

Risk Number	PACR0001	Risk Description / Title:	Theft of Gas					
		There is a risk that...	the energy consumed at a Shipper's site will not be accounted for and be incorporated into unidentified gas...					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£85 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	5	5	Not Effective (x1)	25	25	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	5	5	Partially Effective (x0.8)	25	20	
		Inherent	5	5	Not Effective (x1)	25	25	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Failure to identify consumers and customers who conduct theft of gas.		The sites and quantity of gas stolen cannot be identified, gas cannot be allocated and reconciled correctly		To be Identified. Shipper performance report to be produced in the future	Action 0801: Scottish Power (AL) to contact ElectraLink to gain clarity on the quantities of energy identified through TRAS which would have an impact on allocation and settlement process Action 0802 - Xoserve and PAFA agree at PAC meeting on 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0002	Risk Description / Title:	Use of the AQ Correction Process					
		There is a risk that...	inaccurately calculated AQs will cause a misallocation of energy and the AQ correction process will not be used in a fair and consistent way.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£64 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	5	5	Not Effective (x1)	25	25	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	4	5	Partially Effective (x0.8)	20	16	
		Inherent	5	5	Not Effective (x1)	25	25	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g.. Because of ...)		Controls	Actions		Owner and Target Completion Date	
Misunderstanding as well as misuse of how and when to use the AQ correction process. Also Erroneous reads, significant changes in consumption and sites with AQ incorrectly calculated of 1.		The AQ allocated does not provide an accurate reflection of gas consumption; impacts allocation to the shipper and unidentified gas.		To be Agreed. Reporting to monitor use of the corrections process and provide assurance that corrections are submitted in a fair and consistent manner. Production of shipper performance report 2A.8 and 2B.8	Action 0803: PAFA to add into risk PACR002 description of the issue related to sites with an 'AQ of 1' to provide clarity. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0003	Risk Description / Title:	Estimated reads used for daily metered sites (Product Classes 1 and 2)					
		There is a risk that...	where estimated reads are used in Product Classes 1 and 2 after D+5, gas is allocated and reconciled incorrectly.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£23.6 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	5	4	Not Effective (x1)	20	20	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	5	3	Partially Effective (x0.8)	15	12	
		Inherent	5	5	Not Effective (x1)	25	25	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
When estimated reads are incorrectly used for Daily Read Meters at D+5. Also where estimate reads have been used but these reads have failed validation. Equipment failures also is a risk.		Estimated daily readings being used rather than actuals; allocation and reconciliation will be impacted. Use of estimated reads for these meters can affect unidentified gas volumes.		To be Agreed. Manage and monitor the number of estimates used for MPRNs in PC2. Transporter incentives in TPD M7.2 are reviewed to ensure they are proportionate and mitigate the settlement risk for MPRNs in PC1. Incentive targets are implemented to ensure check reads obligations are met. Production of shipper performance report 2A.1 and 2B.1	Action 0804: PAFA to define specific time periods for risk PACR003 for Product Classes 1 and 2. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0004	Risk Description / Title:	LDZ Offtake Measurement Errors					
		There is a risk that...	offtake meters develop errors and produces inaccurate readings.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£21.1 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	5	4	Partially Effective (x0.8)	20	20	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	4	4	Partially Effective (x0.8)	16	12.8	
		Inherent	5	5	Not Effective (x1)	25	25	
Associated Risk	PACR0007			Category		Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Inadequate management and monitoring of offtake meters. Meter inaccuracies and equipment faults.		Gas incorrectly allocated to meter points within the LDZ. No back-up or check meters in place. Also misallocation of NTS shrinkage leading to increased unidentified gas allocation		Manage and monitor LDZ Offtake meters to mitigate risk and implement a set of Transporter principles to provide assurance that the UNC Offtake arrangements are being followed. Performance report to be produced in the future	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0005	Risk Description / Title:	Incorrect asset data on the Supply Point Register					
		There is a risk that...	the billing attributes of a meter and gas consumption are incorrectly recorded					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£27 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	4	4	Not Effective (x1)	16	16	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	4	4	Partially Effective (x0.8)	16	12.8	
		Inherent	5	5	Not Effective (x1)	25	25	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Insufficient validation and/or assurance of information provided by Shippers (ultimately provided by Suppliers and MAMs)		meter reads failing validation resulting in delays and/or missing reconciliation.		To be Agreed. A principle of good behaviour to be introduced where Shippers are measured for updating incorrect asset data. Production of Shipper performance report for the following: 1A.1, 1B.1, 2A.9, 2B.9, 1A.2, 1B.2, 2A.2, 2B.2, 2A.3, 2A.3	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0006	Risk Description / Title:	Use of Winter Annual Ratio (WAR) for End User Category (EUC) 03-08					
		There is a risk that...	accurate daily settlement of meter points that do not have a site specific WAR; it will not reflect accurate consumption.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£8.9 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	4	4	Not Effective (x1)	16	16	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	4	4	Partially Effective (x0.8)	16	12.8	
		Inherent	4	4	Not Effective (x1)	16	16	
Associated Risk	n/a			Category		Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Lack of meter read history means the WAR has not been populated or an inappropriate standard profile has been applied.		Allocated energy is not reflective of consumption if timing for WAR bands are missed and thus daily allocations could be impacted and incorrect AQ values derived. Also initial allocation and reconciliation will not reflect accurate consumption. An incorrect or non-existent WAR; daily allocations could be impacted and incorrect AQ values derived		To be Agreed: Shippers to manage and monitor, on a monthly basis, the percentage of their MPRNs with a site specific WAR. Production of shipper performance report 2A.5 and 2B.5	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0007	Risk Description / Title:	Undetected LDZ Offtake Measurement Errors					
		There is a risk that...	LDZ offtake meters develop an error and remains undetected, which causes the readings to be inaccurate.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£14 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	3	2	Not Effective (x1)	6	6	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	3	2	Partially Effective (x0.8)	6	4.8	
		Inherent	4	4	Not Effective (x1)	16	16	
Associated Risk	PACR0004			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
<p>Offtake errors from LDZ's are occurring but are not being identified and corrected.</p> <p>Inadequate management and monitoring of LDZ offtake meters.</p> <p>Also there are no back-up or check meters in place.</p>		<p>the incorrect LDZ offtake measurements leads to gas being wrongly allocated. Misallocation of NTS shrinkage leading to increased Unidentified Gas allocation.</p>		<p>To be agreed: Transporters manage and monitor LDZ offtake meters in mitigating risk.</p> <p>Frequent auditing and investigation into LDZ offtake measurement errors.</p> <p>Use the Transporter performance to provide industry assurance that UNC Offtake Arrangements are met.</p> <p>Performance report to be produced in the future</p>	<p>To be agreed at PAC meeting on 12/09/2017.</p> <p>Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017</p>		<p>To be agreed at PAC meeting on 12/09/2017</p>	

Risk Number	PACR0009	Risk Description / Title:	Shipperless Sites					
		There is a risk that...	the accuracy of settlement where a Shipperless site is either still consuming gas, or begins to consume at a future date without the Supply Point being reregistered.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£2.3 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	2	3	Not Effective (x1)	6	6	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	2	2	Partially Effective (x0.8)	4	3.2	
		Inherent	2	3	Not Effective (x1)	6	6	
Associated Risk	n/a				Category	Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Shippers are withdrawing from sites that still have meters attached. The site then starts and/or continues to consume gas		The gas consumed is not measured and falls into unidentified gas. This also impacts accuracy of settlement		To be Agreed. Shippers to manage and monitor that UNC MODs 424 and 425 are met. Also monitoring Shippers follow the correct withdrawal process and Transporters to ensure that GSR visits are completed on time. Monitor site re-registrations to ensure energy allocation is corrected. Production of shipper performance report 1A.2, 1B.2, 2A.2, 2B.2	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0008	Risk Description / Title:	Unregistered Sites					
Date	11/07/2017	There is a risk that...	an unregistered meter begins consuming gas and adversely impacts the accuracy to Settlement					
		Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£3 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	2	4	Not Effective (x1)	8	8	Further discussion with PAC on 12/09/2017 to agree on scores.
		Target	2	3	Partially Effective (x0.8)	6	4.8	
		Inherent	3	4	Not Effective (x1)	12	12	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk	Potential Consequences of the Risk Event Occurring (e.g., Because of ...)	Controls	Actions			Owner and Target Completion Date		
Following a new connection, meters are fitted and gas is allowed to flow without a valid supply contract being in place (where they have an MPRN) and the Shipper/Supplier have withdrawn from the site. Also incorrectly identifying bespoke meters as primary meters.	Shipper fails to register a site. The consumption at those sites is not measured and falls in to unidentified gas.	To be Agreed. Manage and monitor the performance and ensure that the intentions of UNC MOD 410A are achieved. Production of Shipper performance report 1A.2, 1B.2, 2A.2, 2B.2	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017			To be agreed at PAC meeting on 12/09/2017		

Risk Number	PACR0010	Risk Description / Title:	Meter readings fail validation					
		There is a risk that...	meter readings are submitted and fail validation, and subsequent reads fail validation; the AQ will become less accurate impacting the timeliness of reconciliation.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£1.4 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	2	4	Not Effective (x1)	8	8	Further Discussion with PAC on 12/09/2017 to agree on scores.
		Target	2	3	Partially Effective (x0.8)	6	4.8	
		Inherent	2	4	Not Effective (x1)	8	8	
Associated Risk	n/a			Category		Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g. Because of ...)		Controls	Actions		Owner and Target Completion Date	
Shippers are not managing the validation errors identified and therefore not remedying the issue. Also causes for rejected reads not investigated which reflects in inaccurate consumption.		Because of a poor and/or diminishing meter reading history, reconciliation will not be possible and the derived AQ is more likely to be inaccurate.		To be agreed: Manage and monitor the use of data set tolerance readings and focus on where there are persistent read fail validations. Production of shipper performance report 2A.6, 2B.6	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0011	Risk Description / Title:	Late check reads on meters that derive a read					
		There is a risk that...	Where check reads are not completed, there is a risk that meters are under or over reading for an extended period of time which will impact allocation accuracy					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£1.8 million	
Risk Scores		Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date	
	Current	2	4	Not Effective (x1)	8	8	Further Discussion with PAC on 12/09/2017 to agree on scores.	
	Target	2	3	Partially Effective (x0.8)	6	4.8		
	Inherent	2	4	Not Effective (x1)	8	8		
Associated Risk	n/a			Category	Allocation & Settlement			
Potential Causes of the risk	Potential Consequences of the Risk Event Occurring (e.g., Because of ...)	Controls	Actions			Owner and Target Completion Date		
Shippers failing to provide timely check reads and providing late reads. Also Shippers not checking converters at the same time as the main meters.	Late check readings impact accurate allocation and extend drift periods. Derived readings cannot be verified as being accurate leading to potential consumption inaccuracies.	To be agreed: Ensure obligation for shippers to check converters at the same time as the main meter is met. Production of shipper performance report 2A.1, 2B.1	To be agreed at PAC meeting on 12/09/2017. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017			To be agreed at PAC meeting on 12/09/2017		

Risk Number	PACR0012	Risk Description / Title:	Meter read submission frequency for Product Class 4 meter points					
		There is a risk that...	the frequency of submission of meter readings for Product Class 4 meter points could adversely impact the accuracy of the derived AQ and consumption					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£1.3 million	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	2	4	Not Effective (x1)	8	8	Further Discussion with PAC on 12/09/2017 to agree on scores.
		Target	2	3	Partial Effective (x0.8)	6	4.8	
		Inherent	2	4	Not Effective (x1)	8	8	
Associated Risk	n/a			Category		Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Shippers submitting meter readings infrequently		Timing differences in submission will create a risk of misallocation among shippers. The AQ will not be recalculated frequently from a good meter reading history leading to potential inaccuracies.		Manage and monitor frequency of read submissions. Individual meter point reconciliation should correct this miscalculation. Production of shipper performance report 2A.5, 2B.5	To be agreed at PAC meeting on 12/09/2017. Define read submission targets. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0013	Risk Description / Title:	Estimated reads at Change of Shipper					
		There is a risk that...	estimated readings provided by the transporter are used and not replaced with an actual reading are inaccurate and will create incorrect periods of reconciliation.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£800k	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
	Current	1	3	Not Effective (x1)	3	3	Discussion with PAC on 12/09/2017 to agree on scores.	
	Target	1	2	Partially Effective (x0.8)	2	1.6		
	Inherent	3	3	Not Effective (x1)	9	9		
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk	Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date		
No reading obtained within the change of transfer window and/or rejected by initial validation due to incorrect AQ. Also Shippers do not have an actual reading to replace the estimate following transfer	Estimated opening meter read used during the reconciliation between the two shippers will be inaccurate. This will result in an incorrect final allocation for the transferring parties; accuracy of the whole market will not be accurate.		UNC, SPAA and supply license rules and regulations. SARs process to correct change of supplier reads. Production of shipper performance report 1A.3, 1B.3, 2A.4, 2B.4	To be agreed at PAC meeting on 12/09/2017: Investigate how is this estimated read used in settlement Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017		

Risk Number	PACR0014	Risk Description / Title:	Failure to obtain a meter reading within the settlement window					
		There is a risk that...	some meter points do not obtain a read within the settlement window and reconciliation periods will crystallise not reflecting true consumption					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£160k	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	1	3	Not Effective (x1)	3	3	Discussion with PAC on 12/09/2017 to agree on scores.
		Target	1	2	Partially Effective (x0.8)	2	1.8	
		Inherent	2	3	Not Effective (x1)	6	6	
Associated Risk	n/a			Category		Allocation & Settlement		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Meter readings are not being obtained within the settlements window. Also read validation errors not being corrected by shippers		incorrect consumption being crystallised due to lack of meter reads		To be agreed: Implement a principle of logic checks to approve consumption adjustments. Production of shipper performance report 1A.4, 1B.4, 2A.7, 2B.7	To be agreed at PAC meeting on 12/09/2017: Investigate the issue where the meter is read but reads are not loaded within the agreed window. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	

Risk Number	PACR0015	Risk Description / Title:	Consistent approach to retrospective updates					
		There is a risk that...	the approach taken by shippers to retrospective updates increases the risk of inaccurate reconciliation periods.					
Date	11/07/2017	Raised by	Performance Assurance Committee (PAC)	Risk Status (Active / Inactive)	Active	Risk Financial Estimate	£14k	
Risk Scores			Throughput	Probability	Control	Gross Risk	Net Risk	Risk Review Date
		Current	1	3	Not Effective (x1)	3	3	Discussion with PAC on 12/09/2017 to agree on scores.
		Target	1	2	Partially Effective (x0.8)	2	1.8	
		Inherent	1	3	Not Effective (x1)	3	3	
Associated Risk	n/a			Category		Allocation		
Potential Causes of the risk		Potential Consequences of the Risk Event Occurring (e.g., Because of ...)		Controls	Actions		Owner and Target Completion Date	
Commercial drivers and incentives on shippers do not promote a fair and balanced approach to use retrospective updates.		an unfair and unbalanced approach to retrospective updates, allocation could be skewed and distorted overall towards greater unidentified gas.		To be agreed: Monitoring the use of the retrospective updates process, by measuring update requests Shipper performance report to be produced in the future	To be agreed at PAC meeting on 12/09/2017: Shipper performance monitoring of use of retrospective process. Action 0807: Members to supply feedback and views regarding the Risk Register direct to PAFA. 12/09/2017		To be agreed at PAC meeting on 12/09/2017	