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19<sup>th</sup> September 2018

Dear Duncan,

### **Request to change the implementation date for SECMP0023**

The SEC Panel is requesting that the implementation date for SEC Modification Proposal [SECMP0023 'Correct Units of Measure for Uncontrolled Gas Flow Rate'](#) be deferred from its current date of 27<sup>th</sup> June 2019. At its meeting on 14<sup>th</sup> September 2018, the Panel agreed that the revised implementation date should be 25<sup>th</sup> June 2020. This letter sets out the rationale for the Panel's request and seeks the Authority's approval for this revised implementation date.

SECMP0023 was approved by the Change Board under Self-Governance on 23<sup>rd</sup> May 2018 for implementation on 27<sup>th</sup> June 2019 as part of the June 2019 SEC Release. As part of its determination, the Change Board noted DCC implementation costs of circa £400,000 up to the Pre-Integration Testing (PIT) stage. However, the costs of the System Integration Testing (SIT), User Integration Testing (UIT) and Implement to Live stages were not available at the time the Change Board made its decision. DCC had noted that the costs of these activities would be assessed in aggregate across all Modification Proposals once the scope of the corresponding SEC Release has been confirmed, as the costs for a SEC Release cannot be estimated without the scope, delivery date and testing approach agreed.

At the August 2018 Panel meeting<sup>1</sup> DCC presented its intended testing approach. The Panel noted that DCC's final full cost estimate for the release (including a set of BEIS-led Resolution Proposals) was high and, in considering the overall scope of the June 2019 SEC Release, did not believe progressing would be cost-effective. It determined that the release should become a SEC Documentation Release and that SECMP0023 should be deferred to a later release where it could be implemented alongside other changes to the DCC Systems to achieve cost-savings. The Panel did not agree an appropriate revised date on which SECMP0023 should be implemented at that time, preferring to wait until greater certainty on the scope of forthcoming SEC Releases had been achieved.

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<sup>1</sup> Please see Panel paper SECP\_59\_1008\_15 for full details.

Following the submission of the Panel's request, BEIS wrote to the Panel Chair noting that in order to make a decision to change the implementation date pursuant to SEC Section D10.5, the Authority would additionally require a proposed new date from the Panel and reasoning for such a date. The reasoning would need to cover how the issues the Panel has identified regarding the current date have been adequately addressed, and evidence that the benefits of delivery at the proposed later date would outweigh the implementation costs.

At the September 2018 Panel meeting<sup>2</sup> the Panel considered the scope of the November 2019 SEC Release. It determined that the scope of this release on the DCC Systems would be unchanged from that originally proposed for the June 2019 SEC Release, and noted that the total implementation costs would not be materially lower. It therefore believed that implementing the changes in the November 2019 SEC Release would still not be cost-effective and determined that the release should become a SEC Documentation Release.

The Panel noted that the scope of the next planned SEC Systems Release in June 2020 is expected to include several more Modification Proposals; implementing SECMP0023 alongside these other changes would likely achieve the cost-savings it sought. It therefore determined that the June 2020 SEC Release would be an appropriate date on which to schedule the implementation of SECMP0023.

In accordance with SEC Section D10.5 'Subsequent Amendment to Implementation Timetable', the Panel therefore requests the Authority directs that the implementation date for SECMP0023 be revised to 25<sup>th</sup> June 2020 as part of the June 2020 SEC Release.

If you would like to discuss this further, please do not hesitate to contact myself or the SECAS team on 020 7090 7755 or [SECAS@gemserv.com](mailto:SECAS@gemserv.com).

Yours sincerely,



Peter Davies

SEC Panel Chair

Copied to: SEC Panel Members, SEC Parties and Ofgem.

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<sup>2</sup> Please see Panel paper SECP\_60\_1409\_19 for full details.