Dear Shipper,

PERFORMANCE IMPROVEMENT PLAN SUBMISSION: POOR PERFORMANCE

I am writing to you on behalf of the Uniform Network Code (UNC) Performance Assurance Committee (PAC).

UNC Modification 0674 – Performance Assurance Techniques and Controls was implemented on the 1st November 2022 and PAC agreed a three month transition period before using any of the governance introduced by the Modification with Parties. The Modification changed the operation of the performance assurance regime, new techniques being available to the PAC which can be applied to organisations that are poorly performing and impacting settlement accuracy[1].

In addition to the Modification, the Performance Assurance Framework Administrator (PAFA) has been working alongside the PAC to develop a Holistic Performance Assurance Matrix which provides a rounded view of a Shipper's portfolio in each product class (PC1, PC2, PC3 and PC4). This Matrix was agreed and finalised in October 2022 and is now being used by the PAFA and the PAC to assess Shipper performance. Each Shipper's performance is scored against the following measures within each product class:

- Meter Read performance (in percentage)
- Percentage of check reads uncompleted
- Percentage of reads uncompleted for 1,2, 3 or 4+ years
- Percentage of AQ at risk
- AQ read performance (PC4 only)

The highest score that a Shipper can achieve under a single measure is 5 which is given if a Shipper is operating at the applicable UNC requirement. A total score is calculated based on performance under each measure and then ranked within each market.

The PAC have identified your Shipper organisation [insert Shipper name and SSC] as one of the poorest performers in the [PC1/PC2/PC3/PC4] product class(s). This is due to poor performance across [PC1/PC2/PC3/PC4] measures which as displayed in the table below:

Measure	Performance level	Score
Read Performance		
Percentage of Check Reads uncompleted		
Percentage of no reads		
Percentage of AQ at risk		

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[1] https://thegpap.co.uk/resources/pac-framework-and-ancillary-documents/

The PAC would like you to submit a performance improvement plan that sets out how you seek to address the above poor performance and includes information on how you will reach the current UNC Code requirements for Meter Read Performance, Uncompleted Check Reads, Meter Reads which have not been loaded for more than a year and the AQ at risk on your portfolio.

Your plan should also include details about any current circumstances / issues behind your underperformance for each areas and an improvement plan that entails what measures will be implemented that will help you to achieve performance to a level that is aligned with the requirements in Code. Your plan should also outline the dates by which you intend to achieve this level of read performance as well as any key project milestones. We have attached a performance improvement plan template to assist you in completing the details required.

The requested information should be provided to the PAFA by [insert date]. Your case will be reviewed at the March PAC meeting which is currently scheduled for [insert date], at which the PAC will agree your plan. If you are already on a plan for another area, this is in addition to that current plan and will be applied in line with what is outlined above. Please ensure that you provide information as outlined in this letter and not provide material reflective of what has been provided historically.

Thank you in advance for your assistance and support in this matter.

Yours sincerely,

Talia Latimore
Head of Performance Assurance, PAFA
On behalf of the PAC
If you have any queries about this letter, please contact PAFA@gemserv.com.

Commented [AJ1]: Need to explain the next steps. i.e. PAC agree their plan, might be required to present it etc. Don't need to mention further techniques.
Need to explain what to do if they are already on a plan
Need to explain that they need to check the new approach and not assume that what was provided last time will be appropriate etc.