

DSC Change Proposal Document

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Xoserve to fill out all of the information in the sections colour

A1: General Details

Change Reference:	XRN 5784		
Change Title:	Modification 0862 Amendments to the current Unidentified Gas Reconciliation Period arrangements		
Date Raised:	22/04/2024		
Sponsor Representative Details:	Organisation:	SEFE Energy	
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Xoserve Representative Details:	Name:	Kathryn Adeseye	
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	Business Owner:		
Change Status:	<input checked="" type="checkbox"/> Proposal	<input 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 checked="" type="checkbox"/> Distribution Network Operator
	<input checked="" 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>This Modification will have an impact on Shippers as it will change the UIG Reconciliation Period. Instead of total Unidentified Gas then being 'weighted'* and divided into 12ths and allocated to the previous 12 months in 12 equal sized pots, the total Unidentified Gas would be 'weighted' and allocated to just the month/s that it originated in. This will change the way Shippers are allocated UIG Reconciliation Charges from 12 equal sized pots to variable monthly pots.</p> <p>(*Weighted means AUGE weighting factors are applied to UIG).</p>	

	<p>NGT and DNOs have been identified as interested parties due to the CDSP managing invoicing related to UIG on their behalf.</p> <p>This is an initial assessment of impacted parties and not an exhaustive list. If other parties believe that they are impacted, please contact either the proposer or the CDSP.</p>
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A3: Proposer Requirements / Final (redlined) Change

<p>Problem Statement:</p>	<p>Currently UIG is weighted and then smeared across the previous 12 months by equally dividing UIG into 1/12ths per month.</p> <p>The original rationale behind this UIG Reconciliation Period was that the majority of reconciliations would flow within 12 months and this UIG Reconciliation Period would be less of a barrier to exiting the market for those Users who wish to do so.</p> <p>Modification 0862 maintains that significant changes have occurred since this UIG Reconciliation Period was put in place, and to keep up with these developments, a change is required.</p> <p><u>Extract from Mod 0862: Why Change:</u> 'If a change is not made, then Unidentified Gas Reconciliation will continue to be smeared to the last 12 months instead of to the same months that the energy originated from. Due to the increase in monthly read sites, reconciling UIG in the month the energy originated from, means UIG reconciliation will be more accurate.'</p>
<p>Change Description:</p>	<p>This Change Proposal has been raised to deliver the requirements outlined in Modification 0862 Amendments to the current Unidentified Gas Reconciliation Period arrangements.</p> <p>Modification 0862 seeks to amend the UIG Reconciliation Period so that UIG is reconciled in the same month/s that the energy originated from. UIG Reconciliation should cover the whole month or months wherein the energy was consumed. Reconciliation must not be limited to the exact dates that the energy originated from. UIG Reconciliation should continue to be reconciled back to Line in the Sand to ensure that no UIG is unaccounted for.</p> <p>It is not the intention of this Modification to amend any other meter point reconciliation calculations and all other processes associated with UIG reconciliation are to remain the same.</p>

	<p>It is expected that LDZ Offtake Reconciliations as per UNC TPD E7.3 and other offline reconciliation processes which currently feed the UIG smear will also adhere to this new logic.</p> <p>The solution proposed under Modification 0862 does not expect that invoicing will be at Meter Point Level and would like the current invoicing format to simply be extended to cover the additional months.</p> <p>The preferred implementation approach is for the new UIG Reconciliation Period to be effective from the Modification Implementation Date. This means that no transitional arrangement would be applied.</p> <p>Please note, Modification 0862 is subject to Authority Decision which means the decision on approval or rejection is with Ofgem. The timescale for a final decision on Modification 0862 is currently unknown.</p>	
Proposed Release:	TBC	
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:	<p><u>Extract from Mod 0862: Why Change:</u> 'If a change is not made, then Unidentified Gas Reconciliation will continue to be smeared to the last 12 months instead of to the same months that the energy originated from. Due to the increase in monthly read sites, reconciling UIG in the month the energy originated from, means UIG reconciliation will be more accurate.'</p> <p><i>What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?</i></p>
Benefit Realisation:	<p>Modification 0862 is expected to go to Panel on the 19th September-24. It is anticipated that the final modification report would be issued to Ofgem along with Panel's recommendation shortly after. An expected Ofgem Approval/Disapproval date is unknown.</p> <p>In the event of an Ofgem direction to implement the Modification, the CDSP would be expected to include this change in a release as soon as reasonably practicable.</p> <p><i>When are the benefits of the change likely to be realised?</i></p>

Benefit Dependencies:	Modification 0862 is Authority Decision which means it will be approved or rejected by Ofgem. If approved, the CDSP would be expected to include this change in a release as soon as reasonably practicable.
	<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>From an initial consideration of the DSC Service Line impact, the Service Area which these processes currently come under is:</p> <p>Service Area 10: Invoicing Customers, which as per the Budget and Charging Methodology has a funding split of 12% NGT and 88% DNOs.</p> <p>Based on an initial view, the following Service Line relates to this process:</p> <p>ASGT-CS-SA10-10: As agent of the Gas Transporters submission of scheduled Invoice Documents for each Invoice Type following the end of each Billing Period.</p> <p>Whether a change to the Service Line is required as a result of this Modification is currently unknown. As the Service Lines are at a high-level, a change may not be required. This will be determined at Detailed Design.</p> <p>Please note this is an initial view, and that DSC Change Management Committee will confirm the affected Service Area/s and Service Line/s along with the funding split as part of the DSC Change process.</p> <p>Please note, the funding split shown above is as per the Budget and Charging Methodology for the mentioned Service Areas.</p> <p>The proposer has suggested that this Change Proposal should be 100% Shipper funded.</p>
Level of Impact	TBC
If None please give justification	N/A

Impacts on UK Link Manual/ Data Permissions Matrix	TBC		
Level of Impact	TBC		
If None please give justification	No impacts to UK Link Manual / DPM anticipated, however this will be assessed during Detailed Design.		
Funding Classes :	Customer Classes/ Funding	Delivery of Change	On-going Budget Amendment
	<input checked="" type="checkbox"/> Shipper	100 %	100 %
	<input type="checkbox"/> National Gas Transmission	0 %	0 %
	<input type="checkbox"/> Distribution Network Operator	0 %	0 %
	<input type="checkbox"/> IGT	0 %	0 %
	<input type="checkbox"/> Other <please specify>	0 %	0 %
ROM or funding details:	<p>A ROM has been completed estimating high level indicative delivery costs are anticipated to be between £130,000, but probably not more than £250,000.</p> <p>Any ongoing costs are to be determined during the Detailed Design phase.</p> <p>Link to the ROM can be found here.</p>		
Funding Comments:	The proposer has suggested that this Change Proposal should be 100% Shipper funded.		

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

Version Control

Document

Version	Status	Date	Author(s)	Remarks
V1.0	LIVE	22.04.2024	Kathryn Adeseye	
V2.0	LIVE	25.04.2024	Kathryn Adeseye	