

Mod UNC 0674

Ancillary Document Development

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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 – To be (i.e. ‘as is’ plus)



<u>UNC</u>	<p>New Overarching Principles and Objective in Performance Assurance Approach</p> <p>PAF (Performance Assurance Framework)</p> <ul style="list-style-type: none">• Amend Scope <p>PAC (Performance Assurance Committee)</p> <ul style="list-style-type: none">• Provision of Authority to the PAC (with protections) <p>PAFA (Performance Assurance Administrator)</p> <ul style="list-style-type: none">• Support the work of the PAC <p>Parties</p> <ul style="list-style-type: none">• Be subject to the Performance Assurance Ancillary Documents	
<u>UNCC</u>	<p>Ancillary Documents</p> <ul style="list-style-type: none">• Performance Assurance Framework (amended)• PATS (Performance Assurance Techniques)• PAC appointment and requirements• Incentives and Sanctions*• Appeal Procedure• Entry testing*• Annual PAF Review and Consultation <p>(* developed in another mod)</p>	

Ancillary Documents



Add additional ancillary documents the existing documents in UNC Related Documents - Section 12.

Ancillary documents to be amended or added:

1. **Performance Assurance Framework - amend**
2. **PATS (Performance Assurance Techniques) – new**
3. **PAC appointment and requirements - new**
4. **Appeals Procedure – new**
5. **Annual PAF Review and Consultation – currently within the PAF**

Note the following ancillary documents will not be part of this modification :

- **Incentives and Sanctions** – subject of separate modification and not connected to revision of regime.
- **Market Entry Testing** – could conflict with market entry testing under the REC and might therefore impact the SCR, therefore will not be developed under this mod.

1. Performance Assurance Framework



Possible reasons to amend:

- Budget – PAC activity is not constrained through an inability to access performance reports
- Access to data for evidence of performance unhindered by data protection issues or other issues (prioritisation/systems etc.) - ? Data permissions
- Inclusion of the performance of central service providers (CDSP / DMSP)
- Explicitly indicate that IGT data has been included and where appropriate is subject to requirements specified in the UNC and therefore monitored.
- Ensure that a performance report is costed and requested as part of any mod where performance standards are altered or added to the UNC as part of any mod.
- Role / Engagement of the CAM's in performance assurance

1. Performance Assurance Framework continued



- Role / Engagement of the PAFA in performance assurance
- Self reporting by parties
- Provision of support for those that proactively ask
- To reduce data lead times to ensure that data is current and relevant
- **Other framework factors?**

2. Performance Assurance Techniques (PATs)



- **Monitoring**
 - Regular / routine monitoring
 - Targeted monitoring
 - Request self-reporting from Party
- **Shipper communication**
 - Performance observation letter
 - Data cleanliness observation letter
 - Poor performance observation – resolution required
- **PAC Meeting / call in**
 - Request for milestone plan
- **Publication of Stats/Name and Shame**
- **Requirement to attend training or education day**
- **Audit**
- **Report to Ofgem**

3. PAC appointment and requirements



- PAC members will operate in the best interests of the ‘industry’
- PAC will discharge its duties without discrimination.
- PAC will operate a risk based approach
- PAC members will sign and adhere to a non-disclosure agreement (NDA) for all its activities and information received.
- PAC members who no longer serve on the PAC will be subject to the NDA post their appointment on the PAC (time limit?)
- PAC will explain and provide information to all the Parties subject to its decision making
- PAC will act in a proportionate manner
- PAC members must declare a conflict of interest when aware of it.

4. Appeals Procedure



The Appeal

- Where a Party disagrees with a decision made by the PAC in respect of a Performance Assurance Technique being applied in respect of that Party.
- Appeals can only be made for specific reasons with supporting evidence.
 - Possible reasons:
 - The evidence is flawed or has been interpreted incorrectly by the PAC
 - The PAC have not judged the evidence in a balanced manner
 - The PAC have not adhered to any procedure in the process, when and where specified, that either prejudices or prevents a full response from the Party.
- Specious appeals may result in request for administration costs and the Party may jeopardises their right of appeal in the future.
 - Needs detail
- Appeals are made to the UNC Panel
- A Party can appeal up to 10 working days after the Party has received notification of the PAC decision.

4. Appeals Procedure continued



The Process

- The UNC Panel will treat the matter as confidential and any meeting to discuss the appeal will be closed.
- The Party making the appeal will be invited to present their case and their supporting evidence.
- The Party will not be invited to be present as the decision is made.
- The Panel will decide the extent to which it accepts the appeal (wholly, partially, not at all)
- The Panel shall respond in writing to the Party (and copy the PAC) with the reasons for its decision.
- Depending on the extent to which the appeal is accepted, the Panel will revise the decision made by the PAC according to its findings.
- The decision of the Panel will be final.
- The Party will be required to comply with the Panel's decision.

5. Annual PAF Review and Consultation



- Current wording in the PAF:
 - 6.3.3 At the end of each anniversary of the PAFA contract appointment, the PAC shall seek feedback from the industry, including the PAFA, on the activities and performance of the PAFA for the provision of the PAFA Scope. The PAC shall provide a summary of feedback received and any actions determined to address it.
- Wording agreed by the UNCC (20th June 2019):
 - 6.3.3 At the end of each anniversary of the PAFA contract appointment, *the PAFA shall seek feedback from industry on the activities and success of;*
 - *the PAF arrangements,*
 - *the PAFA in their role as administrator of the arrangements,*
 - *the PAC in their role as managers of the Performance Assurance Framework and*
 - *Xoserve for the provision of information.*
 - The PAFA shall provide a summary of feedback received and plans for any actions determined to address it.

Should this be in a separate ancillary document or remain in the Framework?

Anything more to add?

5. Annual PAF Review and Consultation continued



The PAFA annual review will follow the process below:

- PAFA to write an annual review document that highlights the work of the PAC/PAFA over the past 12 months
 - The review should include a questionnaire to the wider industry seeking general views on the PAC/PAFA performance as well as some targeted questions on particular areas e.g. meter read performance issues
 - *The PAFA shall seek feedback from industry on the activities and success of:*
 - *the PAF arrangements,*
 - *the PAFA in their role as administrator of the arrangements,*
 - *the PAC in their role as managers of the Performance Assurance Framework and*
 - *Xoserve for the provision of information.*
- Responses to the review should be formatted into either responses to specific questions or areas of concern
- The PAFA should then write a further document in which each response / area of concern is addressed and plans for improvement/future work are detailed.

Thank you

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

PAFA@gemserv.com

