

respect > commitment > teamwork

Performance Assurance Framework

12th June 2013

1

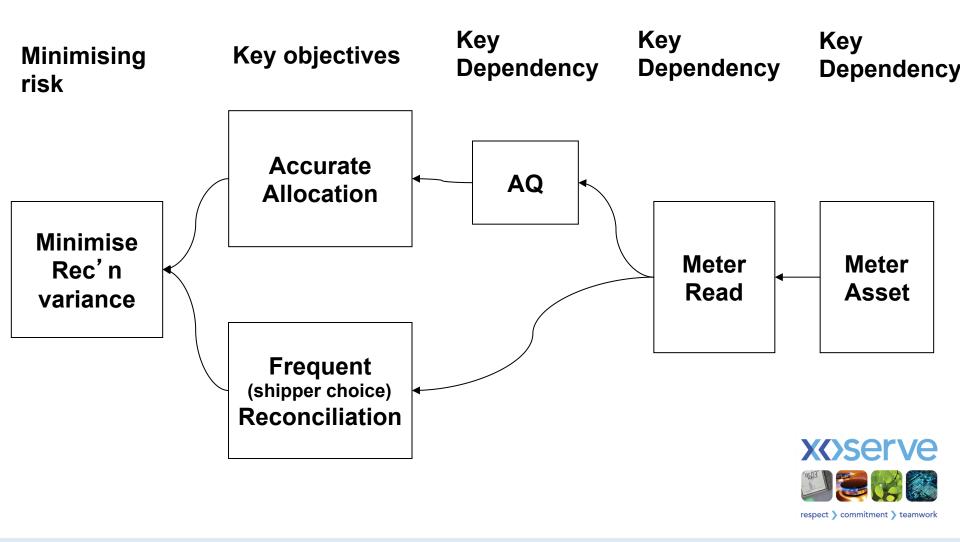
- The integrated nature of the gas industry means that poor performance is felt by all parties
- Currently under the RbD mechanism LSP parties actions impact SSP parties
- Under modification 432 Project Nexus Settlement Reform, all parties will impact each other. This creates financial exposure, risk and uncertainty
- To meet this aim the Industry is:
 - Identifying what should be measured
 - Identifying the performance targets/standards
 - Considering an incentive regime on poor performers



- The PAF framework is expected to operate following implementation of modification 432
- Read Performance, RGMA & AQ appear to be the primary features of a PAF Framework (rejection analysis may be valuable in determining why a read/RGMA submission has rejected and the steps required for successful submission – should this be a feature of PAF?)
- Under 432 discussions the community chose not to increase the read performance standards, should this decision be re-visited in the future?
- In order to support PAF and Data Cleansing, is it time to remove the anonymity from the Industry?



Reducing risk



UK Link Replacement Data Cleansing

- Modification 432 will include:
 - a change to meter read validations
 - implementation of individual meter point reconciliation
 - Effectively a re-introduction of the reconciliation scaling adjustment
- The "back-stop" processes of USRVs and AQ Amendments will cease to exist. A read, once loaded, will be used for reconciliation and (where applicable) AQ calculation
- For some time Xoserve has been highlighting data topics that will impact a Shipper's ability to submit a meter reading and affect the calculation of consumption





- The topics that impact AQ and reconciliation and require resolution are evident today
- USRV's (circa 60,000 in 2012)
- No reads loaded for [x] years (70,000 supply meter points no reads loaded for over 4 years – note reads appear to be available for 58,000 supply meter points)
- Correction factors of zero (circa 200 meters)

THESE MUST BE CORRECTED BEFORE 432 IMPLEMENTATION TO MINIMISE INDIVIDUAL SHIPPER ISSUES AND COMMUNITY RISK

