

DSC Change Proposal Document

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 Xoserve to fill out all of the information in the sections coloured ■

A1: General Details

Change Reference:	XRN5615		
Change Title:	Modification 0819 Establishing/Amending a Gas Vacant Site Process		
Date Raised:	23/02/2023		
Sponsor Representative Details:	Organisation:	British Gas	
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Xoserve Representative Details:	Name:	Kathryn Adeseye	
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	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 checked="" type="checkbox"/> Distribution Network Operator
	<input type="checkbox"/> NG Transmission	<input checked="" type="checkbox"/> IGT
	<input type="checkbox"/> All	<input type="checkbox"/> Other - Suppliers
Justification for Customer Class(es) selection	<p>This change will allow Shippers for Product Class 4 Non-Daily Metered (NDM) Supply Meter Points (SMPs) to apply a vacant status to unoccupied sites in their ownership allowing them to access commodity relief (immediately) and capacity relief (after one year).</p> <p>Distribution Network Operators and IGTs are also considered impacted parties as the outcome of a site going into vacant status could impact the AQ of a SMP in their network area. For DNOs, if a site goes into vacant status, this will impact Commodity charges.</p>	

A3: Proposer Requirements / Final (redlined) Change

<p>Problem Statement:</p>	<p>There is currently not a process which allows Shippers to remove Settlement Performance Obligations or reduce Transportation Costs for vacant sites without submitting meter readings.</p> <p>Access to the property is required to read the meter and vacant properties are often difficult to access without a warrant.</p> <p>Obtaining a warrant is a costly and time-consuming process for the Shipper, and in the interim the Shipper will continue to pay higher costs to their Distribution Network than they would be if they could prove that the site was unoccupied.</p>
<p>Change Description:</p>	<p>This Change Proposal has been raised to deliver the requirements outlined in Modification 0819 Establishing/Amending a Gas Vacant Site Process.</p> <p>Modification 0819 aims to create a new process for Vacant Product Class 4 Non-Daily Metered (NDM) sites which would allow Shippers to receive commodity and performance relief (immediately) and capacity relief (after 12 months at vacant status) for sites in their ownership.</p> <p>A SMP must meet the Vacant Site criteria outlined in Modification 0819 and associated guidance documentation for the Shipper to have the ability to effectively manage their Settlement Performance Obligations and Transportation Costs.</p> <p>From the Vacant Site effective date, the site would enter the new process and Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG would cease immediately.</p> <p>When a SMP has been at vacant status for 12 months or more, the Shipper would have the option to request a reduction in Annual Quantity (AQ) to 1 via a new Vacant Site 'eligible cause' as per the existing AQ amendments process to receive capacity relief. Capacity relief would start from the new AQ effective date.</p> <p>A site would exit the Vacant Site process when one of the Vacant Site exit criteria is triggered. Details of the exit criteria can be found within MOD 0819 and the associated guidance documentation.</p> <p>Exit would be managed in one of two ways:</p> <ol style="list-style-type: none"> 1) If the site is <u>ONLY receiving commodity and performance relief</u>, as soon as the exit criteria is triggered, the SMP would no longer be classed as a vacant site and Commodity and Settlement Performance would recommence. 2) If the site is receiving <u>both Commodity AND Capacity relief</u>, the SMP would be removed as a vacant site once the AQ of the site has been increased from 1 via the AQ amendments process. The removal from the process will occur on the effective date of the updated AQ. At this point Commodity,

	<p>Performance obligations and Capacity charges would recommence.</p> <p>NB: The owning Shipper would either increase the AQ using the new Vacant Site 'eligible cause' OR if the Shipper failed to do so within the allotted time, the CDSP would be responsible for reinstating the pre-Vacant Rolling AQ and Formula Year AQ. The updated AQ would always be effective within existing AQ amendment timelines.</p> <p>This Modification also seeks to introduce additional reporting in the Performance Assurance Report Register (PARR) regarding the Vacant Sites process.</p> <p>Please note, Modification 0819 is subject to Authority Decision which means the decision on approval or rejection is with Ofgem. The timescale for a final decision on Modification 0819 is currently unknown.</p> <p>*For further details on the 0819 process, please see the Modification which can be found here: https://www.gasgovernance.co.uk/index.php/0819</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 [write specific here]

A4: Benefits and Justification

Benefit Description:	<p>The current process means that Shippers can only remove Settlement Performance Obligations or reduce Transportation Costs for vacant sites by submitting meter readings which is difficult to achieve when a site is unoccupied.</p> <p>Modification 0819 would create a new process by which Shippers could set a SMP to vacant status if a specific criterion is met, allowing the Shipper to access Commodity relief immediately and Capacity relief after 12 months.</p> <p>As stated within Modification 0819, this may reduce the upfront costs to Shippers which may be particularly useful to smaller market participants who may not have access to large amounts of cashflow, promoting market competition.</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>The Final Modification Report is expected to be issued to Ofgem in the second quarter of this year.</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 0819 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 impacts, the Service Area(s) which these processes could come under are currently unknown.</p> <p>There will be new Service Line(s) required to reflect the new processes.</p> <p>Possible Service Areas the services associated to this proposal could come under have been proposed below.</p> <ul style="list-style-type: none"> Service Area 3 – Manage updates to customer portfolio (90% Shipper and 10% DNO) Service Area 10 – Invoicing Customers (12% NGT, 88% DNO) Service Area 2 – Monthly AQ Processes (100% Shipper) <p>Please note, the funding split as per the Budget and Charging Methodology has been provided with the Service Areas however, the funding split can be proposed as something different when a specific change is raised based on impacted and benefitting parties.”</p> <p><u>The proposer believes a compromise of 50% Shipper and 50% DNO is an appropriate allocation of benefit and cost.</u></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 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 checked="" type="checkbox"/> Shipper	50 %	50 %
	<input type="checkbox"/> National Grid Transmission	XX %	XX %

	<input checked="" type="checkbox"/> Distribution Network Operator	50 %	50 %
	<input type="checkbox"/> IGT	XX %	XX %
	<input type="checkbox"/> Other <please specify>	XX %	XX %
ROM or funding details:	<p>A ROM has been completed estimating high level indicative delivery costs are anticipated to be between £230,000 and £375,000.</p> <p>Any ongoing costs are to be determined during the Detailed Design phase.</p> <p>Link to the ROM for reference here.</p>		
Funding Comments:	<p>The proposer believes a compromise of 50% Shipper and 50% DNO is an appropriate allocation of benefit and cost.</p>		

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

Version Control

Document

Version	Status	Date	Author(s)	Remarks
V1.0	For Approval	23/02/2023	Change Team	
V2.0	Approved	10/03/2023	Change Team	Approved at ChMC 08/03/2023