

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

Change Reference:	XRN: 5851		
Change Title:	Modification 0868 Change to the current Allocation of Unidentified Gas Statement frequency & scope		
Date Raised:	31/10/2024		
Sponsor Representative Details:	Organisation:	SEFE Energy	
	Name:	Steve Mulinganie	
	Email:	steve.mulinganie@sefe.eu	
	Telephone:	0751 799 8178 / 0799 097 2568	
Xoserve Representative Details:	Name:	Kathryn Adeseye	
	Email:	Kathryn.adeseye3@xoserve.com	
	Telephone:	0121 2292351	
	Business Owner:	[TBC]	
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 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	Shippers have been identified as an impacted party, as the frequency of the new AUG Statement and AUG Table will be published tri-annually. Weighting factors that impact UIG shares will, therefore, be set for a 3-year period. The scope of the AUG Expert's activities will also be expanded.	

A3: Proposer Requirements / Final (redlined) Change

<p>Problem Statement:</p>	<p>It is the view of Modification 0868 proposer that the current AUG process may be subject to diminishing returns as the areas of investigation have remained largely consistent, with the current process essentially one of refinement.</p> <p>If a change is not made, then the overall efficiency of the current process may continue to diminish to the point where the cost benefit of retaining the independent Allocation of Unidentified Gas Expert in its current form may no longer be justified</p>
<p>Change Description:</p>	<p><u>Modification 0868</u> has three main objectives.</p> <p>Objective 1: To change the requirement for an Allocation of Unidentified Gas Statement and Table from being published annually to every three years.</p> <p>The Uniform Network Code will be updated to amend the defined term ‘AUG Year’ to ‘AUG Period’. The new ‘AUG Period’ will still begin on the 1st October of Year 1 of the ‘AUG Period’ and will complete on the 30th September of Year 3 of the ‘AUG Period’.</p> <p>Pre-work activities (which run from the 31st May until 30th September) will still be required prior to the 1st October of Year 1 of the new ‘AUG Period’. This element of the process remains unchanged.</p> <p>In order for Mod 0868 to complete the Governance process and be issued to Ofgem for a final decision, it is anticipated that the pre-work activities in the first iteration of the new ‘AUG Period’ will be shorter or amalgamated into Year 1. This will allow time for CDSP to conduct a regulated procurement exercise against the scope of Mod 0868 to secure a new AUG Expert who is anticipated to be in place by June/July 2025.</p> <p>Objective 2: To replace the existing Innovation and Advisory Services with new AUG Value-Add Activities.</p> <p>AUG Value-Add Activities will fall into three areas:</p> <ul style="list-style-type: none"> i) Market Engagement ii) Discovery Services iii) UIG Reduction Initiatives

	<p>For an AUG Value-Add Activity to be progressed, the AUG Expert must:</p> <ul style="list-style-type: none"> i) Provide an Initial Proposal which the AUG Sub-Committee can approve or disapprove. (Recourse to UNCC for appeal of Sub-Committee decision). Approved Initial Proposals can be developed into Final Proposals. ii) Provide a Final Proposal to the AUG Sub-Committee for recommendation. iii) Provide a Final Proposal along with AUG Sub-Committee recommendation to UNCC for final decision. UNCC can approve or disapprove the Final Proposal. (There is no recourse to appeal this decision). <p>Please note that the DSC Change Management Committee will be required to pre-approve a Value-Add Activity budget for the 'AUG Period'. It is expected that this budget will do two things:</p> <ul style="list-style-type: none"> i) Specify a limit for how much can be spent on an individual Value-Add Activity. ii) Specify an overall limit for funds available for all Value-Add Activities conducted by the AUG Expert during one 'AUG period'. <p>If the UNCC approve an AUG Value-Add Activity Final Proposal which exceeds the individual or overall limit set by ChMc, then the DSC Change Management Committee will be required to reconvene and vote on whether to release further funds for the approved Value-Add Activity.</p> <p>If the DSC Change Management Committee choose not to approve the release of additional funds, the AUG Value-Add Activity would not progress.</p> <p>Once all necessary approvals are received, the AUG Expert will carry out the AUG Value-Add Activity according to the timeline and measurable deliverables agreed with UNCC and the AUG Sub-Committee.</p> <p>The UNCC may ask the CDSP to temporarily suspend or stop the AUG Value-Add Activity if they feel that the AUG Expert has failed to fulfil their responsibilities in accordance with the timeframe and quantifiable deliverables and has not taken corrective steps to address these shortcomings.</p> <p>If an AUG Value-Add Activity recommends further change to the industry post completion of the activity, an industry sponsor would</p>
--	--

	<p>be required to raise an UNC / IUNC Modification or DSC Change Proposal as per existing change processes.</p> <p>Objective 3: To enhance the existing Lessons Learnt process and formalise the requirement for the AUG Expert to conduct Continuous Improvement Activities.</p> <p>The CDSP will continue to produce the Annual Review of the AUG Period Report towards the end of each AUG Year (Years 1, 2, 3) in the AUG Period.</p> <p>The AUG Expert will be expected to produce a Lessons Learnt Review towards the end of AUG Year 3 within the AUG Period. This review is expected to contain proposed Continuous Improvement Activities which would be carried out to enhance the production of the AUG Statement and AUG Table throughout the following 'AUG Period'. In some cases, Continuous Improvement Activities may become AUG Value-Add Activity Initial Proposals.</p>	
Proposed Release:	Adhoc release – latest 1 st October 2025. Ideally circa June/July-25 dependent on the completion of Mod868 governance of the AUG Expert.	
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>The proposer of Modification 0868 seeks to change the frequency of the AUG Statement and Table publication from an annual process to a 3-year 'AUG Period'. This is to ensure the current AUG process remains economically efficient.</p> <p>By having a 3-year 'AUG Period' instead of an AUG Year, the proposer anticipates that the AUG Expert will have more time to develop and enhance the AUG Statement and AUG Table, whilst also providing additional AUG Value-Add Activities and an enhanced Lessons Learnt / Continuous Improvement process.</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 benefits of Modification 0868 are anticipated to be realised, in part, during the first iteration of the new 'AUG Period' through the new AUG Value-Add Activities and an enhanced Lessons Learnt/Continuous Improvement process.</p>	

	<p>The full benefit of Modification 0868 is expected to be realised when the first AUG Statement and AUG Table is produced under the 0868 scope. This is expected to be published on 1st October 2028.</p>
Benefit Dependencies:	<p><i>When are the benefits of the change likely to be realised?</i></p> <p>There are some benefit dependencies to highlight:</p> <ol style="list-style-type: none"> the successful re-procurement of an AUG Expert by the Stakeholder Evaluation Panel and the CDSP as per required timelines; the performance of the AUG Expert themselves as per the new role and responsibilities throughout the new 'AUG Period'; the active involvement of Code Parties at AUG Sub-Committee and UNCC to manage the AUG Expert's new and enhanced activities. <p>All of the above will be required to ensure that the new AUG Expert under the 0868 Modification scope is successful.</p>
	<p><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></p>

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 Areas which services relating to the current AUG process sit under are as follows:</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>For the avoidance of doubt, the funding for the current AUG sits under Service Area 1 only, which is 100% Shipper funded.</p> <p>Whether a change to the Service Areas/Lines is required as a result of this Modification is currently unknown. As the Service Areas/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</p>
---	---

	<p>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 Service Area 1.</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	TBC		
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	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 which outlines the anticipated Central System & Service Implementation costs to be zero.</p> <p>Please note that the cost for the Procurement of an AUG Expert is not included within the ROM.</p> <p>The ROM anticipates that there will not be a Contract Cost saving as a result of Modification 0868. In addition, the value of the contract variations which may be required because of approved AUG Value-Add Activities are unknown.</p> <p>The anticipated Central System and Service Ongoing costs are also expected to be zero with the caveat that further System & Service cost increases may occur, if AUG Value-Add Activities are approved by UNCC. The increases to any Central System & Service</p>		

	<p>costs as a result of an approved AUG Value-Add Activity would be managed by contract variation/s.</p> <p>Please note that the value of the pre-approved budget for AUG Value-Add Activities is yet to be determined by DSC Change Management Committee. Any costs associated with AUG Value-Add Activities are not covered under this ROM. The pre-approved budget will be determined by DSC ChMc as part of detailed design.</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	31/10/2024	Kathryn Adeseye	