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DEROGATION REPORT – PROVISION OF METER TECHNICAL DETAILS AND METER ASSET PROVIDER (MAP) IDS TO THE CDSP (RECDER_01)

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1 PURPOSE

This paper sets out a report to the Performance Assurance Board (PAB) on a derogation application received on 5 October 2021. The derogation has been raised by the PAB Chair, working alongside the Code Manager, following concerns raised from several Meter Equipment Manager (MEM) Parties and discussions with Xoserve. The derogation has two parts and relates to a temporary derogation for MEMs from sending Meter Technical Details and Meter Asset Provider (MAP) ID details to the Central Data Services Provider (CDSP) **(Part A)** and a temporary derogation for Gas MEMs from the requirement to use an ONJOB file to meet this obligation **(Part B).**

In order to gather more information related to the derogation application and the impact on MEM Parties, we issued a Request for Information (RFI) to inform this paper. The responses to this RFI are outlined in section 4.

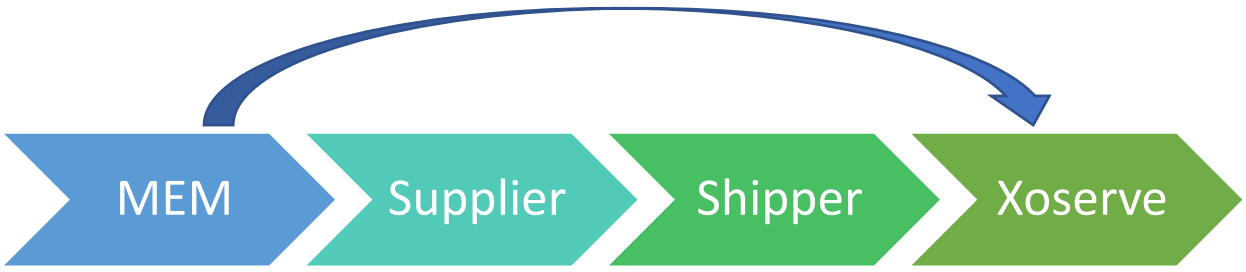
2 BACKGROUND

Meter Asset Providers (MAPs) finance and provide meters installed to consumer homes, billing Suppliers for the use of their assets. Given that consumers can change Supplier, and MEMs can install or exchange meters, MAPs are dependent on industry data to accurately bill of their assets. Accurate billing and cash collection are important for an effective market. Data flows vary, but at a high level in the gas industry on installation or exchange data needs to flow through several organisations until it is available to MAPs. This is shown through the following diagram:



In December 2020, the CDSP carried out a mass population of MAP IDs, the key data item which associates a meter to a MAP. This involved the update of 12.9 million live assets to CDSP. However, analysis of new installations in the period December 2020 – March 2021 identified less than 6% of new installations had a MAP ID populated successfully. MAPs have raised concerns about this data degradation, and that when CSS goes live there will be a greater level of challenge by Suppliers of bills relating to assets with no MAP ID recorded. This issue was discussed at the interim PAB on 27 July 2021, and it was agreed that it would be a focus area for Performance Assurance through specific topic monitoring.

In order to try to resolve this issue under the Supply Point Administration Agreement (SPAA), a Change Proposal was implemented to require Gas MEMs to send Meter Technical Details and Meter Asset Provider (MAP) IDs to the CDSP, reducing the reliance on suppliers and shippers to pass these details on. These changes were approved and require Gas MEMs to send this information to the CDSP from 8 November 2021. The equivalent changes to the CDSP are being progressed through a Change Proposal in the Data Services Contract (DSC), under XRN4780C. Under this Change Proposal, Gas Meter MEMs will be able to send this file to the CDSP using a new Secure File Transfer Protocol (SFTP) service, to be hosted by Xoserve. This will therefore put a second flow in place for the Meter Asset Manager to provide updates to the Meter Technical Details or MAP IDs directly to the CDSP to supplement information received from Shippers, as shown in the following diagram:



The full derogation application with further technical information on this change is attached as **Appendix A.**

The derogation has two parts and relates to a temporary derogation for Gas MEMs from sending Meter Technical Details and MAP ID details to the CDSP (Part A) and a temporary derogation for Gas MEMs from the requirement to use an ONJOB file to meet this obligation (Part B), as required in Clause 6.4.10 and 6.4.13 in the Metering Operations Schedule.

A summary of the derogation and recommendations for the PAB to consider are set out in sections 3 and 4 below.

3 DEROGATION SUMMARY

The below information has been compiled by the Code Manager from the derogation application and information gathered from the Code Manager's initial assessment:

	derogation details
Summary of the issue	At the start of September the Code Manager was made aware that Gas MEMs were reporting that the details required to connect to the new SFTP service had not been made available by Xoserve in time to allow them to test and connect to the facility to be able to send the required files from 8 November 2021. This was validated through conversations with Xoserve, who explained there had been a delay with providing the connection. The first part of this derogation application **(Part A)** therefore requests a timebound derogation from sending the new files to the CDSP when the new obligation comes into effect on 8 November 2021. This is to allow Gas MEMs an appropriate amount of time to test and connect to the new SFTP service once the details have been made available. Since the derogation application was submitted, Xoserve have informed that they made these details available to industry on 7 October 2021. The new obligation also requires Gas MEMs to send the update by sending an 'ONJOB' file, which is an RGMA file that needs to be sent in the prescribed RGMA format. There are some Gas MEMs in the market that do not use RGMA and may not have the systems and/or processes in place to send files in RGMA format. Formerly, under MAMCoP, a Change Proposal was raised (MAM CP 20 022 - Meter Technical Details from MAM to CDSP (non-RGMA) to allow Gas MEMs to send an alternative, non-RGMA file instead of an ONJOB file. Although we understand this Change Proposal had general support amongst the MAMCoP Board, it was not formally accepted due to a lack of quoracy when it came to a vote, and therefore is not currently recognised by the REC as a valid mechanism for meeting this obligation. However, the CDSP has already developed this file and will be able to accept this format from Gas MEMs. As sending either the RGMA file, or the alternative non-RGMA file, will allow a Gas MEM to achieve the outcome expected in the Metering Operations Schedule; the second part of this derogation application **(Part B)** requests that Gas MEMs who wish to use the non-RGMA

	file can do so for a timebound period. This should allow the PAB time to review if the alternative file format should be allowed to continue, and added to the Metering Operations Schedule, or if all Gas MEMs should be required to send the ONJOB file in RGMA format.
Summary of the proposed derogation and impacted REC obligations	The proposed derogation, as set out in the derogation application form is as follows: **Part A** – Temporary derogation for Gas MEMs from sending Meter Technical Details and MAP ID details to the CDSP as required in Clause 6.4.10 and 6.4.13 in the Metering Operations Schedule. This request is for a derogation of up to 2 months for Gas MEMs who are not able to send the file due to the delay in the SFTP details being made available to them, to setup and test the connection. **Part B** – derogation for Gas MEMs from the requirement to use an ONJOB file to meet the obligation in Clause 6.4.10 and 6.4.13 in the Metering Operations Schedule. This request is that those Gas MEMs that do not use RGMA are able to send the non-RGMA format file developed by the CDSP instead of the ONJOB file to meet this obligation, for an initial period of up to 6 months.
Related derogations or applications	N/A
Impacted REC Parties and Service Providers	This impacts all Gas MEMs and Xoserve as the CDSP. This relates to the Meter Asset Installation process in the Metering Operations Schedule. This could also impact MAPs ability to bill Suppliers for meter assets, as it may lead to further data degradation of MAP IDs. However, analysis of new installations in the period December 2020 – March 2021 identified less than 6% of new installations had a MAP ID populated successfully. This highlights the extent of the data quality issue that already exists, and there is therefore a risk that this derogation could allow the issue to continue in order to mitigate this risk, there are a number of conditions recommended for this derogation, as set out below.
Impacts on Retail Risks	This derogation is unlikely to have an impact on Retail Risks however it will have an impact on planned Performance Assurance activity through specific topic monitoring related to MAP data issues, particularly

	relating to the use of non-RGMA files. To avoid a negative impact on this activity, which was identified as a key priority by the interim PAB in July 2021, a condition has been included to allow the non-RGMA files to be sent to the Code Manager, which will then be validated to enable confidence that MAP IDs are being passed accurately and completely to the CDSP. This is set out in further detail in the conditions section below.
Legal or technical advice obtained in relation to the application	The Code Manager confirmed with the CDSP that there was a delay in making the SFTP details available, and understand that businesses may have internal governance and security protocols in place that require a reasonable lead time to test and connect to a new SFTP. The Code Manager also confirmed that: • As Part A is a delay in the sending of information to the CDSP, there are no system impacts associated with this to REC or its service providers. The Gas MEMs have an impact in terms of ensuring they can send the required files but that is from the original change and the derogation is not changing that impact, just delaying when it takes effect. • Similarly, Part B does not have a system impact on REC or its service providers. The derogation would enable those Gas MEMs that do not currently send RGMA flows to avoid the system impacts associated with starting to use RGMA.
Length of the derogation	The proposed length of derogation, that was set out in the derogation application, is as follows: • **Part A** (derogation from obligation to allow time to complete SFTP connection) – proposed up to 2-month derogation from the current date of 8 November 2021, ending on 7 January 2022. • **Part B** (derogation to allow use of non-RGMA file) – proposed initial derogation period of 6 months, with a potential extension after the review if required to either provide notice of the requirement to use the RGMA file or for a Change Proposal to be progressed.
Conditions to any derogation	After an initial assessment, the Code Manager recommends the following conditions:

	• Parties to still generate files from 8 November 2021, to make sure no data is lost during the period of derogation. When the SFTP connection is available, Parties must then contact Xoserve to agree a schedule to submit the files. • Those derogated from using RGMA send information to both Xoserve and the Code Manager at a defined point each month, which in line with the Performance Assurance Report Catalogue (PARC) reporting requirements, will be the first working day of the following month. This condition is in place to allow validation that those using the non-RGMA file format are passing MAP IDs accurately and completely to shippers. This will require an update to be made to the PARC, to specify that Gas MEMs can send the file in a non-RGMA format. It should be noted that this is not a new data request, as there is already a data item in the PARC related to Gas MEMs sending this data, the update would be to accommodate this derogation and state the specification for the non-RGMA format.

4 REQUEST FOR INFORMATION (RFI)

4.1 SUMMARY

In order for the Code Manager to understand the impact of the identified issues on Gas MEM Parties, a RFI was issued on 8 October 2021. The RFI asked a number of questions to understand:

- the number of impacted Parties;
- whether the proposed derogation time periods were suitable; and
- views on proposed conditions to the derogation.

The RFI response window closed on 15 October 2021 and four responses were received. The responses to the RFI are attached at **Appendix B**, and a summary of responses is listed in the table below. As the appendix incudes confidential responses, this is made available to PAB Members only.

Summary of respondents	• 4 responses:
	  ○ 1 IGT, MEM and MAP
	  ○ 1 MEM
	  ○ 1 Energy Supplier and MEM

	○ 1 MEM and MAP
Part A	
Summary of those impacted by the new SFTP not being made available until 7 October	• 3 impacted, 1 not impacted
Summary of nature of impact	• The delay in receiving details has meant there has not been a sufficient amount of time for testing. • The delay has also had an impact on organisation's resource capacity to be able to meet the 8 November deadline.
Summary of the views on derogation length	• 2 agreed that two months was sufficient, with 2 respondents disagreeing. • Those who disagreed stated the 2-month period would not allow sufficient time to implement a fully tested SFTP solution. One respondent noted the derogation period would be impacted by the code freeze which runs from December – January each year, as well as internal 'critical path' projects. This respondent proposed a derogation period of 4-6 months. • One respondent that disagreed with the 2-month period stated a 3 month derogation period, i.e. until the 7 February 2022, would be more appropriate.
Summary of the views on derogation condition (to still generate files from 8 November)	• 2 agreed with the proposed approach, with 2 respondents that disagreed. • 1 respondent that disagreed stated that the system testing may require a parallel process to be maintained to confirm that the data is being managed properly before the switch is made "live." The other respondent stated they disagreed because they had already built a solution to terminate the files, rather than storing them for future submission, and this approach would therefore cause additional cost.

Part B	
Summary of those planning to use the non-RGMA format file	• All respondents stated they did not plan to use the non-RGMA format file.

4.2 CONCLUSIONS

Part A - derogation from obligation to allow time to complete SFTP connection

As the RFI only received four responses, we are unable to draw industry wide conclusions from the information received. However, as the majority of respondents did state they were impacted by the delay to receiving the secure SFTP connection from the CDSP, it could be assumed that this will impact other Gas MEMs who may be in the same position.

As two of the four respondents stated that a two-month derogation was not a sufficient derogation period, the Code Manager has consulted internally on the alternative options for the length of derogation. The Code Manager has accepted that an extension to the derogation period would be reasonable for the reasons outlined in the RFI responses, and suggests the derogation is in place until the next standard industry release on 24 February 2022. This would be a period of approximately three and a half months which is deemed appropriate and proportionate given concerns raised in the RFI responses.

Two of the four respondents stated they did not agree with the proposed condition for Parties to still generate files from 8 November 2021, and when the SFTP connection is available agree a schedule to submit the files with Xoserve, stating that there would be additional costs and there was little benefit to retaining the files. We contacted Xoserve to confirm their views and to understand the impact of files not being generated from 8 November 2021. Xoserve provided the following insight:

- There would be an impact to not including this as a condition, as ultimately this will potentially impact the quality of the MAP identity held in UKL systems and this may in turn have an impact upon the MAP invoicing processes.
- The impact may depend upon the size of the MAM however Xoserve raised the concern that if this condition was removed for all MAMs this might have a more fundamental detrimental impact, as it may have the effect of deferring implementation by more MAMs which could have an impact on data quality.
- Xoserve raised that it is likely that MAMs would need to retain these transactions within their systems for audit requirements, so given that the derogation should only be in place for a short period of time then the data retention period in their systems should presumably exceed the derogation period. Xoserve stated that if individual MAMs who are concerned with this condition could reach out to them to discuss options on this as they are happy to provide support.

In light of the points raised by Xoserve, and the Code Manager's view that there is a potential risk of further data quality degradation, it is recommended that this proposed condition is taken forwards as part of the derogation.

Part B - derogation to allow use of non-RGMA file

As we did not receive any responses from the RFI that stated organisations plan to use the non-RGMA file format, we are unable to determine that the derogation relating to Part B should be applied across industry. It is therefore recommended that this derogation is applied to individual Gas MEMs who contact the Code Manager to confirm that they require a derogation. Subject to PAB Member views and this recommendation being approved, the Code Manager will issue a communication to all Gas MEMs following the meeting encouraging those who believe they are impacted to contact the Code Manager.

The following section outlines the recommendations made by the Code Manager in relation to this derogation, taking the RFI responses into consideration.

5 RECOMMENDATIONS

Based on the information submitted by the applicant and the assessment undertaken by the Code Manager, the following recommendations have been made for the PAB's consideration.

- A temporary derogation for Gas MEMs from sending Meter Technical Details and MAP ID details to the CDSP as required in Clause 6.4.10 and 6.4.13 in the Metering Operations Schedule **should be approved** (Part A). The derogation will be effective until 24 February 2022, for Gas MEMs who are not able to send the file due to the delay in the SFTP details being made available to them, to setup and test the connection. The Code Manager recommends that this approval is subject to the associated conditions to the derogation (please see below) also being approved.
- A temporary derogation for impacted Gas MEMs from the requirement to use an ONJOB file to meet the obligation in Clause 6.4.10 and 6.4.13 in the Metering Operations Schedule **should be approved** (Part B). This derogation would be applied to individual Gas MEMs, subject to contacting the Code Manger to confirm they do not use RGMA and intend to send the non-RGMA format file developed by the CDSP instead of the ONJOB file to meet this obligation. This would be for an initial period of up to six months. The Code Manager recommends that this approval is subject to the associated conditions to the derogation (please see below) also being approved.
- The following conditions to this derogation **should be approved**:
    1. For Part A of this derogation, Parties still generate files from 8 November 2021 and contact Xoserve to agree a schedule to submit the files.
    2. For Part B of this derogation, those individual Gas MEMs that contact the Code Manager and are derogated from using RGMA, send information to both Xoserve and the Code Manager at a defined point each month. In line with the PARC reporting requirements, this will be the first working day of the following month.
- Subject to the Code Manager receiving notification from Gas MEMs that they require a derogation from using a RGMA file format, a Category 3 change is raised to update the PARC in line with the second condition, in order to define the data specification required for the non-RGMA file format. It should be noted that this is not a new data request, as there is already a data item in the PARC related to Gas MEMs sending this data, the

update would be to accommodate this derogation and state the specification for the non-RGMA format.

- The Code Manager recommends that Ofgem do not need to give permission or be informed of this derogation; and
- Raising a Change Proposal at this stage is not recommended, however a future Change Proposal may need to be raised based on the outcome of the review of the use of the non-RGMA format file after the six-month derogation.

6 PAB ACTIONS

PAB Members are invited to take the following actions:

- **CONSIDER** the derogation application received and recommendations set out in this report;
- **AGREE** to grant the derogation (Part A and B); and
- **AGREE** to the conditions proposed for the derogation as set out in section 5 of this paper.