



## DSC Business Evaluation Report (BER)

<b>Change Title</b>	XRN5231 Flow Weighted Average CV (FWACV)
<b>Xoserve reference number (XRN)</b>	5231
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<b>Target Change Management Committee date</b>	08 <sup>th</sup> December 2021

### Section 1: In Scope

National Grid has announced it is to withdraw from providing the Distribution Network Operators (DNs) with the daily LDZ Flow-Weighted Average CV calculation (FWACV) service. As a consequence, the DN's will become responsible for calculating their own daily LDZ FWACVs and, publishing the information to Shippers. The associated 0719R Workgroup has assessed several options that might support the DN's in meeting their FWACV calculation/information provision obligations and through DSC governance the [agreed solution option](#) has been taken through the detailed design phase of the project as approved within the [EQR](#).

National Grid have now raised a Change Variation to include 2 consequential changes required to Gemini into the scope of the project to ensure that the new FWACV service design delivers the changes required to ensure the services provided to the wider industry continue to operate successfully.

1. Gemini consequential change part A - PRCMS validation/processing
2. Gemini consequential change part B - LDZ Stock Change and Embedded LDZ Unique Sites

The DN's have agreed that Xoserve should take the FWACV calculation role over in its entirety from National Grid and Xoserve are working to develop a single option solution. This BER is to approve the firm costs for the full delivery project to deliver the agreed solution option and the ongoing Manage The Business (MTB) Costs for the service to be operated.

Activities covered by this BER include:

- Full costs to deliver the agreed Flow Weighted Average CV solution under XRN5231.
- Indicative 1<sup>st</sup> Year MTB costs that will be confirmed at the end of the build stage following outstanding clarifications/service transition dependencies with National Grid and DN's being finalised.

XRN	Title	Type	Description	Link to Change Proposal	Impacts
5231	Provision of a FWACV Service	CP	Provision of a Flow Weighted Average CV service on behalf of the Distribution Networks to calculate daily LDZ FWACVs and, publishing the information to Shippers.	<a href="#">Link</a>	DN's

### Section 2: Out of Scope

- Any additional changes not defined in Section 1 – In Scope will be subject to change control.
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### Section 3: Funding required to deliver the change

The following section outlines the costs to deliver the project for XRN5231 and the 1<sup>st</sup> Year MTB costs to run the service (please note that finalisation of the MTB costs will be confirmed at the end of the build phase once outstanding clarifications/service transition dependencies with National Grid and Distribution Networks (DNs) are finalised).

### BER Costs

XRN Ref	HLSO	Design	Build	Test (inc Market Trials & Dual Run)	Imp / PIS	1st Year MTB	Risk Margin	BER Delivery Total	Shipper %	DN%	IGT%	NTS %
XRN5231 Flow Weighted Average CV	£600,000	£50,400	£123,608	£314,871	£160,681	£67,019	£101,121	£817,700		100%		
Gemini consequential changes	£250,000	£15,000	£19,000	£45,800	£27,615	£0	£10,742	£118,157				100%

The Design cost of £50,400 was approved via an EQR at the August 2021 ChMC for XRN5231.

### Key

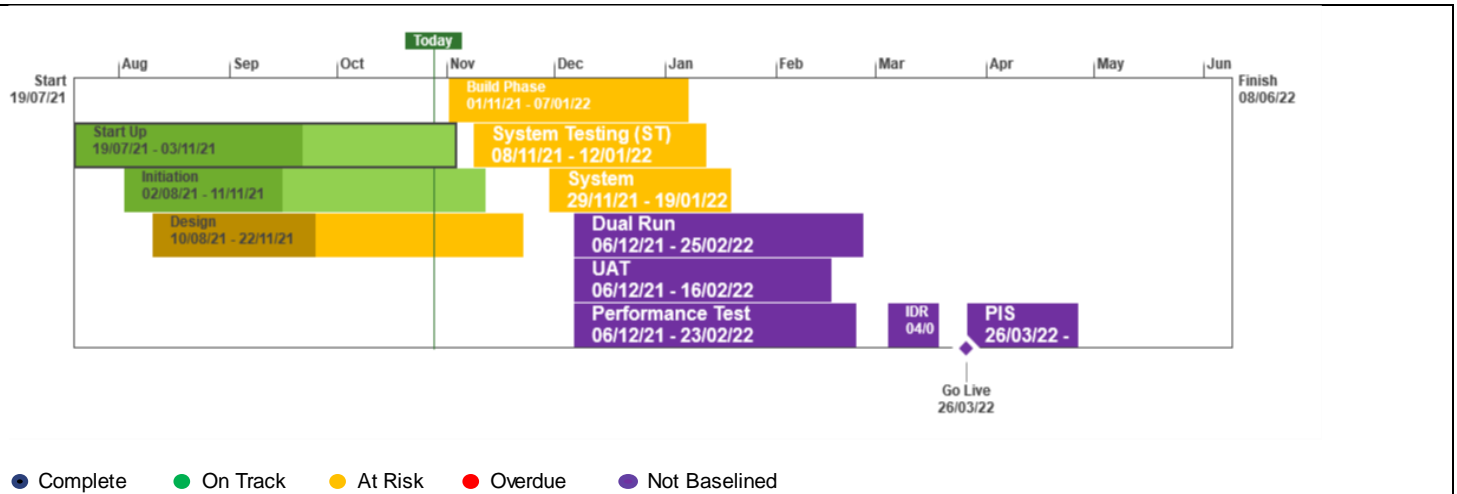
Item	Description
XRN	The recognised reference of the change
HLSO	Cost of approved solution
Design EQR	Cost already approved in the related EQR. If BER is being done for standalone release and no EQR was published, leave blank
Build	Costs associated with building functional changes
Test	Is a total of all testing (other than MT) to include UAT, System Test, System Integration Test, Regression Test and Performance Test
Market Trials	Costs associated with Market Trials - if none required for the XRN, the field is left blank
MTB	Costs associated with additional to MTB through to end of the Financial Year
Delivery Total	Total costs per XRN minus related EQR costs, risk margin and contingency
Risk Margin	Costs associated with the mitigation of known risks relating to each XRN should they materialise during the project
BER Total for Approval	Total costs per XRN minus related EQR costs (inclusive of risk margin and contingency) being requested for approval in ChMC
Shipper %	% of costs being funded by Shippers
DN %	% of costs being funded by DNs
IGT %	% of costs being funded by IGTs
NTS %	% of costs being funded by NTS
Shipper £	Costs being request for approval via BER (BER Total for Approval * Shipper % Share)
DN £	Costs being request for approval via BER (BER Total for Approval * DN % Share)
IGT £	Costs being request for approval via BER (BER Total for Approval * IGT % Share)
NTS £	Costs being request for approval via BER (BER Total for Approval * NTS % Share)
Total	Sum of all costs related to each change

### Section 4: Estimated impact of the service change on service charges

#### Manage The Business (MTB) Costs

XRN	Xoserve Service Area & Line	Impact	(+/-) Projected Change in Annual Cost
5231	Service Area 10 - Invoicing Customers	New Service Line being included within the Service Area	£67,019 (1 <sup>st</sup> Year MTB)
5231	Service Area 14 – Gemini Services	New Service Line being included within the Service Area	£0
<b>Total</b>			<b>£67,019</b>

### Section 5: Project plan for delivery of the change



**Section 6: Additional information relevant to the proposed service change**

XRN Ref	Risk Margin	Description
5231	£24,000	There is a risk that changes are identified to the baselined business requirements that require rework and incur additional costs. Timebound to end of PIS
5231	£57,500	There is a risk that PIS is required for 3 months to ensure coverage of the FWACV service following transition from National Grid to Xoserve which is dependent on agreement of the transition & cutover plan being agreed by Xoserve, National Grid & DNs
5231	£19,621	MTB Costs could increase or decrease as we go through the release and more understanding of the MTB work post implementation is available - timebound from implementation to end of PIS
5231	£10,742	There is a risk that changes are identified for XRN5282 & 5383 Gemini Consequential Change that results in additional costs being incurred

**Specific Project Risks**

Risk Description	Impact	Mitigation	Owner
There is a risk that the transition approach to be agreed between Xoserve, National Grid & DNs results in a Post Implementation Support period that will be required for 3 months	Cost increase for project resources	Agree transition & cutover approach with National Grid & DNs	Xoserve
There is a risk that National Grid have served notice to terminate the current FWACV service on the 01 <sup>st</sup> March 2022 and the project cannot deliver the new service from the 01 <sup>st</sup> April 2022 leading to a need to consider an extension by National Grid	Cost impact	Xoserve, National Grid and DNs to define cutover & transition approach with specific exit criteria Agreement of implementation date to be a key decision point at the end of the build phase of the project	Xoserve, National Grid & DNs
There is a risk that the addition of the Gemini Consequential Changes - Part A - PRCMS validation/processing & Part B (LDZ Stock Change and Embedded LDZ Unique Sites) into scope of the project may impact the overall FWACV delivery plan	Cost & Time impact	Detailed end to end plan will be defined to identify all dependencies and align the Gemini delivery plan into the overall FWACV plan	Xoserve & National Grid

Please send completed form to: [box.xoserve.portfoliooffice@xoserve.com](mailto:box.xoserve.portfoliooffice@xoserve.com)

### Document Version History

Version	Status	Date	Author(s)	Summary of Changes
0.1	Draft	24/09/2021	Tom Lineham	Initial draft
0.2	For Review	27/09/2021	Tom Lineham / Lee Chambers	Revisions from draft review
1	For Review	30/09/2021	Lee Chambers	Version to seek approval at October 2021 Change Management Committee
2	For Review	29/10/2021	Lee Chambers	Updated version to incorporate the National Grid Change Variation and costs into XRN5231

### Template Version History

Version	Status	Date	Author(s)	Summary of Changes
2.0	Approved	17/07/18	Rebecca Perkins	Template approved at ChMC on 11 <sup>th</sup> July
3.0		23/06/2021	James Rigby	Table added to section 1 More detailed table in section 3 More detailed table in section 4 Inserted a project plan example in section 5 Table added in section 6