

# 0575:

## Consider the Performance Assurance Reporting Requirements for Transporters



Proposer: ScottishPower

Panel Date: 17<sup>th</sup> March 2016

# Why change?



- Ofgem recently approved Modification 0506V, establishing a Performance Assurance framework. Transporters, Shippers and the Transporters' Agent are all subject to the scheme
- MOD506V proposed that Parties performance should be monitored to understand activities that impact on settlement accuracy (potentially with a view to incentivising performance)
- During the PAF development Ofgem instructed a study to look at the risks to settlement accuracy post-Nexus, which found that there could be risk imposed on the settlement process through performance of the Gas Transporters. These risks were:
  - Identified LDZ Offtake Metering Error
  - Undetected LDZ Offtake Metering Error
- The Proposer therefore had discussions with some Transporters about the regimes around metering error
- Whilst the Transporters have checks in place around Offtake meters there is no general visibility of the regime to allow Shippers to understand this, or give assurance of how these checks are being performed, to ensure that the potential for metering errors is minimised
- In addition the Transporters are replacing orifice plate meters with new technology and therefore the Proposer believes that it is an opportune time to understand the change to the regime that the Transporters are proposing and any amendments that they are making to the monitoring/assurance regime.

# Scope



- It is proposed that the Review should consider all forms of offtake metering, to understand the current and proposed regime of checks in respect of:
  - The Offtake Arrangements Document
  - Measurement Error Notification Guidelines
  - The audit arrangements between the GDNs and NGT
  - The work of the Gas Examiner
- This will allow a picture of the landscape of checks to be set out for Shippers
- To conclude the work it is proposed that recommendations are made around best practice and what the Gas Transporter reporting under the Performance Assurance Framework should look like

# Recommended Steps



- The Proposer recommends that this modification should:
  - sent to the Offtake Arrangements Workgroup for consideration; and
  - subject to a number of workshops considering the information and issues, report back to Panel at the end of May 2016