Detailed Design Change Pack

# Communication Detail

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| Comm Reference: | 3034.2 - MT - PO |
| Comm Title: | XRN4992b – Modification 0797 (Urgent) – Last Resort Supply Payments Volumetric Charges (Enduring Solution) |
| Comm Date: | 16/05/2022 |

**Change Representation**

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| Action Required: | For Approval |
| Close Out Date: | 30/05/2022 |

# Change Detail

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| Xoserve Reference Number: | XRN4992b |
| Change Class: | Functional System and File Format Changes |
| ChMC Constituency Impacted: | Shipper Users  Distribution Networks (DNs) |
| Change Owner: | Ellie Rogers  [ellie.rogers@xoserve.com](mailto:ellie.rogers@xoserve.com)  +44 1212 292 185 |
| Background and Context: | **Please be aware that this Detailed Design Change Pack is for XRN4992b – Enduring Solution, only.**  **XRN4992a – Interim Solution, was approved into delivery, at ChMC on 09 Feb 2022, within the Post Implementation Support (PIS) period of the November 2021 Major Release (delivered April 2022). XRN4992a introduced the invoicing process to support Mod 0797 delivery, in time for the new Financial Year (22/23). The first invoices for the SoLR Customer Charges were issued to Shippers on 06/05/2022 on the RTB Invoice (INR Invoice Type).**  **XRN4992b enhances this process by moving the SoLR Customer Charges onto the Core Capacity invoice (CAZ) and provide related Supporting Information (ZCS).**  **Background on Modification and XRN4992**  Please see the link to the Joint Office website for additional detail regarding Mod 0797.   * **UNC Modification 0797** - (Urgent) - Last Resort Supply Payments Volumetric Charges   <https://www.gasgovernance.co.uk/0797>  This UNC Modification introduced a new Supplier of Last Resort (SoLR) Customer Charge through which the Distribution Networks (DNs) to recover any Last Resort Supply Payment (LRSP) arising from a SoLR event. To provide some context, the SoLR Supplier can make a claim for a LRSP to cover its costs once the customers have been transferred into their portfolio.  The Modification referenced above seeks to make it clear what costs DNs are to recover from Shippers in a SoLR LRSP claim and looks to ensure appropriate cost apportionment is applied across the industry.  Change Proposal XRN4992 was originally raised to deliver the system requirements for UNC Modification 0687 but was placed on hold by ChMC until a decision was made by Ofgem on the Modification. Over recent months, UNC Modification 0687V has been replaced by Modification 0797. XRN4992 has been re-visited to consider the process and solution to align with this Modification. XRN4992 has also, in light of the implementation timescales and industry need, been agreed to be split into two parts, with an interim solution (RTB Invoicing XRN4992a) being delivered initially and an enduring solution (Core Capacity Invoice XRN4992b) to be considered, for implementation, by ChMC subsequently.  All details relating to XRN4992 can be found on our website (link below).  [Link to XRN4992 Change Proposal](https://www.xoserve.com/change/change-proposals/xrn-4992-modification-0687-creation-of-new-charge-to-recover-last-resort-supply-payments/)  Details relating to XRN4992a – Interim Solution can also be found on our website (link below).  [Link to Detailed Design Change Pack for XRN4992a](https://www.xoserve.com/media/42947/29732-mt-po-xrn4992a-re-issue-for-information-v1.docx)  Please note, we are aware of a potential scope change for the inclusion of IGT Supply Meter Points (currently excluded from the XRN4992a interim solution). However, discussions are ongoing with Ofgem to include IGT SMPs. As this hasn't been confirmed as of yet, this Detail Design Change Pack covers the original scope as per XRN4992b only.  If it is confirmed that IGT SMPs are to be included within the SoLR Customer Charge process, an impact assessment and revised Detail Design Change Pack will be issued with the additional requirements, in line with standard ChMC governance processes.  This Detailed Design Change Pack is for **XRN4992b Enduring Solution only.** |

# Change Impact Assessment Dashboard (UK Link)

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| Functional: | Invoicing |
| Non-Functional: | None |
| Application: | AMT, SAP ISU, SAP PO |
| User(s): | Shipper Users  Distribution Networks (DNs) |
| Documentation: | * Comprehensive Invoices Charge Types Lists * Internal CDSP RTB Templates |
| Other: | None |

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| Files | | | | |
| File | Parent Record | Record | Data Attribute | Hierarchy or Format  Agreed |
| ZCS | K42 | K68 | New record type created | Both |

# Change Design Description

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| **Overview**  Following the implementation of XRN4992a (as per UNC Mod 0797), the CDSP has introduced a SoLR Customer Charge which will make it clear where the Shippers are being charged for SoLR LRSP Claims to be recovered by DNs via the Request to Bill (RTB) invoice.  XRN4992b is seeking to move SoLR Customer Charges from the Request To Bill (INR) Invoice to the Core Capacity Invoice (CAZ).  **High-Level Process**  The below outlines the high-level process relating to SoLR LRSP Claims and the current SoLR Customer Charge Invoicing process.   1. *Supplier ‘fails’, triggering the SoLR process, Ofgem confirm the SoLR and agree to the LRSP* 2. *DNs receive SoLR LRSP Claim from SoLR Supplier for the LRSP* 3. *DNs calculate SoLR Customer Charges for individual SoLR LRSP Claims* 4. *DNs publish Aggregated SoLR Customer Charge rates* 5. ***CDSP Recover LRSP Charges (via SoLR Customer Charge) on behalf of the DNs***   ***Please Note that the above High Level Process steps 1 to 4 are to remain as described, in detail, within the Change Pack for XRN4992a, which can be found*** [***here.***](https://www.xoserve.com/xoserve-search?term=XRN4992a) ***Only step 5 is changing as a part of XRN4992b.***  **5. CDSP Recover LRSP Charges (via SoLR Customer Charge) on behalf of the DNs**  Once the SoLR Customer Charge rates have been published and provided to the CDSP, the recovery process will commence. The LRSP recovery period is defined as, in accordance with the Charging Statements, the proceeding Financial Year (April-March) with the invoicing cycle being carried out monthly, so a full 12 invoicing runs will be observed to recover the LRSP charges.  The LRSP charges (via the SoLR Customer Charge) will be recovered in line with the Capacity Invoice process. This is because, for XRN4992b enduring solution, the SoLR Customer Charges will appear on the Core Capacity Invoice not on the Request To Bill (RTB) Invoice.  **Invoice Summary**  The SoLR Customer Charges are invoiced a month in arrears, so the SoLR charges will appear on the Capacity invoice for a given billing month and will be issued out on the 4th Business Day of the following month in line with Billing Calendar.  For example: The April invoice covering the Billing Period of 1st – 30th April will be invoiced to Shippers, on the 4th Business Day of May.  The SoLR Customer Charges Charge Types will be moved from the Ancillary (ANC) section of the Comprehensive Invoices Charge Types list and added to the Capacity Invoice (CAZ) for Shippers, these Charge Types are as follows:  **LRD** – LRSP Domestic Charge (20% VAT)  **LRI** – LRSP Industrial Charge (20% VAT)  UK Link configuration will be updated to change these Charge Types from Ancillary (ANC), which was required for SoLR invoicing via RTB (XRN4992a), to Capacity (CAZ) Charge Types and will be aggregated at Charge Type Level on your CAZ Invoice.  Please see the below section “File Formats for Approval” for the proposed updated Comprehensive Invoices Charge Types list, File Formats and Hierarchy.  **Calculation Summary**  *No changes to the calculation are being implemented as part of XRN4992b, but a summary of how this is currently being done has been retained for information.*  For the monthly calculation of the SoLR Customer Charges to be invoiced to the Shippers, the CDSP will take a Shipper portfolio snapshot once per month. **This Shipper Snapshot will be the portfolio position as of the 1st of the Billing Period Month.**  Example, Billing Period 1st – 30th April, will have the Shipper Portfolio snapshot as of the 1st April.  The Shipper Portfolio will contain the counts of the Supply Meter Points along with the sum of the Rolling & Formula Year SOQ values split between Domestic & Non-Domestic. The CDSP will use this information within the invoice calculation.  SoLR Customer Charge Calculation: **Unit** x **number of days in that billing period** x **Rate** / **100**  As per Modification 0797 Unit = for Industrial and Domestic sites, respectively the sum of:   * Sum of the Formula Year SOQ for Class 3 and Class 4 SMPs * Sum of Rolling SOQ for Class 1 and Class 2 SMPs (as they do not have a FY SOQ)   Please also note that both IGT and NTS sites will be **out** of scope and not included within the count/sum within the Shipper portfolio snapshot and will therefore not feed into the charge calculation.  **Supporting Information**  Unlike XRN4992a, Shippers will receive supporting information, to Capacity Invoices, as part of the enduring solution being implemented under XRN4992b.  However, only first level supporting information will be available for SoLR Customer Charges in the ZCS file.  In 1st level the following information will be visible in the file record:   1. Record Type 2. Invoice Number 3. DNO Short Code 4. LDZ Identifier 5. Shipper Short Code 6. Market Sector Code 7. SUM of SOQ 8. Billable Start Date 9. Billable End Date 10. Charge Type Code 11. Charge Rate 12. Charge Amount (excl. VAT)   DNs will receive confirmation on what has been invoiced to the Shippers as per the existing process via the Accounts Receivable files (SIF and SIR).  No reporting is being provided as part of XRN4992b for total recovered costs as part of the invoicing of LRSP.  **Key things of note**   1. Any under or over recovery through the SoLR Customer Charge will be managed by the Distribution Networks via the K balancing mechanism. The CDSP will not be involved in this process. 2. If a Shipper takes on a Supply Meter Point midway through a Billing Month, this will not be reflected in the SoLR Customer Charges until the following Billing Month. Unlike the standard Capacity Charging process, the SoLR Customer Charge calculation will be driven from a single snapshot of a Shipper portfolio as at the 1st of the month. This snapshot will be used for the entire Billing Month and therefore any changes to a Shipper’s portfolio post this snapshot date will not be taken into account until next month’s snapshot is taken. 3. If a new Shipper joins the market during the LRSP recovery period, they will still be charged based on their portfolio sum at the time that CDSP takes the Portfolio Snapshot to feed the SoLR Customer Charge calculation. 4. SoLR charges will be aggregated at Charge Type Level on your CAZ Invoice.   **File Formats for Approval**  For XRN4992b, a new record type **K68** (CAP\_SOLR\_CHARGE\_DETAIL) will be created within the **ZCS** (Core Capacity Supporting Information) file under the **K42** (*STANDARD\_CORE\_INVOICE\_ITEM\_SUMMARY*) record to show the breakdown of the SoLR Customer Charges LRD and LRI.  Below is the updated ZCS File Format and Hierarchy for your review and approval:  [ZCS Hierarchy V3FA](https://umbraco.xoserve.com/media/43276/zcs-hierarchy-v3fa.xlsx)  [ZCS\_Core\_Capacity\_Invoice\_Supporting\_Information V3FA](https://umbraco.xoserve.com/media/43277/zcs_core_capacity_invoice_supporting_information-v3fa-1.pdf)  Please also see below links to the amended Comprehensive Invoices Charge Types lists. These have been marked up with track changes to include the movement of the SoLR Customer Charge (LRSP recovery) Charge Types from the ANC (Ancillary Invoice) section to the CAZ (Core Capacity Invoice) section. These require ChMC approval and are proposed to be set to live for the 1st April 2023 for first usage in the May 2023 billing period.  [Comprehensive Invoices Charge Types V9FA](https://umbraco.xoserve.com/media/43270/xoserve_comprehensive_invoices_charge_master_v9fa.xlsx)  [Xoserve Comprehensive Invoices Charge Types GT2 V5FA](https://umbraco.xoserve.com/media/43271/xoserve_comprehensive_invoices_charge_types_gt2_v5fa.xlsx)  [Xoserve Comprehensive Invoices Charge Types GT3 V5FA](https://umbraco.xoserve.com/media/43272/xoserve_comprehensive_invoices_charge_types_gt3_v5fa.xlsx)  [Xoserve Comprehensive Invoices Charge Types GT4 V5FA](https://umbraco.xoserve.com/media/43273/xoserve_comprehensive_invoices_charge_types_gt4_v5fa.xlsx)  [Xoserve Comprehensive Invoices Charge Types GT5 V5FA](https://umbraco.xoserve.com/media/43274/xoserve_comprehensive_invoices_charge_types_gt5_v5fa.xlsx)  [Xoserve Comprehensive Invoices Charge Types TGT V5FA](https://umbraco.xoserve.com/media/43275/xoserve_comprehensive_invoices_charge_types_tgt_v5fa.xlsx) |

# Associated Changes

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| Associated Change(s) and Title(s): | * XRN4992a – Modification 0797 (Urgent) – Last Resort Supply Payments Volumetric Charges (Interim Solution) * Modification 0797 - (Urgent) - Last Resort Supply Payments Volumetric Charges |

# DSG

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| Target DSG discussion date: | 23/05/2022 |
| Any further information: | XRN4992a has previously been discussed and developed at DSG with a proposed option and approach agreed with ChMC. It is proposed that for XRN4992b there is a run through of the Detailed Design Change Pack at DSG, for awareness only. |

# Implementation

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| Target Release: | Release: UK Link February 2023 Major Release. Ready for first Capacity invoice to be issued in May 2023. |
| Status: | For approval |

Industry Response Detailed Design Review

Change Representation

(To be completed by User and returned for response)

# *Please consider any commercial impacts to your organisation that Xoserve need to be aware of when formulating your response*

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| User Contact Details: | Organisation: | Wales & West Utilities | |
| Name: | Tom Stuart | |
| Email: | tom.stuart@wwutilities.co.uk | |
| Telephone: | 07964937739 | |
| Representation Status: | Support | | |
| Representation Publication: | Publish | | |
| Representation Comments: | In general, we support the detailed design for this change (XRN4992b) but have the following points that need to be resolved:  Invoice type- It is mentioned in the design that the current invoice type is ANC when actually it is an INR invoice type. The slides presented at DSG on the 23.5.22 stated 'Any under or over recovery through the SoLR Customer Charge will be managed by the Distribution Networks via the K balancing mechanism'. This is not correct, it will be recovered under the process described in standard special condition A48. | | |
| Confirm Target Release Date? | Yes | | «h1\_userDataAlternative» |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | Thank you for your support and representation for XRN4992b. Please see below responses for both points raised.  1) Please note that currently LRD/LRI Charge Types are assigned to ANC Invoice type within the Invoicing Charge Type lists, but are actually issued out, as per XRN4992a process, on the INR Invoice Type. The INR is the “Generic Request To Bill Invoice” type and can be used to invoice any Charge Types across all Invoice Types. This is to aid flexibility in the AdHoc issuing/reversals of charges outside of standard processing.   For XRN4992b it is proposed that the LRD/LRI Charge Types are moved from ANC to the CAZ (Core Capacity) as a proposed enduring solution, and the use of INR (RTB process) would cease for the billing of SoLR Customer charges (except if an adjustment was needed to correct something issued out in error).  2) Regarding the statement on the K Balancing Mechanism, this was a steer provided by the DN Pricing Managers as the mechanism to manage any under or over recovery of the SoLR charges. The reference to the K Balancing mechanism is not related to the actual recovery of the SoLR charges but specifically the under and over recovery of these charges. If this is no longer the case then we will need to look at getting this clarified for the next iteration of the Detail Design Change Pack. |

Please send the completed representation response to [uklink@xoserve.com](mailto:uklink@xoserve.com)

Change Representation

(To be completed by User and returned for response)

# *Please consider any commercial impacts to your organisation that Xoserve need to be aware of when formulating your response*

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| --- | --- | --- | --- |
| User Contact Details: | Organisation: | EON | |
| Name: | Clare Manning | |
| Email: | clare.manning@eonnext.com | |
| Telephone: | 123456 | |
| Representation Status: | Support with comments | | |
| Representation Publication: | Publish | | |
| Representation Comments: | We are supportive of now moving to an enduring solution but have the following comments:  1. There needs to be test files for invoices (CAZ) and market testing for this following the issues loading the interim files, there needs to be a clear plan when these will be released so it can be linked into Representation  the plan and work around the Xmas code freeze (as it is a Feb release).  2. There needs to be test files for backing files (ZCS) and market testing for this as the interim process didn’t have backing data, like the invoice testing there needs to be a clear plan on testing as part of delivery.  3. We are a bit concerned about post-implementation support. As this is proposed to be released in the Feb '23 major release, the first invoices won't be received until May which would usually be outside the period for post implementation support. | | |
| Confirm Target Release Date? | Yes | | «h1\_userDataAlternative» |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | Hi Clare, thank you for supporting the enduring solution. To address your comments: 1. and 2. We are happy to discuss assistance with testing to enable you to ensure that the CAZ and ZCS files meet your requirement. Could we provide some targeted test outputs for you to review? Being that XRN4992b is likely to be slated for a Feb 2023 release, to ensure it is ready for first usage in May 2023 and the new Financial Year, there will be activity required around the Xmas period. We aim to plan for this and communicate those plans as soon as the scope of the Feb 2023 Release is approved at ChMC. 3. PIS will be planned for a period of 3 months, to cover the first usage of this change, from circa 23rd Feb to 23rd May 2023. First usage will be on the 4th May when the CAZ and Supporting Information ZCS files with the SoLR charges will be sent. This is assuming ChMC approval for the inclusion of XRN4992b in the scope of the Feb 2023 Major Release |

Please send the completed representation response to [uklink@xoserve.com](mailto:uklink@xoserve.com)

Change Management Committee Outcome

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| Change Status: | Approve | Reject | | | Defer |
| Industry Consultation: | 10 Working Days | | 15 Working Days | | |
| 20 Working Days | | Other [Specify Here] | | |
| Date Issued: | 16/05/2022 | | | | |
| Comms Ref(s): | 3034.2 - MT - PO | | | | |
| Number of Responses: | 2 approvals 1 comments (private) | | | | |
| Solution Voting: | Shipper | | | Approve | |
| National Grid Transmission | | | N/A | |
| Distribution Network Operator | | | Approve | |
| IGT | | | N/A | |
| Meeting Date: | 08/06/2022 | | | | |
| Release Date: | Release: TBC | | | | |