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

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| 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 623 2611 |
| Business Owner: |  |
| Change Status: | ☒[x]  Proposal | ☐[ ]  With DSG | ☐[ ]  Out for Review |
| ☐[ ]  Voting | ☐[ ]  Approved | ☐[ ]  Rejected |

# A2: Impacted Parties

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| --- | --- | --- |
| Customer Class(es): | ☒[x]  Shipper | ☒[x]  Distribution Network Operator |
| ☐[ ]  NG Transmission | ☐[ ]  IGT |
| ☐[ ]  All | ☐[ ]  Other <Please provide details here> |
| Justification for Customer Class(es) selection | 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). DNOs are impacted as this charge will be added to their charging statements and explicitly stipulated within the Shipper invoice.  |

# A3: Proposer Requirements / Final (redlined) Change

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| 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: | 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. 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. 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).  |
| 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: | ☐[ ]  10 Working Days | ☐[ ]  15 Working Days |
| ☐[ ]  20 Working Days | ☐[ ]  Other [Specify Here] |

# A4: Benefits and Justification

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| 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.  |
| *What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?* |
| Benefit Realisation: | When there is a SoLR event which requires the DNOs to recover a LRSP post implementation.  |
| *When are the benefits of the change likely to be realised?* |
| Benefit Dependencies: | SoLR event which requires the DNs to recover a LRSP |
| *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.* |

# A5: Final Delivery Sub-Group (DSG) Recommendations – Removed (see Section C for DSG recommendations)

# A6: Service Lines and Funding

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| Service Line(s) Impacted - New or existing  | 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. 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. |
| 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  |
| ☒[x]  Shipper | 100 % | XX % |
| ☐[ ]  National Grid Transmission | XX % | XX % |
| ☐[ ]  Distribution Network Operator | XX % | XX % |
| ☐[ ]  IGT | XX % | XX % |
| ☐[ ]  Other <please specify> | XX % | XX % |
| ROM or funding details: | 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. Please see attached the high level cost/efforts for Xoserve systems and efforts only [found here](https://www.xoserve.com/media/7039/modification-0687-presentation-embedment.pdf).  |
| 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

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| Change Status: | ☐[ ]  Approve | ☐[ ]  Reject | ☒[x]  Defer |
| Industry Consultation: | ☒[x]  10 Working Days | ☐[ ]  15 Working Days |
| ☐[ ]  20 Working Days | ☐[ ]  Other [Specify Here] |
| Expected date of receipt for responses (to Xoserve) | 27/08/2019 |

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| DSC Consultation Issue: | ☒[x]  Yes | ☐[ ]  No |
| Date Issued: | 12/08/2019 |
| Comms Ref(s): | 2404.1 - RT - JR |
| Number of Responses: |  |

# A8: DSC Voting Outcome

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| Solution Voting: | ☐[ ]  Shipper | Please select. |
| ☐[ ]  National Grid Transmission | Please select. |
| ☐[ ]  Distribution Network Operator | Please select. |
| ☐[ ]  IGT | Please select. |
| Meeting Date: | Click here to enter a date. |
| Release Date: | Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY or NA |
| Overall Outcome: | ☐[ ]  No | ☐[ ]  Yes | If [Yes] please specify <Release> |

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

Section B: Change Proposal Initial Review

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

# B1: User Details

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| User Contact Details: | Organisation: | WWU |
| Name: | Smitha Coughlan |
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| Telephone: | 02920278838 |

# B1: ChMC Industry Consultation

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| 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) |
| We would support option 2 to be implemented: Add a new charge type to Scheduled Ancillary Invoices• 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

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

# B1: ChMC Industry Consultation

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| 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

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| User Contact Details: | Organisation: | E.ON |
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| Telephone: | 07816172645 |

# B1: ChMC Industry Consultation

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| 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

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

# B1: ChMC Industry Consultation

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| 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 |
| . |
| 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)? |
| . |
| Change Proposal in principle: | Approve |
| Publication of consultation response: | Publish |