

DSC Change Proposal Document

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

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A1: General Details

Change Reference:	XRN5658		
Change Title:	Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method (Mod 0831) and Allocation of LDZ UIG to Shippers (Class 2, 3 and 4) Based on a Straight Throughput Method (Mod 0831A)		
Date Raised:	15/06/2023		
Sponsor Representative Details:	Organisation:	SSE Energy Supply Limited (Mod0831) / Brook Green Trading Limited (Mod 0831A)	
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Xoserve Representative Details:	Name:	Ellie Rogers / Kathryn Adeseye	
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	Telephone:	0121 2292185 / 0121 2292351	
	Business Owner:	TBC	
Change Status:	<input type="checkbox"/> Proposal	<input checked="" type="checkbox"/> With DSG	<input type="checkbox"/> Out for Review
	<input type="checkbox"/> Voting	<input type="checkbox"/> Approved	<input type="checkbox"/> Rejected

A2: Impacted Parties

Customer Class(es):	<input checked="" type="checkbox"/> Shipper	<input 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>On an annual basis the Allocation of Unidentified Gas Expert (AUGE) sets weighting factors which determine how Unidentified Gas (UIG) and associated charges will be allocated to Shippers over the next Gas Year.</p> <p>This Modification sets the UIG weighting factors to a set of standing values, instead of being set each year by the AUGE. This</p>	

	only impacts on Shippers, as only Shippers receive UIG allocation and reconciliation.
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A3: Proposer Requirements / Final (redlined) Change

Problem Statement:	<p>Each year, the AUGE allocates different weighting factors to all supply meter points based on their EUC and Class. The methodologies by which these weighting factors are selected by the AUGE vary year on year. These weighting factors determine how much UIG a Shipper is allocated for sites in their ownership and the subsequent charges that they incur as a result.</p> <p>As the weighting factors allocated to each EUC and Class vary on an annual basis, this can create uncertainty for Shippers as their UIG charges also fluctuate every year.</p>
Change Description:	<p>This Change Proposal has been raised to deliver the requirements outlined in Modification 0831 'Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method' and Modification 0831A 'Allocation of LDZ UIG to Shippers (Class 2, 3 and 4) Based on a Straight Throughput Method'.</p> <p>Modification 0831 and Modification 0831A propose that the annual AUGE process and statement production will cease to exist and that the UIG weighting factor table will be permanently set with the same values every year.</p> <p>The exact values that will be allocated to different EUCs and Class types will be determined by whether or not Modification 0831 or Modification 0831A is approved by Ofgem.</p> <p>Modification 0831 proposes:</p> <ul style="list-style-type: none"> • UIG weighting factors will be permanently set to 1 for ALL EUCs and Classes; • All LDZ System Exit Points will have the allocation factor of 1; • As a result, UIG will be allocated to all sites based on throughput. <p>Modification 0831A proposes:</p> <ul style="list-style-type: none"> • UIG weighting factors be permanently set to 1 for all Class 2, 3 and 4 SMPs;

	<ul style="list-style-type: none"> • UIG weighting factors would be permanently set to 0 for all Class 1 SMPs, effectively exempting Class 1 SMPs from UIG allocation; • As a result, UIG will be allocated to Class 2, 3 and 4 sites based on throughput and Class 1 sites will be excluded from UIG allocation. <p>It is proposed that the existing table within the system containing the Allocation Adjustment Factors (weighting / sharing factors) will remain in place and the process to upload the factors into Gemini will continue. Following implementation of either Modification 0831 / Modification 0831A, the table will remain the same every year, therefore the annual process of uploading the values of the table will simply refresh the data each year as a positive affirmation.</p> <p>For the avoidance of doubt, this change will only amend the UIG allocation proportions and not the allocation mechanism.</p> <p>Please note, Modifications' 0831 and 0831A are subject to Authority Decision which means the decision on approval or rejection is with Ofgem. Please note only one Modification can be approved for implementation by Ofgem. The timescales for a final decision on Modifications' 0831 and 0831A are currently unknown.</p> <p>For further details on the 0831 and 0831A proposals, please see the Modification documents which can be found here.</p>	
Proposed Release:	<p>TBC – aligned with Modification implementation.</p> <p>For the start of any Gas Year implementation, confirmation on the values to be loaded in the table must be confirmed by the start of September.</p> <p>For a mid-year implementation, the go live date must be the 1st day of a calendar month and confirmation of the values to be loaded in the table must be confirmed 5-6 weeks before the implementation date.</p>	
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:	Each year, the AUGE allocates different weighting factors to all supply meter points based on their EUC and Class. This means that Shippers' UIG charges fluctuate on a yearly basis. Both Modifications remove the variable weighting factors and replace them with a set of permanent weighting factors. This may remove uncertainty for Shippers by allowing them to forecast the next Gas Year's UIG charges.
	<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:	Upon the first allocation of UIG following implementation.
	<i>When are the benefits of the change likely to be realised?</i>
Benefit Dependencies:	Modification 0831 and Modification 0831A are Authority Decision which means they will be approved or rejected by Ofgem. The benefit dependencies are the approval of one of the Modifications.
	<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	<u>Please note this is an initial look at the CDSP Service Description Table and should not be considered an exhaustive list of the impacted Service Lines. The complete review will be undertaken as part of the DSC change process.</u>
	<p>The following Service Lines have been identified which relate to the current AUGE process.</p> <ul style="list-style-type: none"> • DS-CS-SA1-18 - Appointment of an organisation to the position of Allocation of Unidentified Gas Expert • DS-CS-SA9-05 - Provision of data to the AUG Expert • DS-CS-SA1-19 - Management of, and exercise of rights under, the AUG Expert Contract • DS-CS-SA1-20 - Annual review of the activities and performance of the AUG Expert. • ASGT-CS-SA10-31 - Unidentified Gas - inclusion of the UGS Weighting Factors within the gas allocation function

	<p>The Service Areas these Service Lines come under and the funding split as per the Budget and Charging Methodology are detailed below:</p> <ul style="list-style-type: none"> • Service Area 1 – Manage Shipper Transfers (Shipper 100%) • Service Area 9 – Customer Reporting (all forms) – (Shipper Users 34%: National Gas Transmission 7%: DNO and IGTs 59%) • Service Area 10 – Invoicing Customers (National Gas Transmission 12%: DNO 88%) <p>Please note that, although the funding split above is as per the Budget and Charging Methodology, an alternative funding split can be proposed based on impacted and benefitting parties.</p> <p>If this Change Proposal is implemented, we expect changes to the existing Services Lines to be required. Mainly to remove no longer required Service Lines and replace them with Service Lines to reflect the new process.</p>		
Level of Impact	TBC		
If None please give justification	N/A		
Impacts on UK Link Manual/ Data Permissions Matrix	None anticipated.		
Level of Impact	N/A		
If None please give justification	No impacts to the UK Link Manual / DPM anticipated, however this will be assessed during design.		
Funding Classes :	Customer Classes/ Funding	Delivery of Change	On-going Budget Amendment
	<input type="checkbox"/> Shipper	XX %	XX %
	<input type="checkbox"/> National Gas 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>A ROM has been completed for this change. The key points are:</p> <ol style="list-style-type: none"> 1) No anticipated implementation costs. Any required testing to be absorbed as part of business-as-usual (BAU). 2) No anticipated ongoing costs at this stage but this will be reassessed during detailed design. 3) DSC Customers will see cost savings of around £300,000-£400,000 per annum (this is a high-level indicative cost- 		

	range) because of the AUGE contract and AUGE processes no longer being required. A link to the ROM for reference is here .
Funding Comments:	The funding split for the cost saving element of this change will need to be discussed during the change process and decided upon.

Please send the completed forms to: uklink@xserve.com

Version Control

Document

Version	Status	Date	Author(s)	Remarks
V0.1	DRAFT	01.06.2023	Kathryn Adeseye	Reviewed and amended by ER.
V0.2	DRAFT	05.06.2023	Kathryn Adeseye	Reviewed by proposer for Mod 0831 and proposer for Mod 0831A. No amendments requested.
V1.0	LIVE	12.06.2023	Kathryn Adeseye	FINAL VERSION.
V2.0	Approved	12.07.2023	Kate Lancaster	Approved at ChMC 12/07/23