Detailed Design Change Pack

# Communication Detail

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| Comm Reference: | 3203.1 – VO – PO |
| Comm Title: | XRN5547 Updating the Comprehensive Invoice Master List and INV template – Detailed Design |
| Comm Date: | 17/07/2023 |

**Change Representation**

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| Action Required: | For representation |
| Close Out Date: | 31/07/2023 |

# Change Detail

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| Xoserve Reference Number: | [XRN5547](https://www.xoserve.com/change/customer-change-register/xrn-5547-updating-the-comprehensive-invoice-master-list-and-inv-template/) |
| Change Class: | Functional |
| \*ChMC Constituency Impacted: | Shippers, all Classes  Distribution Networks (DNOs)  *\*Assumed impacted parties of the proposed change, all parties are encouraged to review* |
| Change Owner: | [uklinkdelivery@xoserve.com](mailto:uklinkdelivery@xoserve.com) |
| Background and Context: | Change XRN5547 was raised to investigate the following customer pain points:   1. The content and format of the Comprehensive Invoices Charge Master List document 2. Identification of Charge Types applicable for Domestic Reverse Charge (DRC) and associated clause wording   On part 1, the key issue raised is that the descriptions available for each Charge Type do not clearly identify what the Charge Type is for and, therefore, the Shipper cannot readily validate their accounting of each charge without completing additional research into each Charge Type.  Part 2 highlights that, currently, there is a standard clause on invoices that may contain a charge that is subject to DRC however it is not clear to the customer which Charge Types this actually impacts. This may result in the Shipper not accounting for the DRC charges correctly. The clause in question is clause 3 and worded as follows:  “IF YOU ARE ESTABLISHED IN THE EU AND NO UK VAT CHARGED ON THIS INVOICE, YOU NEED TO ACCOUNT FOR REVERSE CHARGE VAT UNDER EITHER EU DIR 2006 112 ART 38, 44, 195, 196, OR UK DOMESTIC REVERSE CHARGE” |

# Change Impact Assessment Dashboard

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

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| Files | | | | |
| File | Parent Record | Record | Data Attribute | Hierarchy or Format  Agreed |
| INV | I59 | None | INVOICE\_ITEM\_VAT\_CATEGORY (Allowable values) | None |

# Change Design Description

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| **Approved Solution**  The solution option that is the basis of the below detailed design was approved at Change Management Committee on 08/03/2023 and was:  **Part 1 – Updates to the Comprehensive Invoices Charge Master List document**  The Central Data Service Provider (CDSP) invoice team will review the existing Comprehensive Invoices Charge Master List document and take the following actions in order to improve and present a more meaningful document to customers:   * Draft a description for each Charge Type (circa 350 Charge Types in total) * Add clear definitions on column headers and content * Inclusion of a DRC indicator * Provide a clearer view of associated invoice file types   **Part 2 – Updated Invoice Clause and DRC VAT Code**  The solution approach to part 2 is made up of two parts:   1. Review, recommend and apply update to standard clause 3 2. Create a new VAT code to be used to identify DRC Charge Types within invoices   **Design Definition**  **PART 1- Comprehensive Invoice / Charge Type Master List:**  The updated version of the Master List document is attached below for review and representation.      For the avoidance of doubt, there are no functional or technical changes as a result of the work done under Part 1, this is an operational/documentation update only.  Below is a list of the key improvements made to the Master List document but is not an exhaustive record of all changes as many cosmetic improvements were also made:   1. A new Comprehensive Invoice Master List has been created, providing a single view for all customers (merging all the existing available documents) to help simplify future maintenance 2. A new tab called ‘Glossary’ has been added to provide additional information on each of the Charge Types 3. Enhanced commentary has been included to provide more information about each column and their allowable values    1. For the avoidance of doubt, the review included all columns and was not limited to the columns defined within the original Change Proposal 4. Provided signposting to:    1. Training area of Xoserve.com    2. Charging statements section of Joint Office    3. File formats, Supporting information on Xoserve.com    4. The annual Billing Calendar 5. A new tab added called “Invoice Standard Clauses” to provide the standard clauses that can be included within invoices 6. Definition of an annual review process of the document to ensure that information is correct ahead of the commencement of the upcoming financial year 7. A new column has been added to clearly identify Charge Types that are subject to Domestic Reverse Charge regulations, within the Master List   When reviewing the attached version of the Master List please note, the new VAT category (proposed within Part 2 of this design) for DRC applicable Charge Types has not been updated within the new Master List document as it is not yet approved. Following approval of this change pack, and in line with delivery of XRN5547, the value will be updated i.e. RC. The wording of the clause that refers to DRC also reflects the legacy position and will be updated to reflect the wording that is delivered as part of this change.  **PART 2- Technical Charges to support the update of the INV template:**  As per the approved solution approach, to support customers in processing the Charge Types subject to DRC, it is proposed that a new VAT category code, ‘RC’ (Reverse Charge), be associated to the said Charge Types, as have been defined within the updated Master List. The allowable values for data item INVOICE\_ITEM\_VAT CATAGORY within the I59 of the .INV will be updated to include RC - Reverse Charge (shown below) and this will mean that the DRC identifier will be available to customers directly within the invoicing processes.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **RECORD/FIELD\_NAME**  **\*Occurs Max 99\*** | **OPT** | **DOM** | **LNG** | **DEC** | **DESCRIPTION** | | INVOICE\_ITEM\_VAT\_CATEGORY | M | T | 2 | 0 | DEFINITION: Holds the VAT category per charge type.      **VALUE:VZ**  (VAT rate is zero)               **VA** (VAT Applicable)               **VE** (VAT Exempt)  **RC** (Reverse Charge) |   In line with the approved solution approach and associated representations, the Standard Clause which references Domestic Reverse Charge is proposed to be updated, as defined below, in order to bring in line with current legislation:  “CHARGES ON THIS INVOICE MAY BE SUBJECT TO, AND THEREFORE SHOULD BE ACCOUNTED FOR, UNDER THE UK DOMESTIC REVERSE CHARGE. THE RECIPIENT OF THIS INVOICE SHOULD ACCOUNT FOR THE VAT OF ANY CHARGE TYPES INCLUDING THE DRC INDICATOR AT THE APPLICABLE RATE, BASED ON THE VAT EXCLUSIVE SELLING PRICE”  The Standard Clause amendments will be reflected in the existing position within invoices, which is the I05 record within the .INV file and the D01 record within the Energy Balancing Invoice (.IDB). There are no file format changes needed as a result of this update.  For the avoidance of doubt and as was stated with the solution approach, invoice clauses are assigned to invoice types and, therefore, may not always be applicable to the Charge Types included on the invoice itself. Changes to this logic are out of scope of this change.  **General Considerations**   1. Approval of this change pack, and progression of the change, will be sought based on:    1. The updated format of the Master List but not the lower level detail       1. The updated version of the Master List document will be considered as more of a living document in the future allowing updates, not impacting file formats, to be made more quickly    2. The new VAT category code of ‘RC’       1. The wording of the DRC related clause was approved during solution design, however, should any concerns be raised, an update would not impact the design of the change 2. There have been no changes to the VAT rates defined within the Master List document and, subsequently, used during the invoicing processes. Should any be highlighted as, potentially, requiring an update, within this representation process they can be considered to be corrected as part of delivery following relevant review and approval 3. For the avoidance of doubts there are no .INV file format changes other than the addition of the new allowable value ‘RC’, for ‘INVOICE\_ITEM\_VAT\_CATEGORY’ within the I59 Record Type |

# Associated Changes

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

# DSG

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| Target DSG discussion date: | 24/07/2023 |
| Any further information: | To discuss any comments provided from the Detailed Design Change Pack representations. |

# Implementation

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| Target Release: | Release: XRN5647  MiR Drop 11, Sep 2023 |
| Status: | Approved |

Industry Response Detailed Design Review

Change Representation

(To be completed by User and returned for response)

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| User Contact Details: | Organisation: | GT3\_DNO\_Northern Gas Networks Limited. | |
| Name: | Helen | |
| Email: | hchandler@northerngas.co.uk | |
| Telephone: | 07580704123 | |
| Representation Status: | approved | | |
| Representation Publication: | Publish | | |
| Representation Comments: | support – no further comments | | |
| 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](mailto:uklink@xoserve.com)

Change Representation

(To be completed by User and returned for response)

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| User Contact Details: | Organisation: | EON | |
| Name: | Kirsty Dudley | |
| Email: | Kirsty.Dudley@eonenergy.com | |
| Telephone: | 07816172645 | |
| Representation Status: | Approve with Comments | | |
| Representation Publication: | Publish | | |
| Representation Comments: | Representation Comments: We support the progress made on this change and thank the CDSP for working on this, we have the following comments:   Part 1 – Comprehensive information  • Mapping  1. We support the inclusion of the columns e.g. charges start date, but does it also need an end date column for future proofing? 2. Does cell F2 require the definition of ‘both’ as it is included in the data but not the note. It is defined in the A2 comments so inclusion will be consistent in drafting.  3. Does cell I2 require the definition for 0% VAT as well? It only contains 20% currently but contains 0 in the actual data. 4. Invoice Issue date has the descriptions of [X] business days, except for some +12 and +15. Should these also include business day? Could it be included to avoid confusion? • Standard Clauses 1. This sees some clauses capitalised with others not, could some consistency be applied and all clauses drafted the same? We are not asking for changes in the actual files, just the comprehensive information. • Glossary 1. The inclusion of this makes translating the charge type mapping a lot easier, and the hyperlinking between them is a great addition too, but should the linking go both ways to make it easier to click back and forth between tabs?  (It isn’t essential if it cannot be incorporated). • Useful links 1. We support the inclusion of this information to support new people to this area of work and new Shippers to market.  • Annual Review Process  1. We support this inclusion to keep the document robust.  • Finally, it is unclear what the suggested implementation date is for this, as this is administrative change only we would support this being implemented at the earliest date possible.  • Did we decide where the document was going to be stored? I wanted it on Xoserve.com rather than the secure site but I cannot remember if we agreed that or not.   Part 2 – Domestic Reverse Charge • We support the creation of the new RC code. • We request that the next version of the comprehensive information is also released we can review the impacted items ahead of delivery.  • We have no new comments on the clause drafting. | | |
| Confirm Target Release Date? | Part 1 – ASAP Part 2 – Next minor release | | «h1\_userDataAlternative» |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | Thank you for your support, comments and feedback on this change, please see below for our responses:  Document updates • Charge Type End Date – This was considered however felt that it could lead to confusion as, even when a charge type is no longer used for new charges it must remain available/valid for reconciliation purposes. When a charge type can no longer be used, i.e. the latest reconciliation period the charge type was used in has passed the Code Cut Off Date (Line in the Sand), then it will be removed from the comprehensive charge type mapping and issue a new version rather than end dating • The additional definitions called out have been added to an updated version of the document • Invoice issue descriptions have been updated to define business days clearly • Capitalisation within the standard clause statements within the document will be addressed as part of the updated version of the document • Updated links will be added to the glossary ahead of document publication Document publication and availability • Following approval of this change pack, which confirms the format and principles of the document and the new VAT code, an updated version will be published in a For Information pack • There is a version of the charge type list available on Xoserve.com here. We will seek to have this updated with the version following implementation of Minor Release 11 (see below) o In addition to the above, a new tool is planned to be added to the website to make searching this information easier for customers, once this is finalised we will share further details Implementation • At the Change Management Committee (ChMC) meeting in July the change was approved within the scope of Minor Release 11, this is scheduled for implementation on 22nd/23rd September 2023. o This will include the functional changes (new VAT code and update to Standard Clause) and the intention is to publish the updated comprehensive master list at the same time as it includes the new values |

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: | 17/07/2023 | | | | |
| Comms Ref(s): | 3203.1 - VO - PO | | | | |
| Number of Responses: | 2 | | | | |
| Solution Voting: | Shipper | | | Please select. | |
| National Gas Transmission | | | Please select. | |
| Distribution Network Operator | | | Please select. | |
| IGT | | | Please select. | |
| Meeting Date: | 09/08/2023 | | | | |
| Release Date: | Minor | | | | |

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

Version Control

# Document

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| --- | --- | --- | --- | --- |
| Version | Status | Date | Author(s) | Remarks |
| 1.0 | For Approval |  | Phanitha Chalasani |  |

# Template

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| Version | Status | Date | Author(s) | Remarks | Approved By |
| 1.0 | Approved | 09/03/2022 | Rachel Taggart | Detail Design Change Pack transferred to own document | Change Management Committee on 09/03/2022 |
| 1.1 | Approved | 25/04/2023 | Rachel Taggart | Updated with new font branding | Emma Smith |