Detailed Design Change Pack

# Communication Detail

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| Comm Reference: | 3148.2 VO - PO |
| Comm Title: | XRN 5602 - Releasing of unused capacity under a specific set of circumstances (Modification 0818) |
| Comm Date: | 13/03/2023 |

**Change Representation**

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| Action Required: | For representation |
| Close Out Date: | 27/03/2023 |

# Change Detail

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| Xoserve Reference Number:  | XRN 5602 |
| Change Class: | Functional |
| \*ChMC Constituency Impacted: | Shippers and DNOs |
| Change Owner:  | Kathryn Adeseyekathryn.adeseye3@xoserve.com |
| Background and Context: | Extract from Modification 0818: Purpose of Modification:Occasionally capacity is booked but remains unused for years. This is only an issue for other Shippers and end consumers where there is limited capacity available on the same part of the system.Modification 0818 ‘Releasing of unused capacity under a specific set of circumstances’ has been raised to address the scenario defined above and introduce an annual process to Distribution Networks to identify Supply Meter Points (SMPs) which meet the specific criteria and consider the capacity being reduced.For the full Modification 0818 details, please see the link to the Joint Office website*:* [*https://www.gasgovernance.co.uk/0818*](https://www.gasgovernance.co.uk/0818)Please note, Modification 0818 is yet to be approved by Ofgem. Should the Modification be approved, the implementation date will be determined by the Gas Transporters. With this in mind, this Change Pack has been issued to ensure DSC Customers are aware of the process ahead of implementation if the Modification is approved.Due to the nature of the proposed change, and the proposal being limited to a small number of sites as stipulated within Modification 0818, the solution option and detail design phases are being presented together in this Change Pack. For reference the Change Proposal can be viewed [here](https://www.xoserve.com/change/customer-change-register/xrn-5602-releasing-of-unused-capacity-under-a-specific-set-of-circumstances-modification-0818/). |

# Change Impact Assessment Dashboard

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| Functional: | None  |
| Non-Functional: | Supply Point Amendment and Invoicing. |
| Application: | None |
| User(s): | Shippers and DNOs |
| Documentation: | None |
| Other: | None |

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| File | Parent Record | Record | Data Attribute | Hierarchy or FormatAgreed |
| None | None | None | None | None |

# Change Design Description

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| **Introduction**If Modification 0818 is approved and implemented, an annual process will be introduced where the Distribution Networks Operators (DNOs) can seek to reduce the capacity booked of Supply Meter Points (SMPs) that meet the criteria defined within Modification 0818.To support this annual process, this change seeks to implement a manual process within the CDSP to deliver the Transporter Reduction Notice to the Registered User, on the DNOs behalf, monitor for specific activity related to the SMP within the Supply Point Register and, where required, action the required Supply Point Amendment to update the booked capacity.**Proposed Annual Process**DNOs to issue the Transporter Reduction Notice (TRN) to the CDSP no later than 3 business days prior to **31st May** in any year in respect to an eligible SMP.DNOs to include the below details for affected sites * New proposed SHQ and SOQ
* Existing SHQ and SOQ
* Meter Point Reference Number
* Supply Point Reference Number
* Address Details
* Any further information relating to the DM Supply Point Component that the DNO considers would assist the Registered User.

The CDSP to receive\* and send ‘Transporter Reduction Notice’ issued by DNOs for capacity reduction to affected Registered User(s) on behalf of DNOs by 31st May.The requesting DNO’s contact details will be provided and the requesting DNO will be copied into the email. All subsequent correspondence will be directly between the DNO and the Registered User. For the avoidance of doubt, an SMP being eligible for this process is at the sole discretion of the DNO. The CDSP will not be responsible for validating the TRN.\*TheCDSP will validate the SMP against the below Modification 0818 criteria as per the proposed legal text.* **Criteria 1**- Site is an LDZ SMP (directly connected to the DNO).
* **Criteria 2** - Site has been Class 1 including where a site has been Transporter designated under UNC TPD 4.7.16 (also known as the Modification 0655 process), for the ‘qualification period’ which is a 36-month period (or longer if specified by the DNO).
* **Criteria 7** - Site is not a category A Priority Supply Meter Point (as defined by the Secretary of State and within UNC Section Q1.7.1).

If the relevant criteria is not met, the CDSP will inform the instructing DNO and await confirmation before issuing the reduction notice.*Please note, criteria 3, 4, 5 and 6 as per the Modification 0818 proposed legal text drafting cannot and will not be validated by the CDSP*. The Registered User should submit a Supply Point Amendment (SPA) via the existing BAU process no later than **31st October**, in line with the capacity stated in the TRN.The CDSP will monitor the respective SMP to check if the capacity change is submitted by Registered Users in line with the TRN by 31st October. Should an SPA be submitted to amend the capacity of the notified SMP to a higher value than stated in the TRN the request will be rejected by the CDSP on the behalf of the respective DNO.Where the Registered User submits a capacity change that is successful, the CDSP will apply the soft-landing rules (as detailed below).For the avoidance of doubt, references to Registered User include changes in Registered User. Therefore, the CDSP will monitor notified SMPs and, where there is a change of Shipper event prior to the 31st October and capacity reduction request, will inform the incoming Registered User of the TRN by email, copying in the respective DNO.**Appeal Process**On receipt of the TRN the affected Registered Users will have the option to follow an Appeal process to challenge the capacity reduction for the relevant SMP(s). All Appeals must be raised no later than 31st of July of the same year the notice was issued.Please note, the Appeal should be sent to the DNO contact included in the TRN. The Appeal outcome will be sent by the DNO directly to the Registered User and to the CDSP no later than the 31st August. If the Appeal is successful no further action is required and the CDSP will cease any monitoring activity. However, if the Appeal is rejected or an alternative capacity agreed, then the Registered User should submit an SPA via the existing BAU process no later than **31st October** and the capacity value must be in line with the capacity agreed in the Appeal process. Should an SPA be submitted to amend the capacity of the notified SMP to a higher value than that agreed in the Appeal the request will be rejected by the CDSP on the behalf of the respective DNO.Where the Registered User submits a capacity change that is successful, the CDSP will apply the soft-landing rules (as detailed below).As per the standard process, the CDSP will monitor for any changes to the Registered User(s) during the Appeal process. If the Registered User changes, any transactions such as the new User confirming the site with a higher SOQ, will be handled as per existing processes. The new SOQ will be subject to correction, should the outcome of the Appeal dictate that a capacity reduction is still needed. Should a change occur prior to the end of the Appeal window (31st August 2023 or on receipt of a response from the DNO, whichever occurs first), the CDSP will inform the incoming Registered User of the TRN and outstanding Appeal by email, copying in the respective DNO. Should a change in ownership occur post the end of the Appeal window, where the Appeal has not been successful, the CDSP will notify the respective DNO so that they can inform the incoming Registered User of the outcome of the Appeal.For the avoidance of doubt, the Appeal process will be managed directly between the relevant DNO and the Registered User. At this point, the CDSP is only responsible for issuing the initial notice to the relevant Registered User(s) by 31st May and monitoring notified SMPs as defined.**CDSP Update to Supply Meter Point Capacity**If the Registered User does not submit an SPA by 31st October in line with the specified capacity (be that from the original TRN or defined within the outcome of an Appeal), the CDSP will update the Supply Point Register on their behalf by 31st January of the following year.The CDSP will use the Appeal outcome received from the respective DNO to ratify the details to be used and then update the capacity via the standard SPA process. As a result, an unsolicited ‘S05 SMP Capacity Change’ record will be issued to the Registered User within a Supply Meter Point Amendments Response File (.SCR) confirming the capacity applied and the effective date of it. Please note, the .SCR file the unsolicited S05 is issued within may, or may not, contain other records dependant on SPA activity for the Registered User on that day.For the avoidance of doubt, there is no change to the .SCR file hierarchy, nor to the S05 record, as part of this change. The S05 will be populated as follows:

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| **RECORD/FIELD NAME** | **Content When Unsolicited** |
| TRANSACTION\_TYPE | S05 |
| OUTCOME\_CODE | AC |
| SUPPLY\_POINT\_CONFIRMATION\_REFERENCE | Unique Confirmation Number of the Supply Meter Point subject to the Transporter Reduction Notice (TRN) |
| NOMINATION\_SHIPPER\_REF | Reference supplied by the user to identify the Nomination. If one was not supplied then the field will be blank |
| METER\_POINT\_REFERENCE | Meter Point Reference Number of the Supply Meter Point subject to the Transporter Reduction Notice (TRN) |
| CONFIRMATION\_EFFECTIVE\_DATE | Date on which Ownership of the Supply Point took place.FORMAT : YYYYMMDD |
| CAPACITY\_EFFECTIVE\_DATE | The date on which the change in Capacity is to be effective.FORMAT : YYYYMMDD |
| REQUESTED\_DM\_SOQ | Peak daily supply offtake quantity (SOQ) value as per the Transporter Reduction Notice (TRN) |
| REQUESTED\_DM\_SHQ | Peak hourly supply offtake quantity (SHQ) value as per the Transporter Reduction Notice (TRN) |
| CURRENT\_SMP\_SOQ | Current peak daily supply offtake quantity (SOQ) of the Supply Meter Point subject to the Transporter Reduction Notice (TRN) |
| CURRENT\_DM\_SHQ | Current peak hourly supply offtake quantity (SHQ) of the Supply Meter Point subject to the Transporter Reduction Notice (TRN) |
| OFFERED\_SMP\_SOQ | Value equal to the REQUESTED\_DM\_SOQ and as per the Transporter Reduction Notice (TRN) |
| OFFERED\_DM\_SHQ | Value equal to the REQUESTED\_DM\_SHQ and as per the Transporter Reduction Notice (TRN) |
| LDZ\_COMMODITY\_CHARGE\_RATE | Charge per unit of gas transported in a Local Distribution Zone (LDZ). |
| LDZ\_CAPACITY\_CHARGE\_RATE | Charge for peak system use for the Supply Meter Point subject to the Transporter Reduction Notice (TRN) |
| RECORDED\_DATE | Date on which the original request was recorded on the system.FORMAT: YYYYMMDD |
| RECORDED\_TIME | Time at which the original request was recorded on the system.FORMAT: HHMMSS |
| CURRENT\_YEAR\_MINIMUM\_SOQ | Minimum bookable daily capacity based on the historic maximum daily offtake for the Supply Meter Point subject to the Transporter Reduction Notice (TRN), in the current gas year |
| REFERRAL\_COMMENTS | No referral comments will be included and therefore the field will be blank |

The CDSP will monitor SPA activity to ensure the Registered User does not interfere with the CDSP led change to the SMP booked capacity. Should attempted interference be found, which could take the form of a capacity change request for a higher than agreed value or an attempt to cancel the CDSP led capacity change, it will be rejected back to the Registered User.At the point the CDSP led capacity change takes effective, the CDSP will inform the respective DNO of the successful change. At this point the SMP enters the soft-landing rules.**Soft-Landing Rules**From the effective date of the capacity reduction the SMP will enter a maximum 12-month soft-landing period. During this period no Supply Point Ratchet Charges will apply should the SMP exceed the new SOQ.The SMP will exit the soft-landing period early should either of the following criteria be met:* There is a change in Registered User for the SMP. The exit from the Soft-Landing Period will be effective from the new Registered User’s confirmation effective date.
* The SOQ/SHQ is increased. The exit from the Soft-Landing period will be effective from the date the SOQ/SHQ is increased.

**Process Summary and Assumptions:**1. DNOs to issue Transporter Reduction Notice to the CDSP at least 3 Business days prior to 31st May.
2. As stated within Modification 0818, this process should be limited to a small number of sites. Should the volume of SMPs included increase then the process may need to be revisited potentially resulting in additional efforts and costs.
3. All required manual activities will be carried out during Business days (Mon- Fri) only.
4. The current system does not cater to automatically apply the soft-landing rule hence this is a manual activity. Any changes to this rule might result in additional manual efforts and costs.
5. In a transfer scenario, proposing Shippers can choose their indicated SOQ as per the current process. There are no proposed changes to this process.
6. The current referral process and rules will be applicable to any future capacity adjustments once an SMP has gone through the Modification 0818 process and a SOQ/SHQ reduction has occurred
7. It is not possible to apply retrospective capacity change updates and as such Registered Users will not be able submit any capacity change requests for historical dates and should follow existing processes.

**Implementation and Funding**Modification 0818 is subject to Ofgem approval. A UNC Panel recommendation is expected in March this year which will be submitted to Ofgem. It is anticipated that the process changes will be implemented immediately following an Ofgem approval decision and the Gas Transporter determined implementation date.Due to the specific nature of this change and the Modification 0818 proposer view that this process should be limited to a small number of sites, no additional funding is to be sought to manage this process. However, should the usage of the process be greater than indicated within Modification 0818, a further change may be required to cover any additional efforts and costs. |

# Associated Changes

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| Associated Change(s) and Title(s): | N/A |

# DSG

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| Target DSG discussion date: | 20th March 2023 |
| Any further information: | To discuss any comments provided from the Detailed Design Change Pack representations. |

# Implementation

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| Target Release: | As the CDSP change is process only it will be implemented/made available immediately following an approval decision from Ofgem. No functional release window is required.For the avoidance of doubt, the process will only be used in 2023 if the approval from Ofgem is provided with enough lead time to support the process, as defined within the modification and this change pack. |
| Status: | For approval  |

Industry Response Detailed Design Review

Change Representation

(To be completed by User and returned for response)

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| --- | --- | --- |
| User Contact Details: | Organisation: | Northern Gas Networks |
| Name: | Ben Mulcahy |
| Email: | bmulcahy@northerngas.co.uk |
| Telephone: | 07548107181 |
| Representation Status: | approved |
| Representation Publication: | Publish |
| Representation Comments: | NGN are supportive of this detailed design as it appears to capture all the required considerations from Modification 0818’s Business Rules.  |
| Confirm Target Release Date? | approved | «h1\_userDataAlternative» |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | Thank you for your representation, we will feed this into ChMC for a final decision. |

Please send the completed representation response to uklink@xoserve.com

Change Management Committee Outcome

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| Change Status: | [x]  Approve | [ ]  Reject | [ ]  Defer |
| Industry Consultation: | [x]  10 Working Days | [ ]  15 Working Days |
| [ ]  20 Working Days | [ ]  Other [Specify Here] |
| Date Issued: | 13/03/2023 |
| Comms Ref(s): | 3148.2 VO - PO |
| Number of Responses: | 2 |
| Solution Voting: | [x]  Shipper | Please select. |
| [ ]  National Grid Transmission | Please select. |
| [x]  Distribution Network Operator | Please select. |
| [ ]  IGT | Please select. |
| Meeting Date: | 12/04/2023 |
| Release Date: | Adhoc – in line with the implementation of Modification 0818  |

Please send the completed representation response to uklink@xoserve.com

Version Control

# Document

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| --- | --- | --- | --- | --- |
| Version | Status | Date | Author(s) | Remarks |
| V1.0 | For Approval | 08/03/2023 | Phanitha Chalasani |  |