

Dear Customer,

We want to provide you with an update on the issue initially communicated last week, please find details below.

If you need any support with this, or if you have any additional questions or concerns, please get in touch using the details below.

What has happened?	<p>Background of Issue - recap as communicated to DSC Customers on Wednesday 4th December</p> <ul style="list-style-type: none">• Following implementation of the Flow Weighted Average Calorific Value (FWACV2) change on Tuesday 12th November, it has been identified that West Midlands LDZ has been capped incorrectly – this impacted the period 14th – 26th November 2024.• As a result, the conversion from volume to energy calculated for LDZ Input meters (“OF” meter type) and all DM meters was incorrect (energy too low)• As the balancing figure in the Demand Attribution process the UIG values in Gemini for the Gas Flow Days (GFD) for 14th – 26th November 2024 were also impacted.• The issue has been caused by a defect in the system code, implemented by the changes for FWACV2, that resulted in West Midlands LDZ being incorrectly capped when a specific measurement point was erroneously included in the capping process.• An interim fix to rectify the issue was implemented effective from 22nd November 2024.• The values for 22nd – 26th November 2024 were corrected and successfully loaded into Gemini as this was within close out (Gas Flow Day - GFD+5).• The values for 14th November to 21st November 2024 could not be corrected as they had reached close out (Gas Flow Day + 5).
What does this mean?	<ul style="list-style-type: none">• Data analysis confirms that the issue has caused an underestimate of the daily LDZ input energy amounts (OF meter type).• This is due to the incorrect Calorific Value being used within the West Midlands (WM) Local Distribution Zone (LDZ) for daily energy input calculation purposes on the impacted days (14th – 21st November inclusive).• Regrettably, as these values have now closed out, we are unable to correct the Gas Flow Day position that was applied.• The total energy input underestimated amount in Kilowatt Hours is 39,164,598. This equates to approx. 2.9% of the total energy input amounts applicable across the impacted days.• Total Daily Metered (DM) energy allocations in WM LDZ for the impacted days (14th – 21st November inclusive) were too low by 3,058,295 KWh due to the incorrect CV.• To correct the energy charging position, financial adjustments will need to be performed.• Energy Balancing adjustments will be processed for the affected DM sites• Following this, UIG Energy Reconciliation adjustments will be performed

	<ul style="list-style-type: none"> • Non-Daily Metered reconciliations covering 14th – 21st November will continue to utilise closed out Calorific Value. <p>The proposed timeline for the necessary financial adjustments is as follows;</p> <ul style="list-style-type: none"> • Adjustments in Gemini reflected on EBI Invoices for billing period December 2024 (issued on 3rd February 2025). • Financial values relating to these adjustments will be shared with the Shipper’s week commencing 6th January 2025. • Corrections to the UIG position will be issued as part of the UGR charge on the January Amendment Invoice, which will be issued on 26th February 2025.
Customers Impacted	<ul style="list-style-type: none"> • Shippers • DN (Cadent) • National Gas
Who has this communication been issued to?	<ul style="list-style-type: none"> • DSC Shipper Contract Managers • DSC DN Contract Managers • National Gas Contract Manager
What have we done?	<p>Following our previous update on 4th December, we have:</p> <ul style="list-style-type: none"> • Implemented an enduring fix to the enduring Flow Weighted Average Calorific Value (FWACV) solution on 7th December. • Begun the Post Implementation Support (PIS) and first usage project stage <ul style="list-style-type: none"> ◦ Initial evidence confirms enduring solution meets the necessary standards. • Identified the correct Calorific Values for impacted Gas Days 14th – 21st November 2024. • Calculated the total corrected LDZ energy inputs, Daily Metered allocations and UIG energy allocations for the impacted Gas Flow Days
Further Actions to be Completed to Resolve	<ul style="list-style-type: none"> • Continue to complete Post Implementation Support (PIS) project activities • MIPI (National Gas’ “Market Information Provision Initiative” operational data system) will be updated with additional line of detail for the impacted LDZ and days, confirming that the value applicable at close out was impacted due to the issue described. • A structured dataset (equivalent to the existing SC9 format) will be made available on the relevant page of the Xoserve website - XRN 5585 Xoserve • A webinar will be scheduled for w/c 16/12/24 for Shipper customers - this will be recorded and appended to the relevant webpage for future reference • Complete DM financial adjustments & share outputs with impacted Shippers & share outputs with impacted Shippers

	<ul style="list-style-type: none"> • Complete UIG energy reconciliation adjustments in preparation for January Amendment Invoice run. • Complete, document and publish Root Cause Analysis. • Document project lessons learnt.
What Action is Required by You?	<ul style="list-style-type: none"> • None. If you would like more information, please can you email Queries_FWACV@xoserve.co.uk
Additional Information	<ul style="list-style-type: none"> • If you have any further questions, or require any assistance please continue to use the existing routes of either raising a Technical Support ticket via our website or service desk or via contacting the FWACV Business Team. <p>Queries_FWACV@xoserve.co.uk</p>

We apologise in advance for any inconvenience this may cause your organisation.

Paul Orsler

Customer Change Manager

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