class(es) selection	<p>Shippers will be impacted as a new charge will be included within their invoice which is specifically for the DNOs recovery of the Last Resort Supply Payments (LRSP).</p> <p>DNOs are impacted as this charge will be added to their charging statements and explicitly stipulated within the Shipper invoice.</p>	

A3: Proposer Requirements / Final (redlined) Change

Problem Statement:	Transporters are able to recover LRSP via transportation charges. This change seeks to create an explicit charge and to remove the risk that customers in one market sector cross-subsidise Supplier of Last Resort (SoLR) events from other market sectors.	
Change Description:	<p>This change seeks to create a new charge [SoLR customer charge], through which the Gas Distribution Networks (DNOs) will recover any LRSP arising from a SoLR event.</p> <p>It is proposed that the SoLR customer charge is introduced into the Gas Transportation charging statements. This new charge will be split by domestic and non-domestic Charging Codes and will be calculated by each DNO.</p> <p>The charge, which will be on a Supply Meter Point basis and will be calculated to recover the costs originating from each market sector, with mixed portfolios allocated by market sector code as held within UK Link (domestic or I&C).</p>	
Proposed Release:	Currently unknown whether it will be a Minor or Major Release. This will be dependent on the change development and the preferred invoicing solution option.	
Proposed Consultation Period:	<input type="checkbox"/> 10 Working Days	<input type="checkbox"/> 15 Working Days
	<input type="checkbox"/> 20 Working Days	<input type="checkbox"/> Other [Specify Here]

A4: Benefits and Justification

Benefit Description:	Shippers would have clarity around exactly what they are being charged for a SoLR LRSP recovered by DNOs. Shippers would be charged based on the market sector code within their portfolio.	
	<i>What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?</i>	
Benefit Realisation:	When there is a SoLR event which requires the DNOs to recover a LRSP post implementation.	
	<i>When are the benefits of the change likely to be realised?</i>	
Benefit Dependencies:	SoLR event which requires the DNs to recover a LRSP	
	<i>Please detail any dependencies that would be outside the scope of the change, this could be reliance on another delivery, reliance on some other event that the projects has not got direct control of.</i>	

A5: Final Delivery Sub-Group (DSG) Recommendations – Removed

(see Section C for DSG recommendations)

A6: Service Lines and Funding

Service Line(s) Impacted - New or existing	<p>A new Service Line will be required for this new charge type to be added and for the CDSP to invoice this on behalf of DNOs.</p> <p>As it has been indicated by the proposer as a Shipper funded change, the Service Area is likely to be 1 – Manage supply point registration.</p>		
Level of Impact	Medium		
If None please give justification	n/a		
Impacts on UK Link Manual/ Data Permissions Matrix	Impacts to the UK Link Manual to add the new charge type to the 'Comprehensive Invoices and Charge Types' list.		
Level of Impact	Minor		
If None please give justification	n/a		
Funding Classes :	Customer Classes/ Funding	Delivery of Change	On-going Budget Amendment
	<input checked="" type="checkbox"/> Shipper	100 %	XX %
	<input type="checkbox"/> National Grid Transmission	XX %	XX %
	<input type="checkbox"/> Distribution Network Operator	XX %	XX %
	<input type="checkbox"/> IGT	XX %	XX %
	<input type="checkbox"/> Other <please specify>	XX %	XX %
ROM or funding details:	<p>As part of the modification development a high level view on the invoicing options and the cost/effort for each of these has been provided. On the basis of this high level assessment, a ROM was not required.</p> <p>Please see attached the high level cost/efforts for Xoserve systems and efforts only found here.</p>		
Funding Comments:	The proposer has indicated this should be a Shipper funded change therefore is likely to go under Service Area 1 – Manage supply point registration.		

A7: ChMC Recommendation – 7th August 2019

Change Status:	<input type="checkbox"/> Approve	<input type="checkbox"/> Reject	<input checked="" type="checkbox"/> Defer
Industry Consultation:	<input checked="" type="checkbox"/> 10 Working Days	<input type="checkbox"/> 15 Working Days	
	<input type="checkbox"/> 20 Working Days	<input type="checkbox"/> Other [Specify Here]	

Expected date of receipt for responses (to Xoserve)	27/08/2019
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DSC Consultation Issue:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Date Issued:	12/08/2019	
Comms Ref(s):	2404.1 - RT – JR	
Number of Responses:	4	
DSC Consultation Issue:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Date Issued:	October Change Pack	
Comms Ref(s):	2456.2 - RT – PO – Solution Review	
Number of Responses:	1 approval Option 4 3 approvals for Option 1 (enduring) and 4 (interim)	
DSC Consultation Issue:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Date Issued:	14/04/2020 Detail design	
Comms Ref(s):	2566.10 – MT - JR	
Number of Responses:	3 approvals	

A8: DSC Voting Outcome November ChMV

Solution Voting:	<input checked="" type="checkbox"/> Shipper	Defer	
	<input type="checkbox"/> National Grid Transmission	Please select.	
	<input type="checkbox"/> Distribution Network Operator	Please select.	
	<input type="checkbox"/> IGT	Please select.	
Meeting Date:	13/11/2019		
Release Date:	Deferred pending Ofgem decision on Mod 0687 – Panel being held on Thursday 21 st November. Extraordinary meeting to be arranged on Friday 22 nd November at 9am which had another deferred outcome till February.		
Overall Outcome:	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	If [Yes] please specify <Release>

A8: DSC Voting Outcome February

Solution Voting:	<input checked="" type="checkbox"/> Shipper	Approve
	<input type="checkbox"/> National Grid Transmission	Please select.

	<input type="checkbox"/> Distribution Network Operator	Please select.
	<input type="checkbox"/> IGT	Please select.
Meeting Date:	12/02/2020	
Release Date:	Approved to go forward to Detail Design and will go back to ChMC in May with Nov 20 approval to see if MOD implemented.	
Overall Outcome:	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes November 2020

A8: DSC Voting Outcome May 4th

Solution Voting:	<input checked="" type="checkbox"/> Shipper	Approve
	<input type="checkbox"/> National Grid Transmission	Please select.
	<input type="checkbox"/> Distribution Network Operator	Please select.
	<input type="checkbox"/> IGT	Please select.
Meeting Date:	04/05/2020	
Release Date:	November 2020	
Overall Outcome:	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes

A8: DSC Voting Outcome May 13th

Solution Voting:	<input checked="" type="checkbox"/> Shipper	Defer
	<input type="checkbox"/> National Grid Transmission	Please select.
	<input type="checkbox"/> Distribution Network Operator	Please select.
	<input type="checkbox"/> IGT	Please select.
Meeting Date:	13/05/2020	
Release Date:		
Overall Outcome:	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes As the MOD is yet to be approved ChMC decided to pull this change from November 20 Release.

Please send the completed forms to: box.xserve.portfoliooffice@xserve.com

Section B: Change Proposal Initial Review

To be removed if no consultation is required; or alternatively collated post consultation

B1: User Details

User Contact Details:	Organisation:	WWU
	Name:	Smitha Coughlan
	Email:	smitha.coughlan@wwutilities.co.uk
	Telephone:	02920278838

B1: ChMC Industry Consultation

1. Do you think the change proposed poses a material risk/cost to your organisation and / or the market? Please can you provide the rationale for your response
No
2. Do you think the change proposed will benefit your organisation and / or the market? Please provide any quantifiable outputs as well as any assumptions.
Yes – will allow DNs and shippers to identify how much has been recovered in respect of supplier of last resort claims. This will allow for matching of costs and revenues by DNs. Details of SOLR costs and revenues are required to be confirmed to Ofgem each July.
3. Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor/major release as proposed in section A3 (Proposer Requirements / Final (redlined) Change)? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)
<p>We would support option 2 to be implemented: Add a new charge type to Scheduled Ancillary Invoices</p> <ul style="list-style-type: none"> • There are currently a number of claims in progress, with the potential for more in the next 12 months, therefore we would welcome delivery of the solution as soon as possible. • A scheduled invoice with nil return where applicable, is preferable for planning and checking purposes. • We would also prefer for invoices to be entered onto the billing calendar for cash management purposes. • Additionally, if the Last Resort Supply claimant could be identified on the invoice against each line, that would enable us to clearly identify the amounts recovered in respect of each claim (where there are more than one claims ongoing at the same time). • We acknowledge that a minor release would mean that there would be no associated testing. We will be interested in shipper views on this matter.
4. Do you agree with the principles of this funding as indicated in section A6 (Service Lines and Funding)?

Yes	
Change Proposal in principle:	Approve
Publication of consultation response:	Publish

B1: User Details

User Contact Details:	Organisation:	Northern Gas Networks
	Name:	Helen Chandler
	Email:	Hchandler@notherngas.co.uk
	Telephone:	07580704123

B1: ChMC Industry Consultation

1. Do you think the change proposed poses a material risk/cost to your organisation and / or the market? Please can you provide the rationale for your response	
We believe that option 3 would cause the biggest risk/cost to NGN. Due to the time constraints to implement option 1, which would have been our preferred option, we support option 2 as having the lowest material risk.	
2. Do you think the change proposed will benefit your organisation and / or the market? Please provide any quantifiable outputs as well as any assumptions.	
We believe the introduction of a new Supplier of Last Resort (SoLR) Customer Charge should be a positive benefit to the market.	
3. Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor/major release as proposed in section A3 (Proposer Requirements / Final (redlined) Change)? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)	
We believe that this Modification Proposal should be implemented within a Major Release, with the caveat that it should align with any charging statement notice period.	
4. Do you agree with the principles of this funding as indicated in section A6 (Service Lines and Funding)?	
We agree with the proposed funding of 100% Shippers.	
Change Proposal in principle:	Approve
Publication of consultation response:	Publish

B1: User Details

User Contact Details:	Organisation:	E.ON
	Name:	Kirsty Dudley
	Email:	Kirsty.Dudley@eonenergy.com
	Telephone:	07816172645

B1: ChMC Industry Consultation

1. Do you think the change proposed poses a material risk/cost to your organisation and / or the market? Please can you provide the rationale for your response	
Depending on the solution design and complexity there could be a risk to the invoicing processes. We would prefer creation of a new charge type rather than creation of a complex process. Further impact assessment is required when detailed design is known. Our approval is based on a new charge type only.	
2. Do you think the change proposed will benefit your organisation and / or the market? Please provide any quantifiable outputs as well as any assumptions.	
As this is an initial review we have not yet completed a full cost/benefit review, we understand the benefit proposed but are yet to quantify it.	
3. Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor/major release as proposed in section A3 (Proposer Requirements / Final (redlined) Change)? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)	
We would support a major release, we view minor releases as housekeeping or Xoserve impacting changes only, this would impact invoicing and therefore would in our view be a candidate for a major release.	
4. Do you agree with the principles of this funding as indicated in section A6 (Service Lines and Funding)?	
TBC - we will review once design is known.	
Change Proposal in principle:	Approve
Publication of consultation response:	Publish

B1: User Details

User Contact Details:	Organisation:	ScottishPower
	Name:	Claire Roberts
	Email:	Clairelouise.Roberts@scottishpower.com
	Telephone:	01416145930

B1: ChMC Industry Consultation

1. Do you think the change proposed poses a material risk/cost to your organisation and / or the market? Please can you provide the rationale for your response	
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2. Do you think the change proposed will benefit your organisation and / or the market? Please provide any quantifiable outputs as well as any assumptions.	
.	
3. Considering any functional changes as a result of this change, would your organisation support this to be implemented within a minor/major release as proposed in section A3 (Proposer Requirements / Final (redlined) Change)? Based on your answer how long a lead time would your organisation require to implement this change (for example minimum of 4 months, minimum of 6 months)	
.	
4. Do you agree with the principles of this funding as indicated in section A6 (Service Lines and Funding)?	
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Change Proposal in principle:	Approve
Publication of consultation response:	Publish

Section C: DSG Discussion

C1: Delivery Sub-Group (DSG) Recommendations

(To be removed if no DSG Discussion is required; Xoserve to collate where DSG discussions occur)

DSG Date:	16/09/2019
DSG Summary:	<p>Ellie Rogers (ER) provided a background of the change and an overview of the mod discussions and an indication of different solution options identified.</p> <p>ER explained that this XRN is a supporting modification 0687 which to create a new charge, the SoLR Customer Charge, through which Gas Distribution Networks (Transporters) will recover any Last Resort Supply Payments arising from a Supplier of Last Resort event. . ER explained that at present there is little detail around how the LRSP costs are recovered from wider Shipper community, outside of it being recovered via transportation charges. ER outlined that this Mod0687 looks to introduce a new SOLR customer charge type into the Gas</p>

transportation charging statements and for the new charge types to be introduced to clearly invoice what Shippers are paying for a SOLR event.

XRN4992 outlines there will be a new charge types for domestic and non-domestic charges. Furthermore transporters will be expected to provide the domestic and non-domestic rate per supply meter point and this rate will be applied based on the market sector code as well as detailed through the new charge codes.

ER explained the modification has been out for consultation and received 11 responses, 9 in support and 3 opposing the proposal. This modification is due to go out to UNC panel this Thursday 19th September for their approval on whether to implement this Mod. Post meeting update – the majority vote was for the modification to be implemented. This is now with Ofgem for a decision. ER explained that this was flagged at ChMC that the modification has not received approval as of yet, therefore to not give too much effort in case of rejection. ER added that this is still important as there are system changes expected to be implemented by 1st April alongside the change to the GDN charging statements.

Solution Options:

ER explained there are 4 solution options which have been discussed to date:

- **Option 1:- Add a New Charge Type to Core Invoices**
 - o This option is not preferred as it'll require major release implementation; a major release implementation is not achievable prior to the desired implementation date of 1st April 2020.
- **Option 2:- Add a New Charge Type to Scheduled Ancillary Invoices**
 - o Transportation Invoices would be sent as a generic invoice via IX
 - o Ad-hoc invoice issued on specific day each month to be agreed by the industry
- **Option 3:- Add a New Charge Type to Unscheduled Ancillary Invoices**
 - o The only difference with this compared to option 2 is that the unscheduled invoices are not issued on a specific/agreed date within the month.
 - o There is no scheduled date and the invoice would be issued on a best endeavors basis
- **Option 4:- Add a New Charge Type to a RTB Invoice**
 - o This would be a manually generated invoice using the RTB template by the CDSP on behalf of the Transporters.
 - o The Invoice Type, 'INR', would be utilised

ER explained that the 2nd, 3rd and 4th options are possibilities to be implanted into a minor release. This is dependent on the HLSO results and ChMC agreeing they could be within a Minor Release.

Shanna Barr (SB) asked what would the invoice types be like for option 2 and 3. ER stated she believed the invoices types would be the ANC. ER added that this will be identified and communicated within the HLSO. IB asked a question whether it has always been 4 options as he recalled only seeing 3 options. ER replied stating that at mod development, there were 3 options, but involved adding the manually generated using the RTB. IB asked if the RTB would be non IX invoice. ER stated the RTB would be issued via the normal IX route within the INR Invoice Type.

	<p>Sally Hardman asked depending on which option is moved forward, if one of the interim options is selected, would an enduring solution be implemented later on?</p> <p>ER stated it hasn't been decided but has been mentioned, and that would be better for ChMC and DSG to provide recommendations and approval. ER added that it would be beneficial that when the HLSO is received back for parties to have a look at the assessment and decide whether to implement an interim solution as well as work on the enduring solution. IB asked a question on the Core invoices, which invoice is likely to be impacted. ER stated it will be within the HLSO but suggested it could be Capacity that is impacted.</p> <p>ER asked if DSG are happy for this to be sent to HLSO, this can be sent off be bought back to DSG to discuss and prefer a recommended option to take to ChMC.</p> <p>DSG were happy for this to be taken to HLSO, no objection was received from DSG.</p>		
Capture Document / Requirements:	<Insert where appropriate>		
DSG Recommendation:	<input type="checkbox"/> Approve	<input type="checkbox"/> Reject	<input type="checkbox"/> Defer
DSG Recommended Release:	Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY		

DSG Date:	07/10/2019
DSG Summary:	<p>ER provided and update for this change.</p> <p>ER mentioned there were 4 options that were discussed during the last meeting and DSG agreed to have them sent off for high level solution options assessment. These high-level solution options have returned from being reviewed. ER explained that she would like to provide a view and highlight over key areas of each option. ER made DSG aware that the full list of solution options will be added into a change pack and sent out for industry review.</p> <p>Option 1 – Add a New Charge Type to Core Invoices</p> <p>This option involves adding a new charge type to core invoices. ER explained that the effort involved in this option would mean it can only be delivered within a major release. The high-level cost estimate is between £80,000 - £90,000.</p> <p>IB asked if this option would still not be able to be delivered by the 1st April 2020. ER advised that this option would not be possible to deliver by the 1st April 2020.</p> <p>Option 2 – Add a new charge type to Scheduled Ancillary Invoices</p> <p>This option would involve adding a new charge type to scheduled ancillary invoices. ER advised DSG that we initially thought this</p>

	<p>option could be a Minor Release candidate however due to the effort and testing involved based on the HLSO, it would need to be a Major Release.</p> <p>This has an overall impact as high and a high-level cost estimate between £33,000 - £36,000</p> <p>Option 3 – Add a New Charge Type to Unscheduled Ancillary Invoices</p> <p>This option involves adding a new charge type to unscheduled ancillary invoices. ER explained that this option is very similar to option 2 with the difference being around the date the invoice is issued. With option 2, the invoice is issued on an agreed date and option 3 it is ad hoc. It was confirmed that this again would require a Major Release to deliver this option.</p> <p>IB asked a question if this will be scheduled in Xoserve calendar every month? ER responded that she is unsure if ancillary invoices are added into the calendar. ER added that an invoice will only be generated as and when a Shipper needs it. ER explained that if there was a SoLR event and it was a scheduled invoice, it would be sent on an allocated day each month. E.g. 2nd day of the month etc. Whereas if it was unscheduled it would be ad hoc. PO asked if the payment terms are set in stone and will not be changed. ER confirmed the payment terms are not being changed as a result of this XRN. It is similar the charge type and invoice for SoLR events.</p> <p>This is still looking at a major release with a high-level cost estimate of between £30,000 - £33,600. It is slightly lower than option 2 due to less testing being involved due to the invoice being issued on an ad-hoc basis.</p> <p>Option 4 – Add a new Charge Type to a RTB invoice</p> <p>ER outlined that this option will involve adding a new charge type to RTB invoice. There are some system changes, however it involves a more manual solution. This option has an overall impact as high and a high-level cost estimate £26,000 - £30,000. It was highlighted that this is the only option which is a candidate for a Minor Release and can be delivered by April 2020 in line with the modification implementation date.</p> <p>ER asked DSG for considerations of a preferred solution option IB responded that his view is that option 1 would lend to an enduring solution and option 4 as an interim solution. PO asked DSG members on the call if there are any early views on options for this change. DSG members on the call advised that they would need to review it the Modification alongside the options. ER stated the next steps will be to Change Pack these high-level solution options for relevant industry review and discussion of the options. ER stated that following this change pack, the change will go to November's ChMC meeting for discussion and approval of the preferred solution option and implementation date.</p> <p>DSG members agreed that the recommendation within the Change Pack could be option 4 as the interim solution and option 1 as the enduring.</p>		
Capture Document / Requirements:	<Insert where appropriate>		
DSG Recommendation:	<input type="checkbox"/> Approve	<input type="checkbox"/> Reject	<input type="checkbox"/> Defer

DSG Recommended Release:	Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY
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DSG Date:	21/10/2019		
DSG Summary:	<p>PO presented this agenda item. PO stated that we are proposing to scope this into February 2020 documentation release. PO explained that there is an option to look at more automated invoice solutions as an enduring solution. Furthermore, PO informed DSG that the Change Pack for the detailed design is out for industry consultation. PO also added that the design detail that Ofgem had requested in regard to the MOD, has been submitted and is now awaiting an Ofgem decision. In addition, with that in mind, PO urged DSG to provide responses to the change pack that has been issued out to industry. PO concluded the discussion by asking DSG if there were any views or questions that they would like to raise.</p>		
Capture Document / Requirements:	<Insert where appropriate>		
DSG Recommendation:	<input type="checkbox"/> Approve	<input type="checkbox"/> Reject	<input type="checkbox"/> Defer
DSG Recommended Release:	Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY		

Section D: High Level Solution Options

D1: Solution Options

<p>Solution Option Summary:</p>	<p>The Link to the change proposal can be found here</p> <p>The High-Level Solution Option (HLSO) for this change is available and can be found here: HLSO</p> <p>The HLSO outlines that Xoserve have identified four options to deliver the requirements of the change:</p> <p>Option 1: - Add a New Charge Type to Core Invoices</p> <p>Option 2: - Add a New Charge Type to Scheduled Ancillary Invoices</p> <p>Option 3: - Add a New Charge Type to Unscheduled Ancillary Invoices</p> <p>Option 4: - Add a New Charge Type to a RTB Invoice</p> <p>All of the above options look to create four 4 new Charge Types (debit/credit versions of the domestic and non-domestic charges) for the acknowledgement of Supplier of Last Resort (SoLR) payments. The differences between the options are the invoices which the charges are applied within.</p> <p>For options 1, 2 and 3, the HLSO has indicated that the change delivery would need to be within a Major Release. This is due to the overall design, build and testing effort required for these options which mean as currently scoped they are categorised as Major.</p> <p>Option 4 has a lower overall effort and therefore has been categorised as a candidate for delivery within a Minor Release.</p> <p>In terms of costs, option 4 has the lowest cost estimate due to the overall effort being lower. Option 1 has the biggest impact therefore has the highest cost estimate. Option 2 and 3 are very similar in their delivery with the only difference being around the date the invoice is issued with option 2 being on an agreed date and option 3 being ad hoc. Option 2 therefore has a slightly higher cost estimate due to the additional testing efforts required to ensure the invoice is issued on the agreed date.</p> <p>Please note, the proposed implementation date for Modification 0687 - <i>Clarification of Supplier of Last Resort (SoLR) Cost Recovery Process</i> is by April 2020 for the system changes which currently can only be met by Option 4.</p>
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	<p>The Modification was sent to Ofgem in September for a decision. Last week Ofgem have confirmed that they are issuing the Modification back to Panel for consideration due to being unable to make a decision because of concerns raised in the Final Modification Report about the legal text.</p> <p>This is worth the industry being aware of and considering when reviewing the solution options.</p>
<p>Implementation Date Solution Options:</p>	<p>Option 1, 2 and 3 (as currently scoped), would require delivery within a Major Release</p> <p>For Option 4, it can be delivered within a Minor Release before April 2020, however for this to be possible we would need a decision by ChMC in November for the design work to commence. <i>Please note there is a risk with this option and approach that we do not receive an Ofgem decision by November.</i></p>
<p>Xoserve preferred option: (including rationale)</p>	<p>Option 4 This is because it is the only option which would meet the proposed modification implementation, however this is dependent on whether an Ofgem decision is made before the design work to deliver the solution commences (required November 2019). If an Ofgem decision is unknown by end of November 2019, either the ChMC will need to decide if they wish to go with Option 4 and commence design at risk, or alternatively wait until an Ofgem decision and risk that the April 2020 implementation date would not be possible if they choose to approve the Modification.</p> <p>If the industry went with the DSG recommendation, we are comfortable with delivering the phased approach (again dependent on the Ofgem decision).</p>
<p>DSG preferred solution option: (including rationale)</p>	<p>DSG noted that based on the proposed implementation date of the modification, only option 4 could be delivered within the required timescales.</p> <p>Taking the options in isolation, DSG did indicate that option 1 would be the preferred solution. As option 1 cannot be delivered in line with the proposed modification implementation, the DSG recommended approach was:</p> <ul style="list-style-type: none"> • Interim solution – Option 4 (delivery in February 2020 Minor Release) • Enduring solution – Option 1 (to be delivered within the next available Major Release) <p><i>Please note – the DSG recommendation was made before the Ofgem decision letter was published which stated they were sending the Modification back to Panel for further consideration. As stated above, this could impact the recommended solution option.</i></p>

Consultation closeout:	28/10/2019
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Section E: Industry Response Solution Options Review

E1: Organisation's preferred solution option

User Contact Details:	Organisation:	Northern Gas Networks
	Name:	Helen Chandler
	Email:	Hchandler@northerngas.co.uk
	Telephone:	07580704123
Organisation's preferred solution option, including rationale taking into account costs, risks, resource etc.	<p>Option 1, Add New Charge Type to Core Invoices, is NGN's first preference, but as it cannot be delivered within the required timeframe, our second preference would be the DSG preferred solution of Option 4, Add a New Charge Type to a RTB Invoice, as an interim solution and Option 1 as the enduring, with the following caveats:</p> <ul style="list-style-type: none"> For interim Option 4, we would support the use of the RTB template to produce an INR invoice if it is completed by the CDSP on behalf of the Transporters, which Xserve advised was the proposal at the 16 Sept DSG meeting. For enduring Option 1, we believe that implementation should align with any charging statement notice period. <p>Option 3, Add New Charge Type to Unscheduled Ancillary Invoices, is still considered the biggest risk and cost to NGN.</p>	
Implementation Date:	Approve	
Xserve preferred solution option:	Reject	
DSG preferred solution option:	Approve	
Publication of consultation response:	N/A	

E2: Xserve's Response

Xserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision
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E1: Organisation's preferred solution option

User Contact Details:	Organisation:	EDF Energy
	Name:	Eleanor Laurence
	Email:	eleanor.laurence@edfenergy.com
	Telephone:	07875117771
Organisation's preferred solution option, including rationale taking into account costs, risks, resource etc.	Option 4 is our preferred option	
Implementation Date:	Approve	
Xoserve preferred solution option:	Approve	
DSG preferred solution option:	Approve	
Publication of consultation response:	N/A	

E2: Xoserve's Response

Xoserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision
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E1: Organisation's preferred solution option

User Contact Details:	Organisation:	Npower
	Name:	Ikram Bashir
	Email:	IKRAM.BASHIR@NPOWER.COM
	Telephone:	07539808244
Organisation's preferred solution option, including rationale taking into account costs, risks, resource etc.	Npower would prefer option 1 as an enduring solution, we appreciate that this is not achievable for MOD implantation date of 01/04/2019 therefore we propose option 4 as an interim workaround to facilitate this change until option 1 delivered.	
Implementation Date:	Approve	
Xoserve preferred solution option:	Reject	
DSG preferred solution option:	Approve	

Publication of consultation response:	N/A
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E2: Xserve' s Response

Xoserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision
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E1: Organisation's preferred solution option

User Contact Details:	Organisation:	ScottishPower
	Name:	Claire Roberts
	Email:	Clairelouise.Roberts@ScottishPower.com
	Telephone:	01416145930
Organisation's preferred solution option, including rationale taking into account costs, risks, resource etc.	As option 1 cannot be delivered within the timescales, option 4 is our preferred option as an interim solution. As this would be done in two stages does this mean the industry is charged twice.	
Implementation Date:	Approve	
Xoserve preferred solution option:	Reject	
DSG preferred solution option:	Approve	
Publication of consultation response:	N/A	

E2: Xoserve' s Response

Xoserve Response to Organisations Comments:	If ChMC agree to a phased approach with option 4 being implemented in the interim and option 1 in the long term, the industry will be required to fund the implementation of both solutions. Please note, the cost for the long term solution will not include any work already implemented within the interim solution, therefore there will be no duplication of costs.
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Section F: Approved Solution Option

F1: Approved Solution Option

XRN Reference:	XRN4992
Solution Details:	Option 1: - Add a New Charge Type to Core Invoices
Implementation Date:	06/11/2020
Approved By:	Change Management Committee
Date of Approval:	12/02/2020

Section G: Change Pack

G1: Communication Detail

Comm Reference:	2566.10 – MT - JR
Comm Title:	XRN4992 - Modification 0687 Clarification of Supplier of Last Resort (SoLR) Cost Recovery Process
Comm Date:	14/04/2020

G2: Change Representation

Action Required:	For representation
Close Out Date:	28/04/2020

G3: Change Detail

Xoserve Reference Number:	XRN4992
Change Class:	Functional System and File Format Changes
ChMC Constituency Impacted:	Shipper Users Distribution Networks (DNs)
Change Owner:	Ellie Rogers Ellie.rogers@xoserve.com +44 1212 292 185
Background and Context:	<p>UNC Modification 0687 – ‘Creation of new charge to recover Last Resort Supply Payments’ seeks to create a new charge, the Supplier of Last Resort (SoLR) Customer Charge, through which Distribution Networks (DNs) will recover any Last Resort Supply Payment (LRSP) arising from a SoLR event. To provide some context, the SoLR Supplier can make a claim for a LRSP to cover its costs once the customers have been transferred. This can include credit balances outstanding for domestic customers.</p> <p>The Modification seeks to make it clear what costs DN's recover from Shippers in a SoLR event and looks to ensure appropriate cost apportionment is applied across the industry.</p> <p>Change Proposal XRN4992 was raised to deliver the system requirements set out within this Modification:</p> <p>Link to XRN4992 Change Proposal</p> <p>The Modification seeks to introduce the new specific charge (SoLR Customer Charge) to be applied within a SoLR event. There will be a separate charge for domestic and non-domestic sites which will be determined based on the Market Sector Flag (D or I) recorded in</p>

	<p>the UK Link system. The charge will be invoiced by the CDSP on behalf of the DNs within the Core Capacity Invoice.</p> <p>XRN4992 introduces the new charge set out within Modification 0687 and establishes the process for this charge to be invoiced.</p> <p>For the full Modification 0687 details, please see the link to the Joint Office Website: https://www.gasgovernance.co.uk/index.php/0687</p> <p><i>Please note, approval has not been granted for Modification 0687 yet. The industry are awaiting an Ofgem decision on whether the Modification is approved or rejected.</i></p> <p><i>The delivery of XRN4992 is dependent on the Ofgem decision for Modification 0687. ChMC agreed for XRN4992 to be included within scope of the November 2020 Major Release, however if Ofgem have not provided a decision on Modification 0687 by May, ChMC will be asked to decide if the CDSP continues to progress XRN4992 at risk or to remove it from November 2020 scope.</i></p>
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G4: Change Impact Assessment Dashboard (UK Link)

Functional:	Invoicing
Non-Functional:	None
Application:	AMT, SAP ISU, SAP BW, SAP PO
User(s):	Shipper Users Distribution Network (DN)
Documentation:	File Formats, Comprehensive Invoices Charge Types list <i>See below</i>
Other:	None

Files				
File	Parent Record	Record	Data Attribute	Hierarchy, File Format or Record
ZCS	N/A	K68	New Record added to the hierarchy	Hierarchy
ZCS	N/A	K68	New Record added to the file format	File Format

G5: Change Design Description

<p>XRN4992 introduces the new Supplier of Last Resort (SoLR) charge set out within Modification 0687 and seeks to establish the process for this charge to be invoiced.</p> <p>This Change Pack will detail how the process is proposed to work and detail explicitly impacts to Shipper Users and DNs.</p>

For the avoidance of doubt, the current process where a Supplier 'fails' will remain the same whereby:

- Ofgem appoint a SoLR
- SoLR can claim the Last Resort Supply Payment (LRSP)
- If approved by Ofgem, DNs will pay the SoLR the LRSP

The above will not be changed as part of XRN4992, however, the way in which DNs recover the LRSP will. Currently, DNs recover the LRSP through Transportation Charges via the Shippers. XRN4992 proposes to implement the new charge set out under Modification 0687 which will make it clear where the Shippers are being charged for the LRSP recovered by DNs.

High level process overview and impacts

1. Supplier 'fails' triggering the SoLR process

As detailed above, this process will not be changed as part of XRN4992

2. Ofgem confirm the SoLR and agree to the LRSP

As detailed above, this process will not be changed as part of XRN4992

3. CDSP issues reports to each DN

Each DN will receive a report from the CDSP detailing the total number of domestic and non-domestic sites of the 'failed' Supplier.

Each DN will also receive a report detailing the total number of domestic and non-domestic sites on their network

The count of domestic and non-domestic sites will be based on the Market Sector Code of the Supply Meter Points as held in UK Link. This will either be Domestic (D) or Industrial (I).

4. SoLR Customer Charge rates calculated by DNs

The DNs will use the reports detailed under point 3 to calculate the specific SoLR rate. The rate will be a charge per Supply Meter Point, per DN and there will be a domestic and non-domestic rate.

For the avoidance of doubt, the CDSP will not be involved in the process of calculating the domestic and non-domestic Supply Meter Point rate per DN. For information on the calculation for the DNs to provide the domestic and non-domestic rate per Supply Meter Point, please see the link to the Joint Office and Modification 0687 where this is detailed:

<https://www.gasgovernance.co.uk/index.php/0687>

Please be aware that the calculation to create the domestic and non-domestic SoLR rate will remain as stated under Modification 0687, however the actual rate will differ across different SoLR events based on the counts within the reports provided to DNs.

Each DN will be required to send the SoLR domestic and non-domestic rates to the CDSP. An example of the template with the information required is provided below:

Network Operator Short code	Failed Supplier Organisation Name	Date of SoLR Event	Charge Type	Charge Type Description	Rate (Pence per Unit)
XXX	Supplier Name	XX/XX/XXXX	LRI	LRSP Industrial Charge	X.XXXX
XXX	Supplier Name	XX/XX/XXXX	LRD	LRSP Domestic Charge	X.XXXX
Total Recovery Amount (£) (Excluding VAT)					

Please note that the final template will be confirmed and agreed with DNs following the completion of detailed design.

5. CDSP Recovery on behalf of DNs

Once we have received the SoLR rates from all DNs, the CDSP will commence the recovery of the LRSP. Please see below the following information related to this:

- The LRSP for each SoLR event will be recovered over a 12-month period. The recovery period will commence the following calendar month to be invoiced M+1 after we have received the SoLR rates from all DNs.
- There will be two new Charge Types created and added to the Comprehensive Invoices Charge Types list for Shippers and DNs and to the Request to Bill template:
 - **LRD – LRSP Domestic Charge**
 - **LRI – LRSP Industrial Charge**
Both will be under the CAZ – CORE CAPACITY INVOICE and included within the ZCS – CORE CAPACITY INVOICE SUPPORTING INFORMATION

Please see below the updated Comprehensive Invoices Charge Types list for Shippers and each DN for review and approval:

[Comprehensive Invoices Charge Types V6FA](#)
[Xoserve Comprehensive Invoices Charge Types GT2 V4FA](#)
[Xoserve Comprehensive Invoices Charge Types GT3 V4FA](#)
[Xoserve Comprehensive Invoices Charge Types GT4 V4FA](#)
[Xoserve Comprehensive Invoices Charge Types GT5 V4FA](#)
[Xoserve Comprehensive Invoices Charge Types TGT V4FA](#)

Please note that the Shipper and DN Comprehensive Invoices Charge Types list have also been updated with proposed amendments as part of another change in scope of November 2020 (XRN4871B).

The changes to the Comprehensive Invoices Charge Types lists within XRN4871B and XRN4992 will be treated independently (therefore the proposed amendments for XRN4871B are not present within the attached lists). Once the outcome of the changes are known, the proposed amendments will be amalgamated into one version for each ready to be set live.

- Shippers will be charged monthly over the period of 12 months for one SoLR event.
- The count of domestic and non-domestic Supply Meter Points per Shipper will be based on a portfolio snapshot view of the month we are charging for.
Please note that IGT sites and NTS sites will be out of scope and not included within the count.
- Using the rates provided by the DNs, the CDSP will calculate the monthly charge per Shipper based on their portfolio count.
- The two new charges (LRD and LRI) will be included in the Capacity Invoices received on the 4th working day of the following month.

6. Supporting Information

Shippers will receive first level supporting information for the new Charge Types (LRI and LRD).

This will be included within the ZCS – Core Capacity Invoice Supporting Information. A new record K68 has been created to provide this supporting information.

Please see below the updated ZCS file format which includes the new K68 record to provide the relevant supporting information for these new charges. This is for review and approval:

[ZCS Core Capacity Invoice Supporting Information V3 For Approval](#)

The ZCS hierarchy must also be updated to take account of this new record. Please see below the updated ZCS hierarchy for review and approval:

[ZCS Hierarchy V3FA](#)

Please note that second level supporting information will not be required for these Charge Types. Second level supporting information is at MPRN level and this is not available for these Charge Types.

DNs will receive confirmation on what has been invoiced to the Shippers as per the existing process via the Accounts Receivable files (SIF and SIR).

Key things to note

1. If there are multiple SoLR events which overlap in terms of the recovery period, the charges will be calculated separately, however Shippers will receive one domestic and non-domestic charge per DN in the Invoice which amalgamates all the SoLR charges together.
Please note that the first level supporting information will provide the lower level information and charges per SoLR event.
2. There will be no adjustments process managed by the CDSP for the SoLR charges.
3. Any under or over recovery through the SoLR charge will be managed by the Distribution Networks via the K balancing mechanism. The CDSP will not be involved in this process.

- | | |
|----|---|
| 4. | If a new Shipper joins the market during a SoLR event recovery period, they will still be charged based on their portfolio count at the time that we calculate the invoice charge type. |
|----|---|

G6: Associated Changes

Associated Change(s) and Title(s):	Modification 0687 - Creation of new charge to recover Last Resort Supply Payments
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G7: DSG

Target DSG discussion date:	Click here to enter a date.
Any further information:	XRN4992 has previously been discussed and developed at SDG with a proposed option and approach recommended.

G8: Implementation

Target Release:	November 2020 Major Release
Status:	For Approval

Please see the following page for representation comments template; responses to uklink@xoserve.com

Section H: Representation Response

H1: Change Representation

(To be completed by User and returned for response)

User Contact Details:	Organisation:	NGN	
	Name:	Helen Chandler	
	Email:	HChandler@northerngas.co.uk	
	Telephone:	07580704123	
Representation Status:	Support		
Representation Publication:	Publish		
Representation Comments:	We support the addition of two new charge types for LRSP Domestic (LRD) and LRSP Industrial (LRI), under the CAZ – Core Capacity Invoice type and included in the ZCS – Core Capacity Invoice Supporting Information, within both the Comprehensive Invoices Charge Types List and the Request to Bill template.		
Confirm Target Release Date?	Yes	«h1_userDataAlternative»	

H1: Xoserve' s Response

Xoserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision.		
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Please send the completed representation response to uklink@xoserve.com

H1: Change Representation

(To be completed by User and returned for response)

User Contact Details:	Organisation:	Npower	
	Name:	Sasha Pearce	

	Email:	sasha.pearce@npower.com
	Telephone:	07881617634
Representation Status:	Support	
Representation Publication:	Publish	
Representation Comments:	No comments	
Confirm Target Release Date?	Yes	«h1_userDataAlternative»

H1: Xoserve' s Response

Xoserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision.
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Please send the completed representation response to uklink@xoserve.com

H1: Change Representation

(To be completed by User and returned for response)

User Contact Details:	Organisation:	Scottish power
	Name:	Helen Bevan
	Email:	Helen.Bevan@scottishpower.com
	Telephone:	01416145517
Representation Status:	Approve	
Representation Publication:	Publish	
Representation Comments:	N/A	
Confirm Target Release Date?	Yes	«h1_userDataAlternative»

H1: Xoserve' s Response

Xoserve Response to Organisations Comments:	Thank you for your representation, we will feed this into ChMC for a final decision.
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Please send the completed representation response to uklink@xoserve.com

Version Control

Document

Version	Status	Date	Author(s)	Remarks
V1	With DSG	24/09/2019	Xoserve	CP updated with discussion from DSG 16 th September 2019.
V2	With DSG	18/10/2019	Xoserve	CP updated with discussion from DSG 7 th October 2019.
V3	With DSG	29/10/2019	Xoserve	Cp updated with discussion from DSG 21 st October 2019
V4		15/11/2019	Jai Le Resche	CP updated with discussions from ChMC 13 th November 2019. To be voted upon in Extraordinary meeting on 22 nd November 2019
V5	Approved	20/02/2020	Rachel Taggart	Updated with ChMC outcome from the meeting on 12 th February 2020
V6	Deferred	15/05/2020	Rachel Taggart	Updated with ChMC outcome from the meetings on 04 th and 13 th May 2020

Appendix 1

Change Prioritisation Variables 30%

Xoserve uses the following variables set for each and every change within the Xoserve Change Register, to derive the indicative benefit prioritisation score, which will be used in conjunction with the perceived delivery effort to aid conversations at the DSC ChMC and DSC Delivery Sub Groups to prioritise changes into all future minor and major releases.

Change Driver Type	<input type="checkbox"/> CMA Order <input type="checkbox"/> EU Legislation <input type="checkbox"/> BEIS <input type="checkbox"/> SPAA Change Proposal <input type="checkbox"/> Other <i>(please provide details below)</i>	<input type="checkbox"/> MOD / Ofgem <input type="checkbox"/> License Condition <input checked="" type="checkbox"/> ChMC endorsed Change Proposal <input type="checkbox"/> Additional or 3 rd Party Service Request
Please select the customer group(s) who would be impacted if the change is not delivered	<input checked="" type="checkbox"/> Shipper Impact <input type="checkbox"/> Xoserve Impact	<input checked="" type="checkbox"/> iGT Impact <input type="checkbox"/> National Grid Transmission Impact <input checked="" type="checkbox"/> Network Impact

Associated Change reference Number(s)	XRN4996
Associated MOD Number(s)	
Perceived delivery effort	<input checked="" type="checkbox"/> 0 – 30 <input type="checkbox"/> 30 – 60 <input type="checkbox"/> 60 – 100 <input type="checkbox"/> 100+ days
Does the project involve the processing of personal data? <i>'Any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier' – includes MPRNS.</i>	<input type="checkbox"/> Yes <i>(If yes please answer the next question)</i> <input checked="" type="checkbox"/> No
A Data Protection Impact Assessment (DPIA) will be required if the delivery of the change involves the processing of personal data in any of the following scenarios:	<input type="checkbox"/> New technology <input type="checkbox"/> Vulnerable customer data <input type="checkbox"/> Theft of Gas <input type="checkbox"/> Mass data <input type="checkbox"/> Xoserve employee data <input type="checkbox"/> Fundamental changes to Xoserve business <input type="checkbox"/> Other <i>(please provide details below)</i> <i>(If any of the above boxes have been selected then please contact The Data Protection Officer (Sally Hall) to complete the DPIA.</i>
Change Beneficiary <i>How many market participant or segments stand to benefit from the introduction of the change?</i>	<input checked="" type="checkbox"/> Multiple Market Participants <input type="checkbox"/> Multiple Market Group <input type="checkbox"/> All industry UK Gas Market participants <input type="checkbox"/> Xoserve Only <input type="checkbox"/> One Market Group <input type="checkbox"/> One Market Participant
Primary Impacted DSC Service Area	Service Area 1: Manage Supply Point Registrations
Number of Service Areas Impacted	<input type="checkbox"/> All <input type="checkbox"/> Five to Twenty <input type="checkbox"/> Two to Five <input checked="" type="checkbox"/> One
Change Improvement Scale? <i>How much work would be reduced for the customer if the change is implemented?</i>	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
Are any of the following at risk if the change is not delivered?	
<input type="checkbox"/> Safety of Supply at risk <input type="checkbox"/> Customer(s) incurring financial loss <input type="checkbox"/> Customer Switching at risk	
Are any of the following required if the change is delivered?	
<input type="checkbox"/> Customer System Changes Required <input type="checkbox"/> Customer Testing Likely Required <input type="checkbox"/> Customer Training Required	
Known Impact to Systems / Processes	
Primary Application impacted	<input type="checkbox"/> BW <input checked="" type="checkbox"/> ISU <input type="checkbox"/> CMS <input type="checkbox"/> AMT <input type="checkbox"/> EFT <input type="checkbox"/> IX <input type="checkbox"/> Gemini <input type="checkbox"/> Birst <input type="checkbox"/> Other <i>(please provide details below)</i>
Business Process Impact	<input type="checkbox"/> AQ <input type="checkbox"/> SPA <input type="checkbox"/> RGMA <input type="checkbox"/> Reads <input type="checkbox"/> Portal <input checked="" type="checkbox"/> Invoicing <input type="checkbox"/> Other <i>(please provide details below)</i>
Are there any known impacts to external services and/or systems as a result of delivery of this change?	<input type="checkbox"/> Yes <i>(please provide details below)</i> <input checked="" type="checkbox"/> No
Please select customer group(s) who would be impacted if the change is not delivered.	<input checked="" type="checkbox"/> Shipper impact <input checked="" type="checkbox"/> Network impact <input checked="" type="checkbox"/> iGT impact <input type="checkbox"/> Xoserve impact <input type="checkbox"/> National Grid Transmission Impact
Workaround currently in operation?	
Is there a Workaround in operation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes who is accountable for the workaround?	<input type="checkbox"/> Xoserve <input type="checkbox"/> External Customer <input type="checkbox"/> Both Xoserve and External Customer
What is the Frequency of the workaround?	

What is the lifespan for the workaround?	
What is the number of resource effort hours required to service workaround?	
What is the Complexity of the workaround?	<input type="checkbox"/> Low <i>(easy, repetitive, quick task, very little risk of human error)</i> <input type="checkbox"/> Medium <i>(moderate difficult, requires some form of offline calculation, possible risk of human error in determining outcome)</i> <input type="checkbox"/> High <i>(complicate task, time consuming, requires specialist resources, high risk of human error in determining outcome)</i>
Change Prioritisation Score	30%

Document Control

Version History

Version	Status	Date	Author(s)	Summary of Changes
1	Draft	27/04/18	Anesu Chivenga	
2	With ChMC	05/09/19	Xoserve	Initial Consultation Change Pack and responses added