

Mod UNC 0674

Performance Assurance Techniques and Controls

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on behalf of the Performance Assurance Committee (PAC)



UNC – As Is



UNC – V Section 16

PAF (Performance Assurance Framework)

- Scope
- PAFA appointment procedure
- Functions of PAFA

PAC (Performance Assurance Committee)

- Decision making
- ToR (under UNCC but not in section 12)

PAFA (Performance Assurance Administrator)

- How and who to appoint PAFA
- Monthly reports

UNCC – V Section 12

Ancillary Documents

- PAF
- PARR (Performance Assurance Reports Register)

UNC0674 Proposal – To be (i.e. ‘as is’ plus)



UNC

New Overarching Principles and Objective in Performance Assurance Approach

PAF (Performance Assurance Framework)

- Amend Scope

PAC (Performance Assurance Committee)

- Provision of Authority to the PAC (with protections)

PAFA (Performance Assurance Administrator)

- Support the work of the PAC

Parties

- Be subject to the Performance Assurance Ancillary Documents

UNCC

Ancillary Documents

- Performance Assurance Framework (amended)
- PITS (Performance Improvement Techniques)
- PAC appointment and requirements*
- Incentives and Sanctions*
- Appeal Procedure*
- Entry testing*

* Developed under separate UNCC approval process



The mod plans to achieve the following outcomes:

1. Require UNC Parties to adhere to a basic principle that their negligence, poor performance or bad behaviours must not distort settlement even when such behaviours have not specifically been precluded through prescription within the UNC.
2. Determine additional tools and processes available to the PAC in its work in the provision of performance assurance within the code
3. Allow the Performance Assurance regime to be more agile and responsive to the information it is receiving by empowering the PAC to determine and action an appropriate response at any time.
4. Provide PAC and PAFA (PAF Administrator) access to any standard reports already being provided to individual UNC Parties within performance packs e.g. shipper performance packs
5. Require UNC Parties to take action to improve their performance and remedy issues if it is identified and requested by the PAC
6. Require UNC Parties to provide and adhere to any plans of action they provide.

The mod plans to achieve the following outcomes:

(continued)



7. Ensure that where it is proposed adding to or changing UNC performance standards within the UNC and performance monitoring is required, the report requirement must be added to the modification.
8. The CDSP will be required to provide a ROM (rough order of magnitude) for the production of the monitoring reports needed for that proposal, for the modification workgroup to determine if the cost of a report is not deemed prohibitive.
9. Specify the tools available to the PAC to incentivise, drive and require performance behaviours and to document these in a new ancillary document under UNCC (UNC Committee) governance.
10. Suitably empower the PAC, as an elected, independent and representative (skills) body, to make decisions for and on behalf of the UNC in respect of Performance Assurance matters.
11. Ensure that the PAC budget does not act to constrain the duties and requirements of the PAC.
12. Provide absolute clarity which UNC parties (Gas Transporters (GTs), Independent GTs (IGTs), Shippers etc.) fall under the remit of the PAC and performance assurance measures to be applied.

Give PAC greater authority in:



- Making decisions about how and when the performance assurance monitoring and incentive tools specified in an **ancillary document** are used
- Determining the materiality of performance issues which will be included in their decision-making process using the models and appropriate expertise available.
- Accessing the data that it needs to understand performance issues and to determine the materiality of performance levels on the accuracy of settlement.
- Requesting performance reports as it deems relevant, in their opinion, based on their experience and expertise.
- Requesting the remedy of performance issues, where there is no explicit prescriptive performance standard specified in the code, where that performance issue is impacting the Performance Assurance Objective (PAO)

Performance Improvement Techniques (PITs)



- **Monitoring**
 - REGULAR MONITORING
 - TARGETTED MONITORING
- **Shipper communication**
 - PERFORMANCE OBSERVATION LETTER
 - DATA CLEANLINESS OBSERVATION LETTER
 - POOR PERFORMANCE OBSERVATION - RESOLUTION REQUIRED
- **PAC Meeting / call in**
- **Publication of Stats/Name and Shame**
- **Report to Ofgem**
- **Other sanctions / incentives (Detailed in separate Ancillary Document)**

Thank you

Any comments or feedback for the PAC on this modification may be provided to:

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