

Section G: Change Pack

G1: Communication Detail

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| Comm Reference: | 2955.5 – MT – PO |
| Comm Title: | XRN5458 – 0791 (Urgent): Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking – Detailed Design Change Pack |
| Comm Date: | 17/01/2022 |

G2: Change Representation

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| Action Required: | For Awareness |
| Close Out Date: | 31/01/2022 |

G3: Change Detail

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| Xoserve Reference Number: | XRN5458 |
| Change Class: | Operational processes (Invoicing) |
| ChMC Constituency Impacted: | National Grid NTS Shipper Users |
| Change Owner: | Ellie Rogers +441212292185 ellie.rogers@xoserve.com |
| Background and Context: | <p>The link to the Change Proposal XRN5458 can be found here.</p> <p><u>Background</u></p> <p>Change Proposal XRN5458 has been raised to deliver the changes proposed through – 0791 (Urgent): Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking</p> |

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| | <p>This Modification seeks to introduce new arrangements to enable National Grid NTS to procure gas where, following the termination of a Shipper User providing shipping services to one or more Gas Suppliers, no new Shipper User (a 'Registered User') is appointed and one or more of the Suppliers acts in accordance with its deed of undertaking until such time a new Registered User is in place.</p> <p>For the full Modification 0791 details, please see the link to the Joint Office website: https://www.gasgovernance.co.uk/0791</p> <p>Please note Urgent Modification 0791 has not been approved by Ofgem yet but once a decision has been made, if the Modification is approved, implementation will be expected as soon as possible.</p> <p>With this in mind, this Change Pack has been issued to make DSC Customers aware of the process if Modification 0791 is approved and implemented.</p> <p>As detailed within the Change Proposal, to align with the proposed timescales associated with the Urgent Modification, we are looking to implement a solution as soon as possible (following Modification approval). Based on this, we are looking to minimise system changes where possible and deliver outside of a scheduled release.</p> <p>Please note, we are not anticipating any system changes required for DSC Customers but please let us know if based on the CP and this Change Pack you believe there is an impact to customers.</p> |
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G4: Change Impact Assessment Dashboard (UK Link)

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| Functional: | None |
| Non-Functional: | Operational and operational invoicing processes |
| Application: | N/A |
| User(s): | National Grid NTS Shipper Users |
| Documentation: | N/A |

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| Other: | N/A |
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| Files | | | | |
|-------|---------------|--------|----------------|----------------------------|
| File | Parent Record | Record | Data Attribute | Hierarchy or Format Agreed |
| N/A | N/A | N/A | N/A | N/A |

G5: Change Design Description

Change Proposal XRN5458 has been raised to deliver the changes proposed through – [0791 \(Urgent\): Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking](#)

This Modification seeks to introduce new arrangements to enable National Grid NTS to procure gas where, following the termination of a Shipper User providing shipping services to one or more Gas Suppliers, no new Shipper User (a 'Registered User') is appointed and one or more of the Suppliers acts in accordance with its deed of undertaking until such time a new Registered User is in place.

High-level process overview and impacts

1. Shipper Termination occurs

Please note, the Modification 0791 process can only be utilised following a Shipper Termination event and where there is no new Registered User in place or appointed yet. Suppliers must also be operating under the Deed of Undertaking (DoU) for the Terminated Supply Meter Points (TSMPs).

2. Creating the relevant account within Gemini for the 'Contingency Procurer of Supplier Demand' (CPoSD) role.

The CDSP will ensure a new account is set-up within Gemini for the new National Grid NTS role of CPoSD. All transactions relevant to this role will be accounted for under this new Gemini account. The CPoSD's imbalance position will always be 'over-delivered' when the role is active (as there is no demand portfolio attributable to it) at the end of the Gas Day, and therefore its account will be excluded from Balancing Charges and Balancing Neutrality Charges.

3. CDSP sharing relevant information with National Grid NTS

If a Shipper has been terminated and the associated Supplier(s) is to operate under its DoU, the CDSP will provide the following information to National Grid NTS:

The seasonal normal demand forecast for Non-Daily Metered (NDM) sites within the Terminated Shipper's portfolio for each day remaining in the current month (M) and each day of the following month (M+1). As soon as reasonably practicable within month M+1, the CDSP shall provide this information for the next month M+2. This process shall be repeated until National Grid notifies the CDSP that it is no longer required.

Number of Terminated Supply Meter Points (TSMPs) that are expected to have their demand fulfilled by another Shipper under the [Modification 0788](#) arrangements until a new Registered User is in place.

A forecast, provided on each business day, of the TSMPs migrating to other Shippers (away from the Terminated Shipper portfolio).

Please note, this information will be provided by the CDSP to National Grid NTS directly via a secure mechanism.

4. Cost Recovery / Invoicing

The cost recovery required by the CPoSD in respect of carrying out trades in its role in delivering additional supplies, shall be recovered **initially** by using an estimate of trade values followed by a **subsequent** adjustment to reflect the actual procurement of gas.

Initial Cost Recovery

Initial cost recovery shall occur via the current month CNU - Balancing Neutrality Smear Charge Type on the Gemini Energy Balancing Invoice (BAL) and specifically the IDB file.

Where CPoDS charges are needed to be recovered, the invoicing of these charges will commence from the month following the end of the first associated CPoSD Month (i.e. issued within calendar month M+1), with the apportionment of costs based on Users' User Daily Quantity Input (UDQI) and User Daily Quantity Output (UDQO) in the calendar month coinciding with the start of the CPoSD month (i.e. calendar month M-1).

The CPoSD Month commences on the 23rd calendar day of a month (falling in calendar month M-1) and ends at the conclusion of the 22nd calendar day of the following month (falling in calendar month M).

Subsequent Cost Recovery

A subsequent Generic Invoice. INR and INV file format, will include an adjustment to reflect the apportionment of gas procurement costs incurred by the CPoSD in the latter proportion of the CPoSD month (falling within calendar month M) on the basis of Users UDQIs and UDQOs in the calendar month coinciding with the end of the CPoSD month (i.e. calendar month M). This shall be issued on a monthly basis in the second month subsequent to the end of the CPoSD Month (i.e. issued within calendar month M+2).

With the above in mind, this 2-step process will be as follows:

Please note, the October and November dates have been used as an example only to demonstrate the timescales associated with this activity.

- Step 1 (Initial Cost Recovery) – The trade financial values will be split mid-month (e.g. 17th Oct-YY to 16th Nov-YY) and these values will be processed on the next Energy Balancing Invoice (BAL and IDB file format) after M+15 (Month plus 15 business days) input closeout (The October YY Energy Balancing Invoice – Neutrality charges will be calculated as of M+19 business days from closeout - 25th Nov in terms of the above example).

Trade values will be entered into Gemini as 1 overall monthly value which will be split evenly, per day, across each day of the month.

Shippers will then receive a share of the trade costs as part of the CNU (Current month Balancing Neutrality Smear charge) based on their throughput for the gas days 1st to 31st October.

- Step 2 (Subsequent Cost Recovery) – Once the final trade costs are known and all Energy Balancing data has been closed out for the month, the final trade costs will be reapportioned based on the correct day's throughput values.

CDSP will take the originally billed position and redistribute the full month's trade costs for 1st to 30th November based on the throughput values for gas days 1st to 30th November.

The CDSP will take the difference between what was originally billed for the period from the revised calculation (based on correct throughput) and create an adjustment value for each Shipper.

- The adjustment will be issued on the. INR (Generic Request to Bill Invoice) and the INV file.

- Supporting Information for the. INR (Generic Request to Bill Invoice) t will detail the original CNU (current month Balancing Neutrality Smear charge) calculation, the revised CNU (current month Balancing Neutrality Smear charge) calculation and adjustment value. This will be issued via email as an .xls file to the relevant Shipper

5. Publication of Balancing Neutrality charges

In respect of any month in which the above cost apportionment applies, the CDSP shall publish the aggregate Balancing Neutrality charges including 0791 trades and also what the CP_V7.2 aggregate Balancing Neutrality charges would have been in the absence of any 0791 trades.

As mentioned, Modification 0791 has not been approved by Ofgem yet, however if it is, implementation will be expected as soon as possible in line with the Modification proposal.

XRN5458 delivers what is required within the Modification proposal and this Change Pack provides awareness of the operational processes involved.

G6: Associated Changes

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| Associated Change(s) and Title(s): | 0791 (Urgent): Contingency Gas Procurement Arrangements when a Supplier acts under a Deed of Undertaking |
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G7: DSG

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| Target DSG discussion date: | N/A |
| Any further information: | N/A |

G8: Implementation

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| Target Release: | Implementation in line with the Urgent Modification 0791 implementation |
| Status: | For Awareness |

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)

Please consider any commercial impacts to your organisation that Xserve need to be aware of when formulating your response

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| User Contact Details: | Organisation: | EON |
| | Name: | Clare manning |
| | Email: | clare.manning@eonnex.com |
| | Telephone: | 01234567890 |
| Representation Status: | Accept | |
| Representation Publication: | Publish | |
| Representation Comments: | <p>General points - The solution is silent on the timescales for the creation of the new CPoSD role - could clarity be provided in the form of X days from Ofgem approval? We would like to understand what is the first available date from which the solution could be utilised.</p> <p>Whilst suppliers should be acting under a DoU, what would happen should the situation arise whereby the supplier is not?</p> <p>Would it be possible for the CDSP to provide/publish an indication of how long the process might be used for; for example an aggregated view of the number of Meter points for which gas is being purchased over time?</p> <p>Will the CDSP be providing a test file or working file example?</p> <p>Subsequent Cost Recovery - what charge type will be used on the</p> | |

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| | <p>INV?</p> <p>Publication of Balancing Neutrality charges - can the CDSP clarify where/how these will be published?</p> | |
| Confirm Target Release Date? | Yes | «h1_userDataAlternative» |

H1: Xoserve' s Response

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| <p>Xoserve Response to Organisations Comments:</p> | <p>Thank you for your comments and confirming your approval of the change solution.</p> |
| | <p>In terms of creating the CPoSD role, this will be actioned in line with the Modification implementation date if approved by Ofgem. Please note, the solution proposed under 0791 and delivered via XRN5458 will only be utilised following approval of the Modification, where there is a Shipper Termination without a new Registered User to take over the Terminated Supply Meter Points (TSMPs). If this scenario does not occur, the 0791 proposal will not be utilised.</p> |
| | <p>Regarding Suppliers acting under their DoU, all current supplies have a GT DoU executed.</p> |
| | <p>The information the CDSP will be required to provide under the 0791 process will only be necessary following a Shipper Termination event and where there is no new Registered User in place or appointed yet. The information will be provided directly to National Grid only for the TSMPs in order for them to assess how much gas needs to be procured. This information will be required until a new Registered User is appointed for these TMSPs. As this information will go directly to NG and is based on the Shipper Termination, we cannot provide the example data or confirm how long the arrangement will be in place for.</p> |
| | <p>As detailed above, the information on TSMPs will be provided to NG directly and no test file is required.</p> |
| | <p>For both the initial cost recovery and the subsequent adjustment amount, the CNU Charge Type will be utilised. For invoicing purposes, existing Invoices and Charge Types that are already live and received by Shippers currently are being utilised.</p> |
| | <p>In terms of the Balancing Neutrality charges, this is already published by the CDSP on a monthly basis within the UK Link Secured SharePoint site. If Shippers do not have access to the UK</p> |

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| | <p>Link Secured SharePoint site, this can be requested via the following link. In the event of a Shipper Termination and the Modification 0791 process is triggered, a specific description will be quoted on the statements to reflect it.</p> |
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