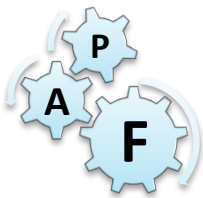


Performance Assurance Framework Workgroup

**Value Chain Update
October 2014**



Performance Assurance Framework Board

1) Establish & Identify Scheme

1.1) Define Scheme Principles

1.2) Establish Governance Route

1.3) Define Objectives

1.4) Identify Industry Stakeholders

1.5) Define Participant Roles

2) Manage Performance Assurance Scheme

2.1) Monitor Industry Stakeholder Performance

2.2) Monitor Industry Reporting

2.3) Capture, Evaluate & Manage Risk

2.4) Set & Publish Performance Targets

3) Operate the Framework

3.1) Maintain PAF Committee Stakeholders

3.2) Analyse Data

3.3) Report Performance

3.4) Incentive Settlement

4) Review & Modify Scheme Deliverables

4.1) Obtain Industry Feedback

4.2) Review the Framework

4.3) Review Scheme Operation

5) Evolve Scheme

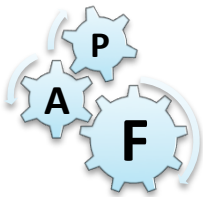
5.1) Manage Change Requirements

5.2) Review Framework Committee

5.3) Publish Review Findings

6) Support Industry Stakeholders

6.1) Educate & Support Industry Stakeholders



1) Establish & Identify Scheme

Allows the Performance Assurance Framework Scheme to be defined and all of the underlying principles to be determined.

1.1) Define Scheme Principles

1.1 Define Scheme Principles: Define and agree on the principles under which the Performance Assurance Framework Scheme will operate.

1.2) Establish Governance Route

1.2 Establish Governance Route: Define and confirm appropriate governance routes to be employed by the Performance Assurance Framework Committee.

1.3) Define Objectives

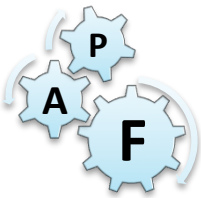
1.3 Define Objectives: Defining the objectives and scope to be delivered by the Performance Assurance Framework Committee.

1.4) Identify Industry Stakeholders

1.4 Identify Industry Stakeholders: Allows the Performance Assurance Framework Committee to identify all relevant industry stakeholders.

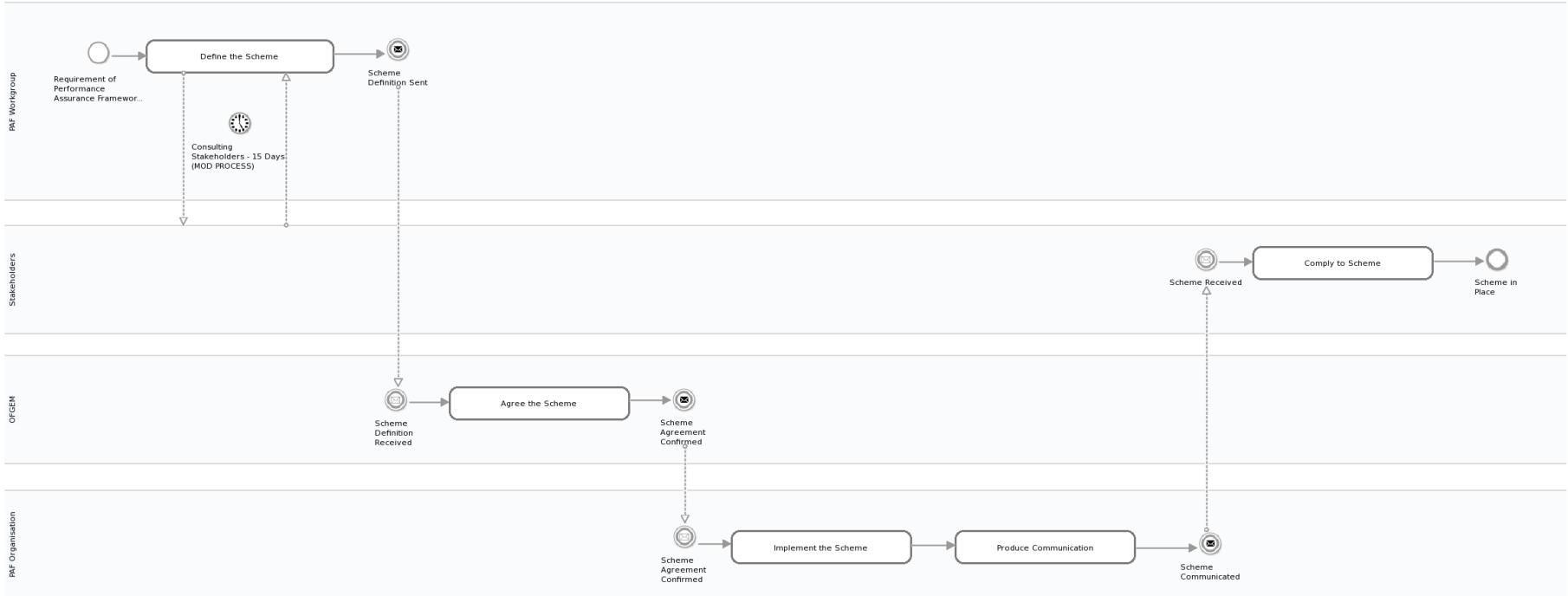
1.5) Define Participant Roles

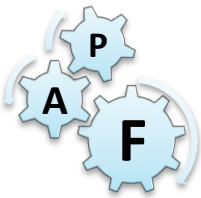
1.5 Define Participant Roles: Define the roles under that Performance Assurance Framework participants will perform and adhere to.



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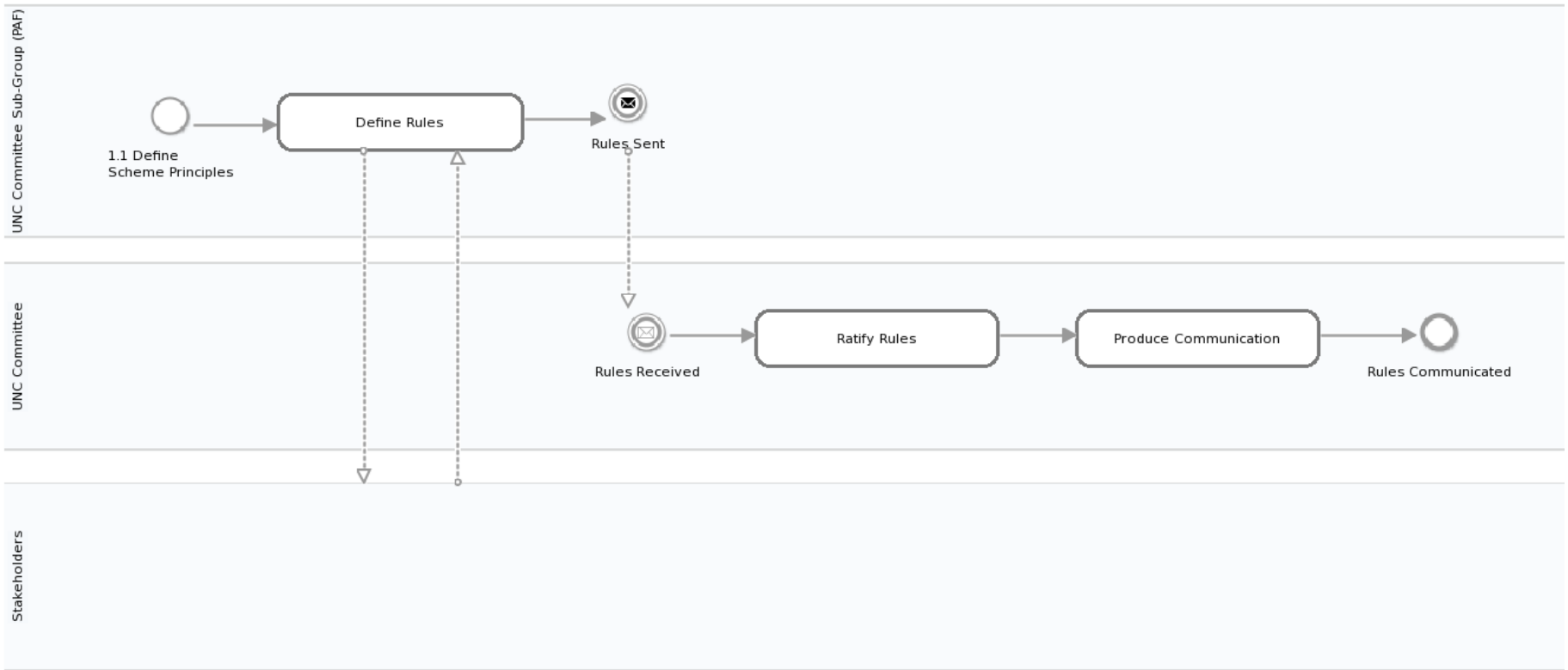


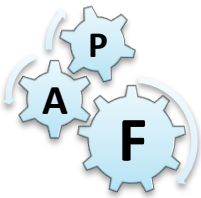


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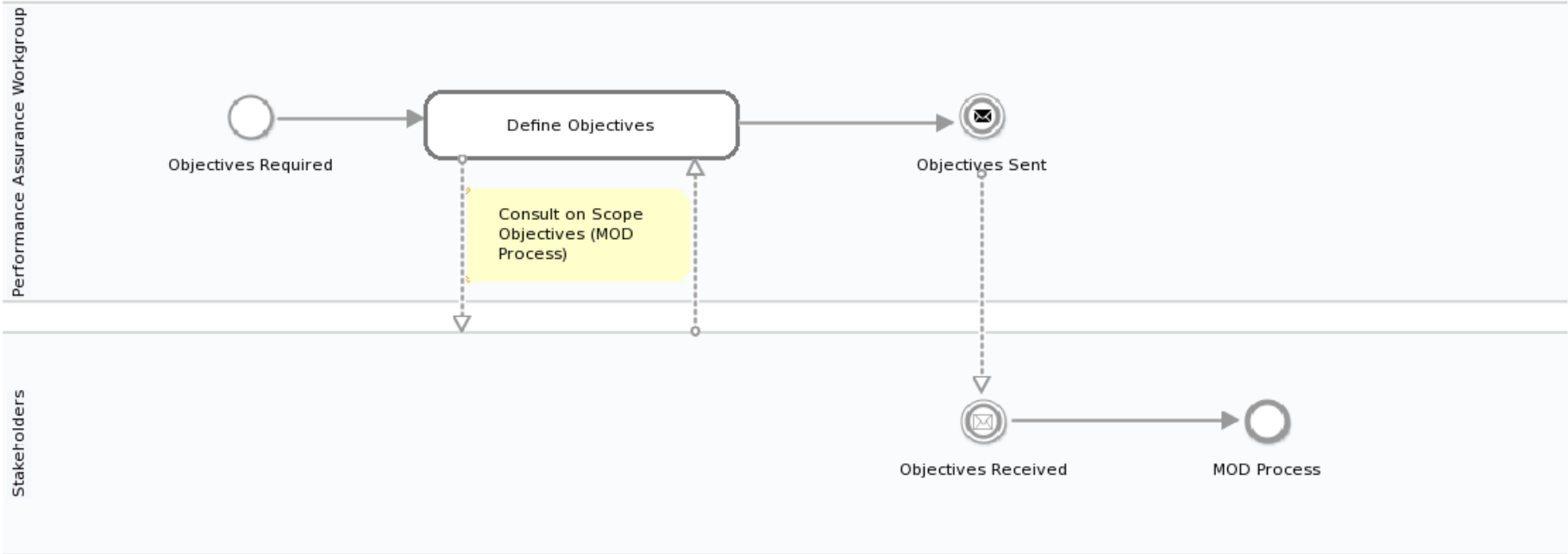
* Assumption (October 2014) that UNCC would be responsible for ensuring the administration of the Scheme (MOD 506)





1.3) Define Objectives

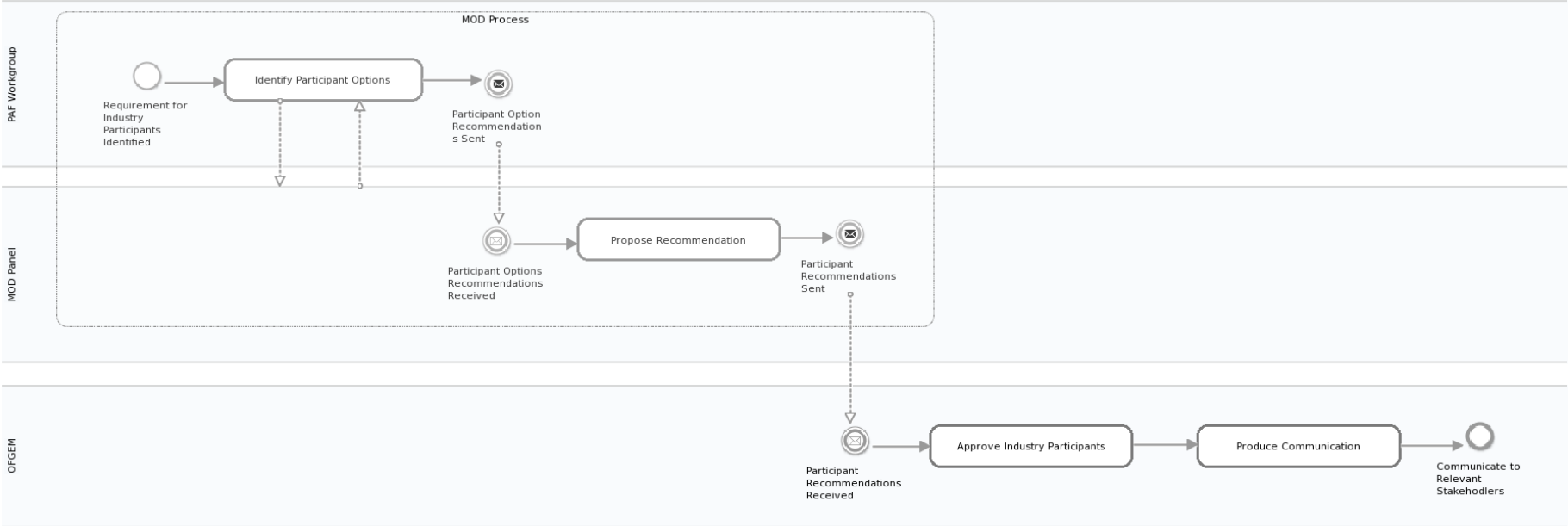
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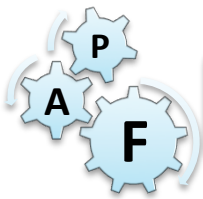




1.4) Identify Industry Stakeholders

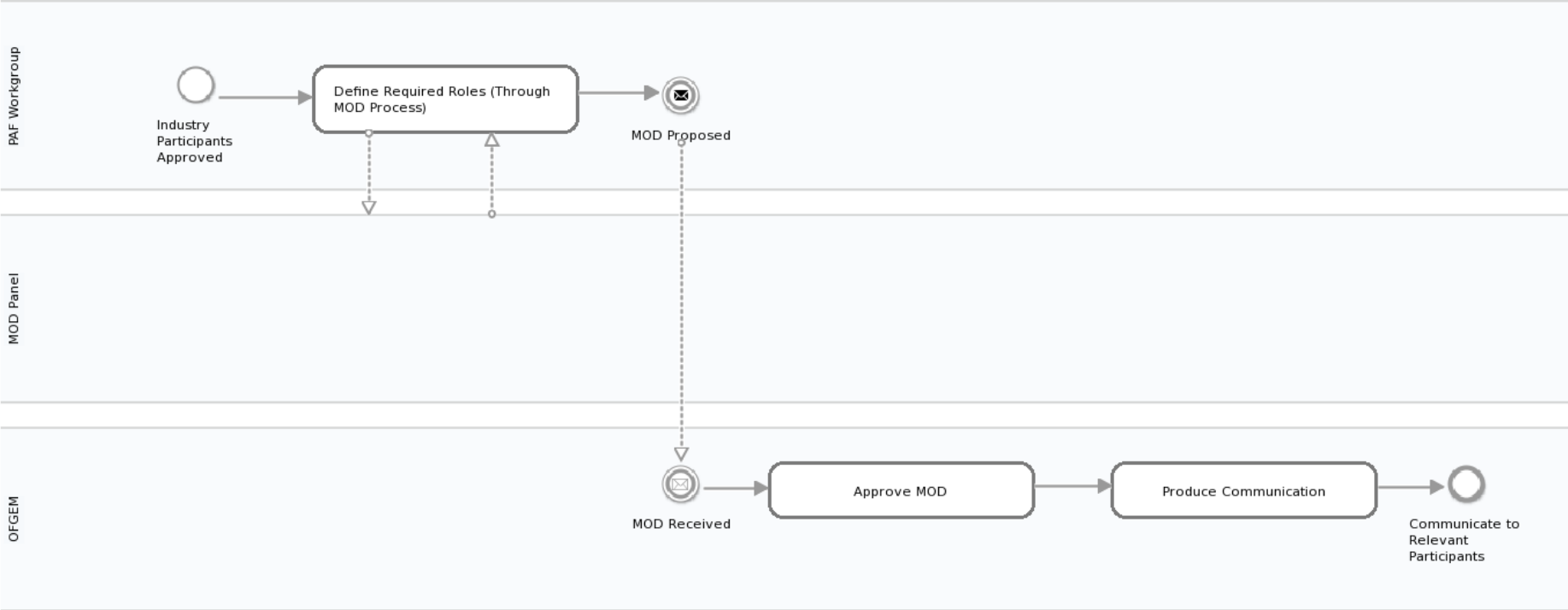
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1.5) Define Participant Roles

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Manage Performance Assurance Scheme

To ensure that performance, risks and targets are managed effectively under the Performance Assurance Framework Scheme.

2.1) Monitor Industry Stakeholder Performance

2.1) Monitor Industry Stakeholder Performance: Allows the Performance Assurance Framework Committee to effectively monitor the performance of all industry Stakeholders to ensure that no financial gain is gained through settlement.

2.2) Monitor Industry Reporting

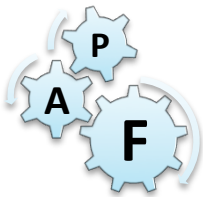
2.2 Monitor Industry Reporting: Enables the Performance Assurance Committee to monitor the creation and delivery of all industry reporting within agreed Service Level Agreements.

2.3) Capture, Evaluate & Manage Risk

2.3 Capture, Evaluate and Manage Risk: To effectively manage the risk register in line with all agreed Performance Assurance Framework objectives.

2.4) Set & Publish Performance Targets

2.4 Set & Publish Performance Targets: Allows the Performance Assurance Framework Committee to set and publish targets relating to Stakeholder performance.



3) Operate the Framework

Allows the Performance Assurance Framework Scheme to operate under the proposed guidelines.

3.1) Maintain
PAF
Committee
Stakeholders

3.1 Maintain Performance Assurance Committee Stakeholders: Enables the Performance Assurance Framework Committee to provide appropriate knowledge and support to new and existing industry Stakeholders.

3.2) Analyse
Data

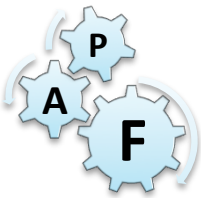
3.2 Analyse Data: Allows the Performance Assurance Framework Committee to analyse the required Settlement data to ensure that the industry operates equitably.

3.3) Report
Performance

3.3 Report Performance: Allows the Performance Assurance Framework Committee to provide the relevant industry Stakeholders with their performance reports.

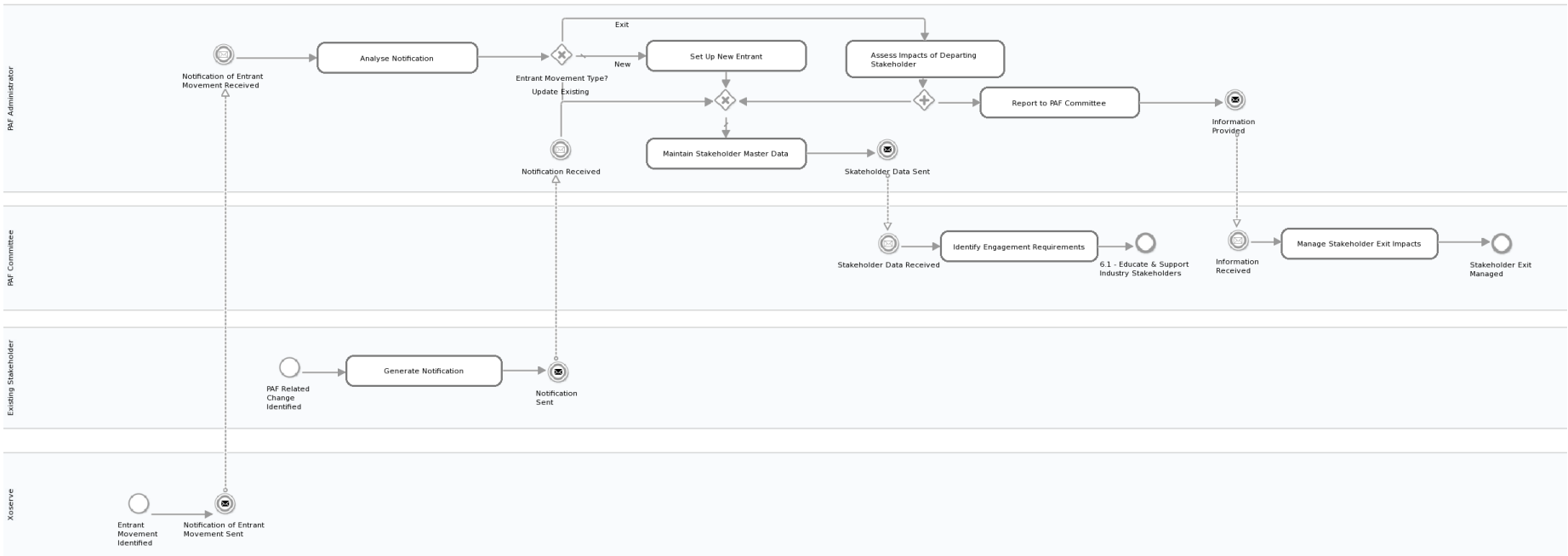
3.4) Incentive
Settlement

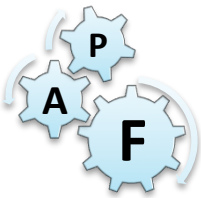
3.4 Incentive Settlement: Allows the Performance Assurance Framework Committee to invoice the relevant charges to applicable industry Stakeholders.



3.1) Maintain PAF Committee Stakeholders

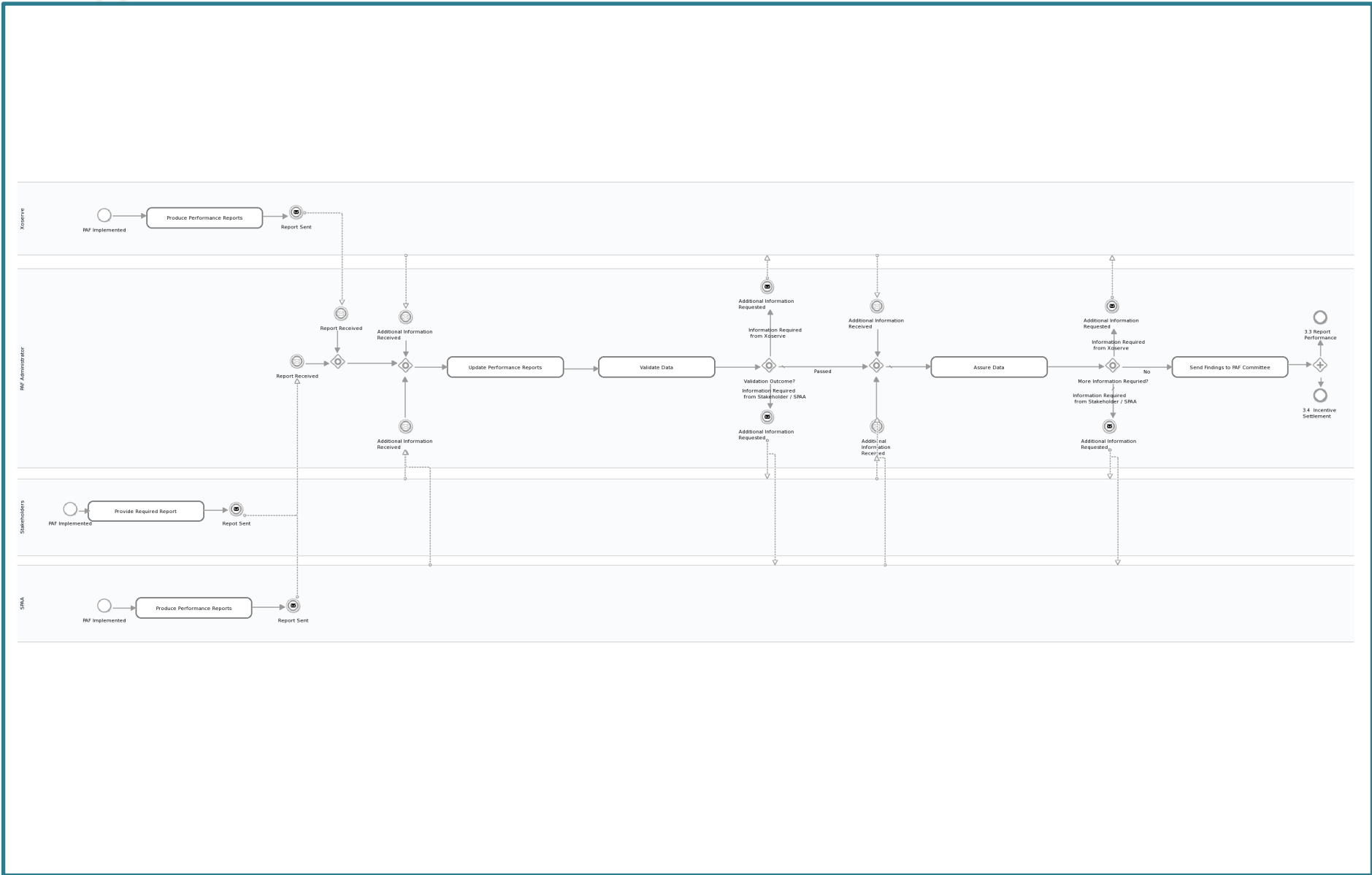
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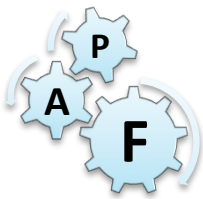




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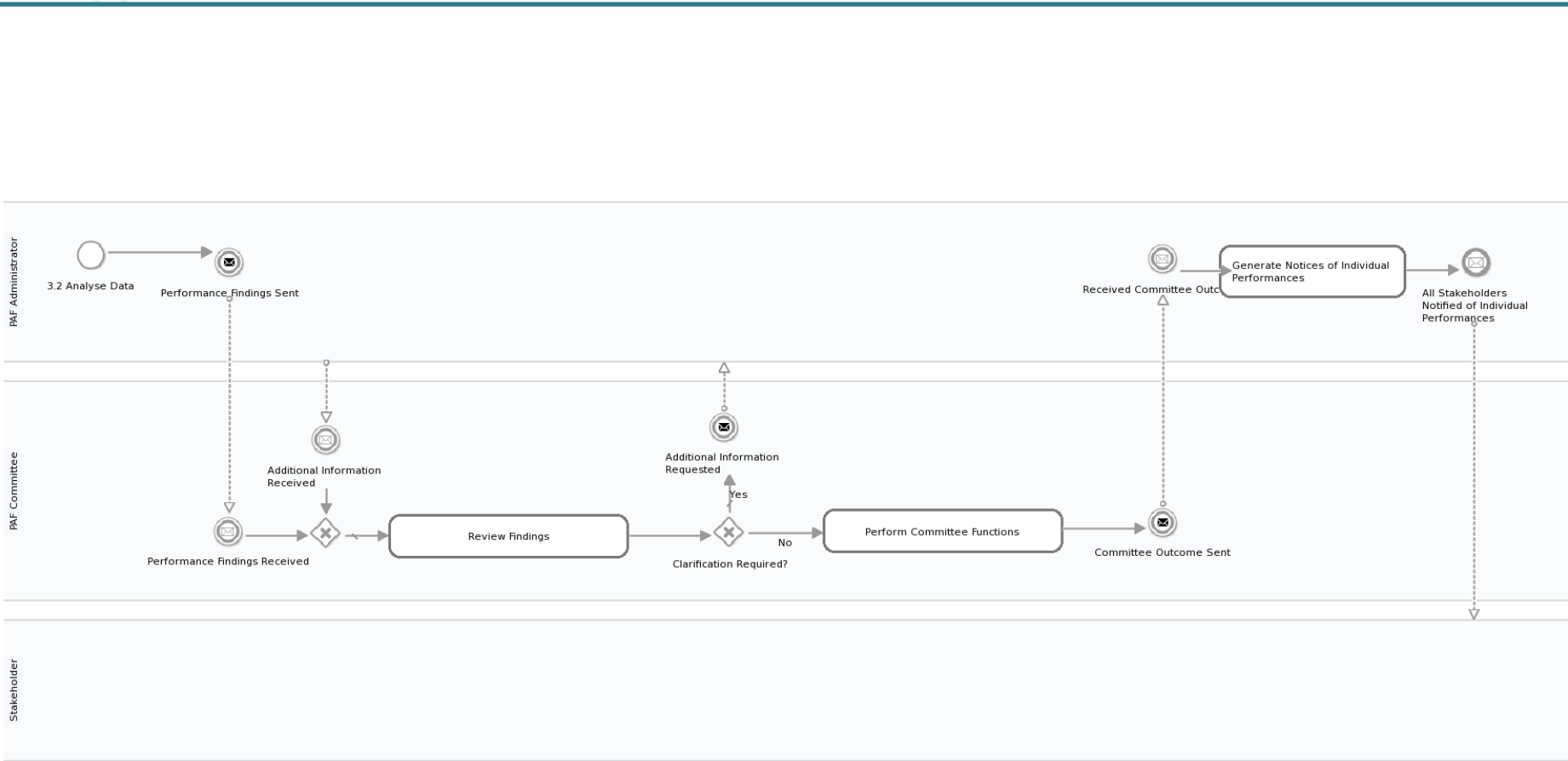
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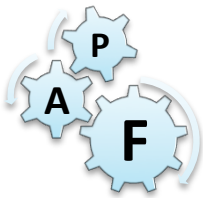




3.3) Report Performance

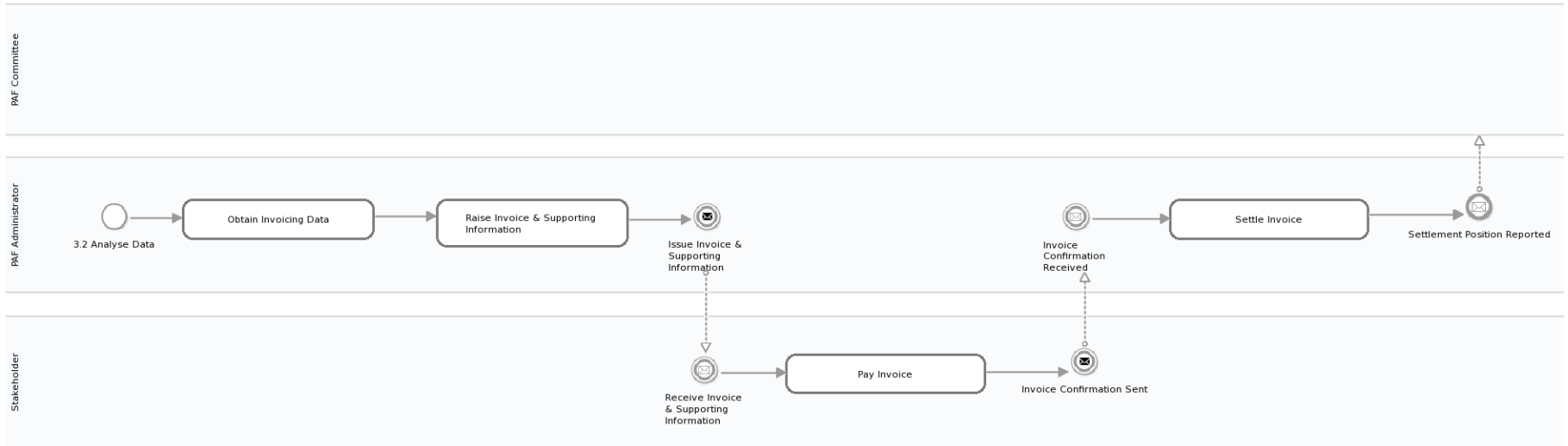
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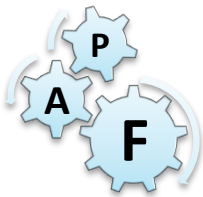




3.4) Incentive Settlement

3.4 Incentive Settlement: Allows the Performance Assurance Framework Committee to invoice the relevant charges to applicable industry Stakeholders.





4) Review & Modify Scheme Deliverables

On a (TBD) basis the Performance Assurance Framework Committee will review the scheme's principles, deliverables and documentation to ensure they are fit for purpose and make any required amendments.

4.1) Obtain Industry Feedback

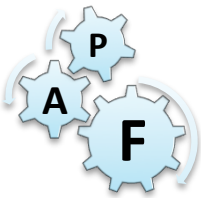
4.1 Obtain Industry Feedback: Obtain and record feedback from all Performance Assurance Scheme participants to ensure that the scheme is fit for purpose.

4.2) Review the Framework

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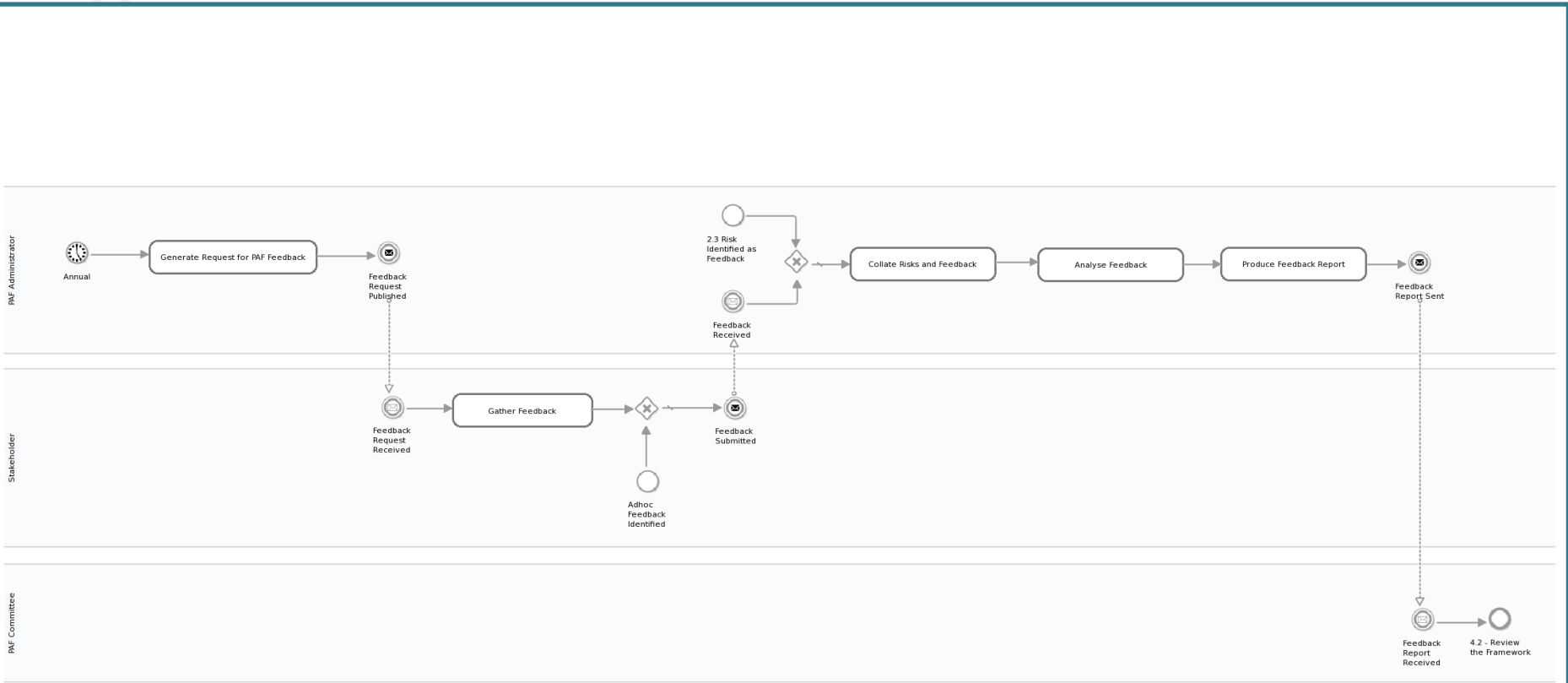
4.3) Review Scheme Operation

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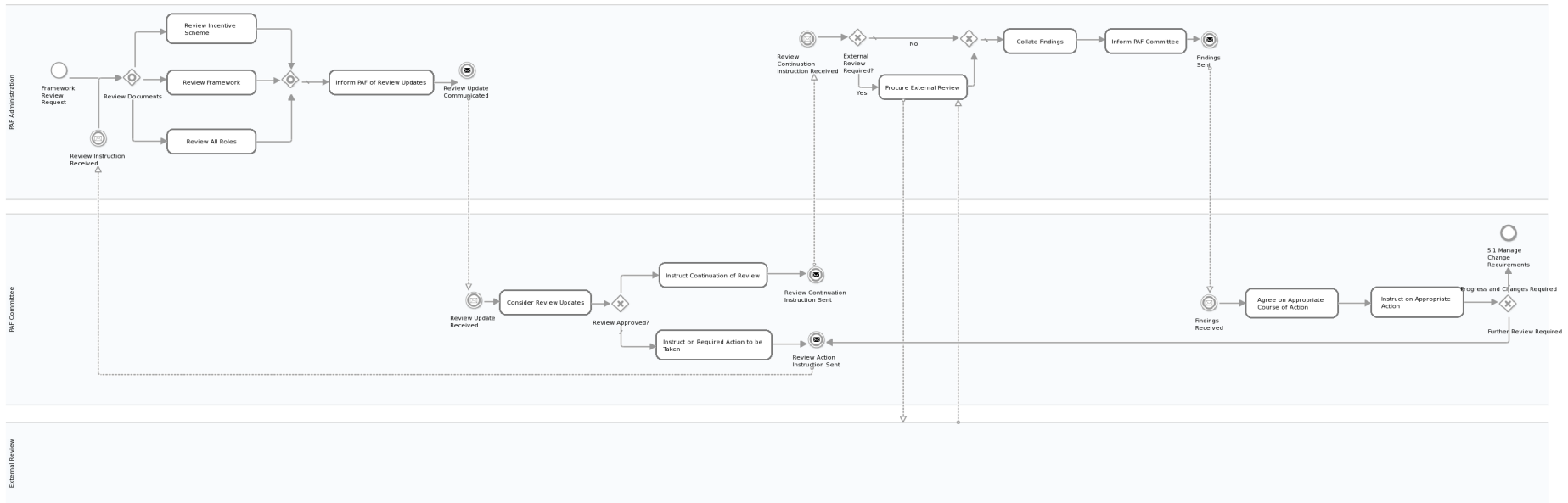
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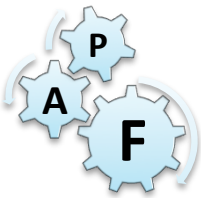




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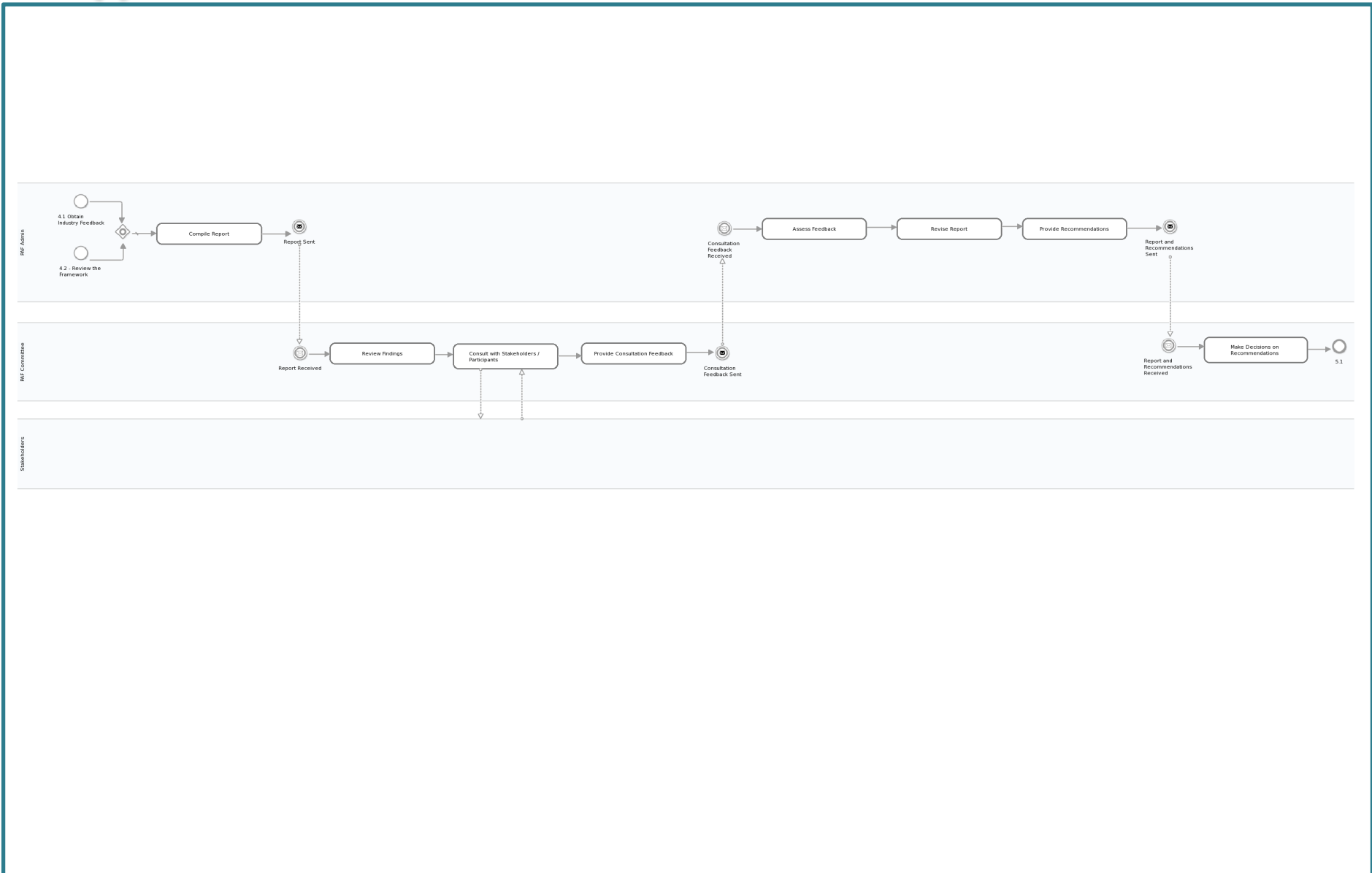
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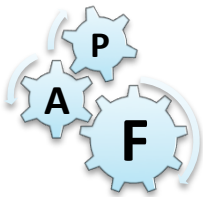




4.3) Review Scheme Operation

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5) Evolve Scheme

Enabling the Performance Assurance Framework Committee to raise UNC Modifications or make recommendations to the industry based on the information they have obtained.

5.1) Manage Change Requirements

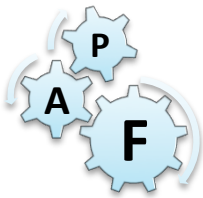
5.1 Manage Change Requirements: Enables the Performance Assurance Framework Committee to raise the necessary UNC Modifications that will allow the Performance Assurance Framework Scheme to continue to operate effectively.

5.2) Review Framework Committee

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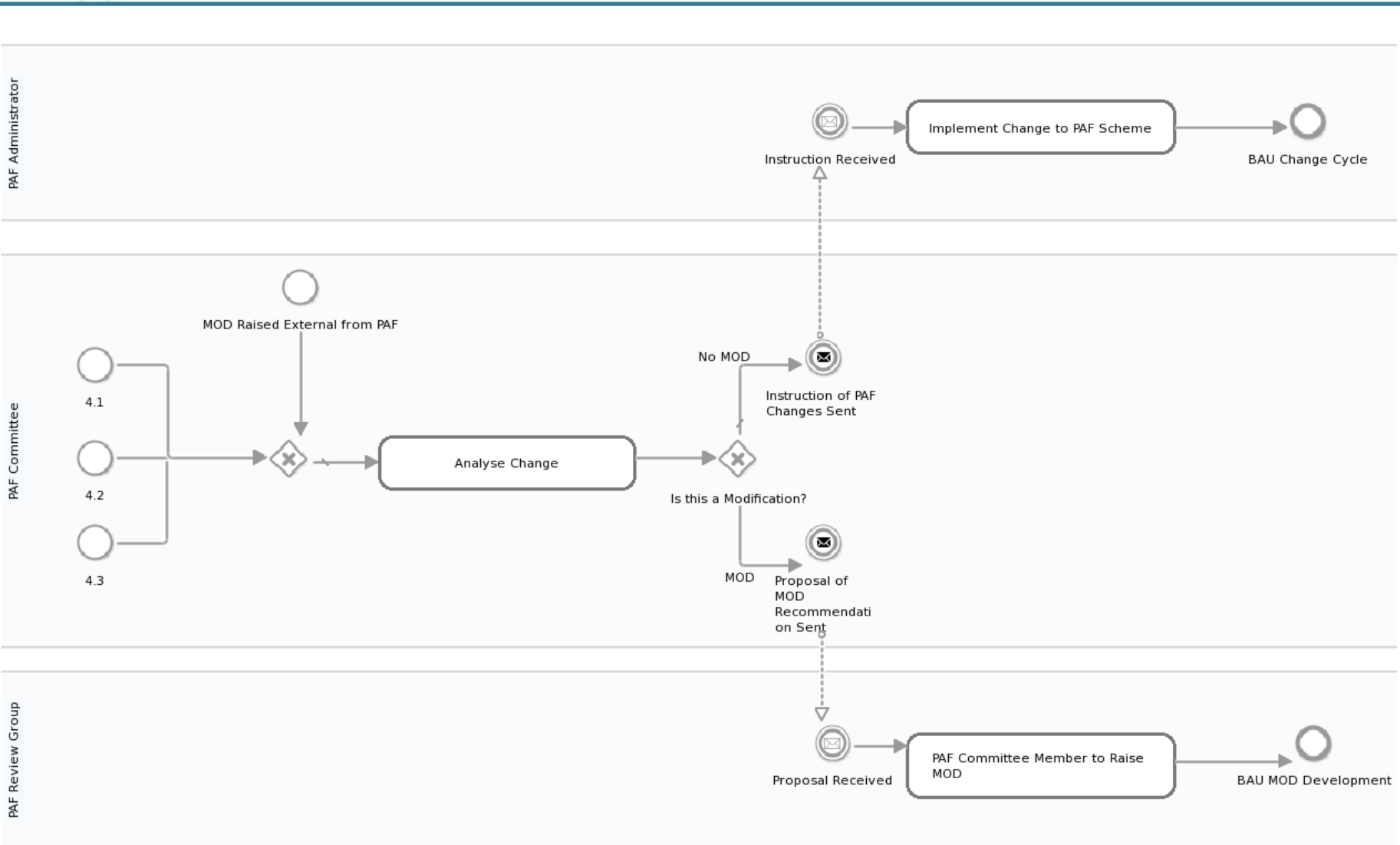
5.3) Publish Review Findings

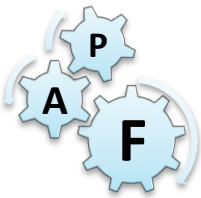
5.3 Publish Review Findings: Provides industry Stakeholders with a published review on a (TBD) basis.



5.1) Manage Change Requirements

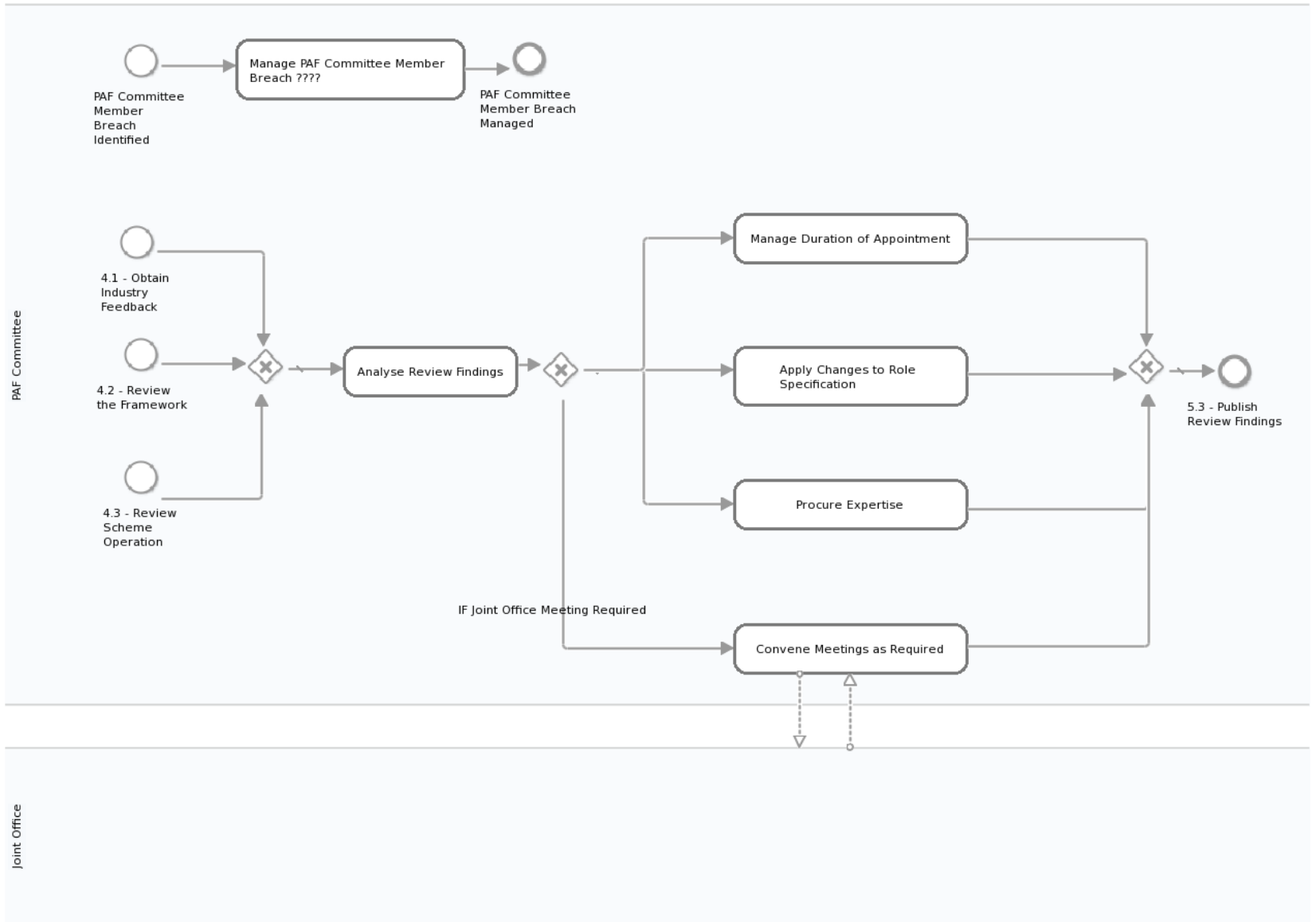
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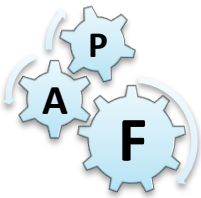




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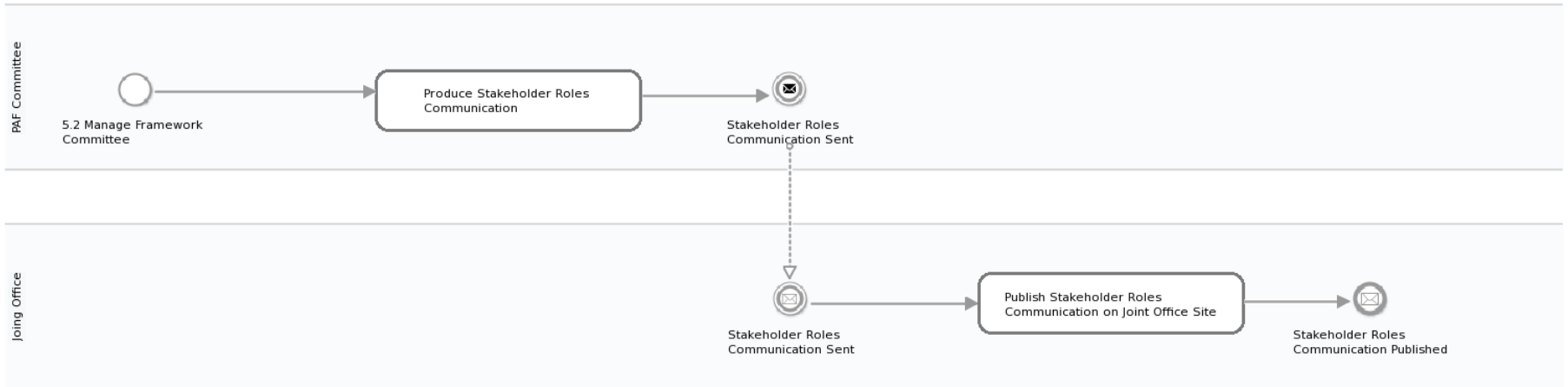
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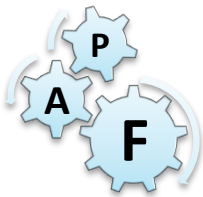




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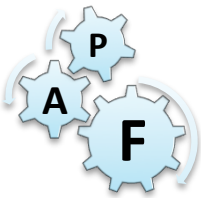


6) Support Industry Stakeholders

To provide support and guidance to industry Participants in relation to the operation of the Performance Assurance Framework Committee and Scheme.

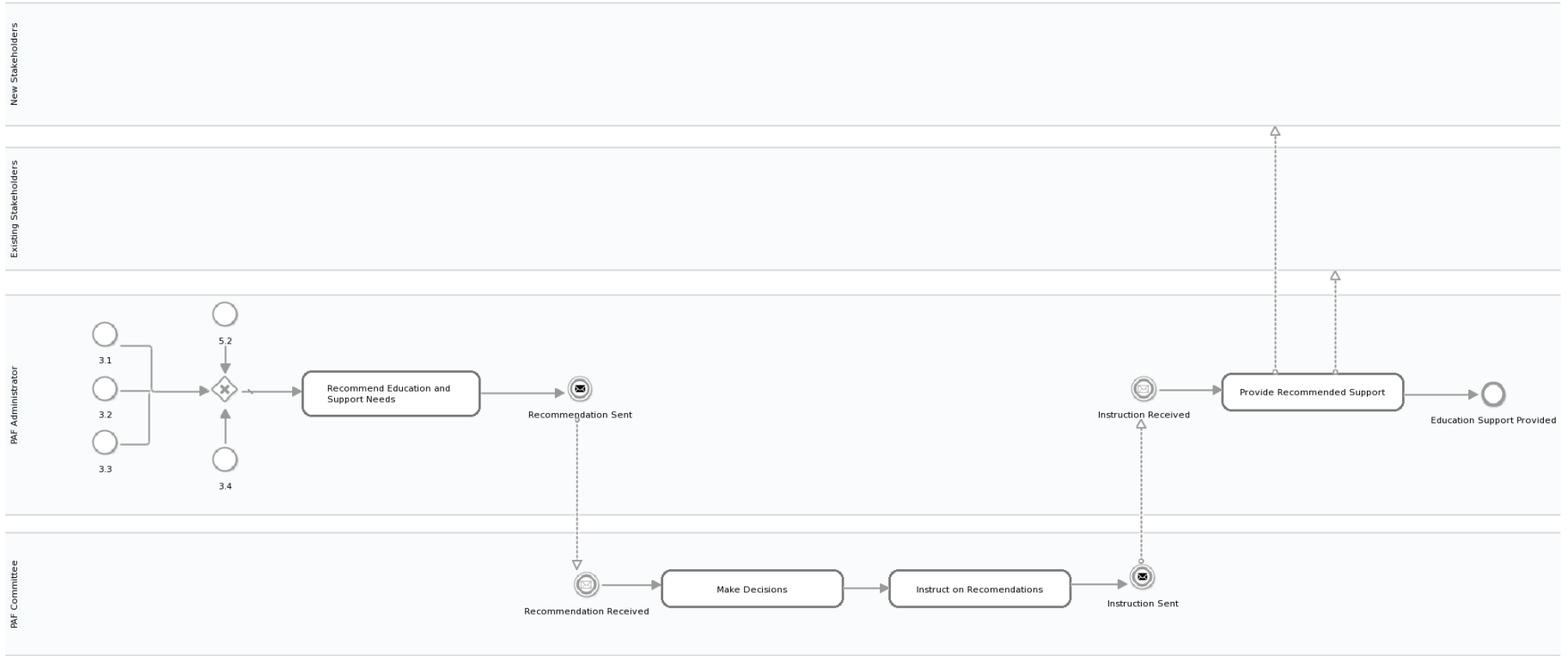
6.1) Educate & Support Industry Stakeholders

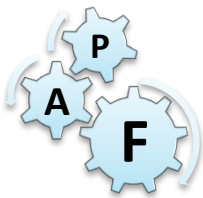
6.1 Educate & Support Industry Stakeholder: Provides the Performance Assurance Framework Committee with the opportunity to educate and support industry Stakeholders on their roles and responsibilities within the operation of the Scheme.



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Additional Captured Items...

Business Rules

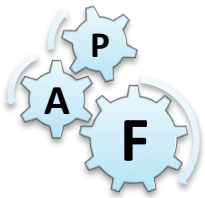
- Evolving Scheme based on: Performance, Review of Framework and Industry Change
 - Review of the Scheme (PAF's Function) - *Linking to Audit & Review areas*
 - Risk based methodology including the materiality of the risks and appropriate scoring
 - The Framework will define Stakeholder roles, e.g.: Xoserve, PAF Administrator, PAF Committee
 - The Framework will support all types of Shipper: small, large, NDM and DM.
 - Stakeholders to be wider than UNC, e.g.: Metering Providers, SPAA, Suppliers and iGTs.
 - Modifications are required to establish PAF.
-

Requirements

- Managing Risk – ability to Report, Analyse, Investigate and Propose solutions.
 - Auditing – who will undertake this and how will they be determined?
 - Reporting and Analysing – parameters and tolerances of failure need to be set in order to allow for ease of reporting and analysis.
 - Managing Stakeholders and Participants – offering on Qualification, Education, Training and Support.
 - Determination of: PAF Committee reviewing, an annual audit and reviewing of the scheme.
-

Risks / Issues / Assumptions

- A) Undertaking reporting to be done by current Xoserve reporting (estimated that Xoserve's current reports already cover PAF reporting requirements 80/20)
 - R) Controlling the Scheme – where does this lie under 'Manage the PAF Framework'?
 - R / I) Monitoring of identifying and reviewing risks ... Is this evolving and what if new risks arise?
 - I) How will queries/disagreements/challenges be managed?
 - I) Exceptions – will PAF have any exception clauses against specific or all incentives?
 - R) Missing oversight across– UNC Committee to PAF Committee , PAF Committee to PAF Administrator etc...
-



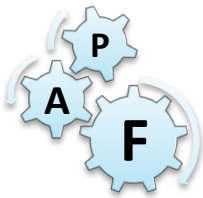
Additional Captured Items continued...

Car Park

- Educating – Identifying where support is required and if Xoserve cannot undertake the analysis role, how can they offer advice?
 - Evolution of the Scheme – Is a high level understanding of the Industry Strategy required so that the evolution and development of the scheme can be proactive?
 - What if a Stakeholder / Participant discontinues part way through or post incentives but before the charge has been collected.
-

Next Steps

- Define Exceptions: to the Scheme and to the Incentives.
 - Define Governance Roles: UNC Committee and PAF Committee
 - Define reporting requirements - WHAT, WHEN , WHO
 - Define Performance Targets: Xoserve, PAF Committee, PAF Administrator and Shipper targets.
-



Car Park 30/9 & 1/10

- 1.1 Role terms (duration) to be included
 - 1.1 Audit definition to be included. Is this the responsibility of the Administrator?
 - 1.1 Controlling parties, etc.
 - 1.1 Include maintenance of the PAF Review Group to assist in the raising of MODs, etc.
 - 1.2 Invoicing principals to be derived and defined
 - 3.4 Credit Management
 - 4.1 Include all feedback
 - Re-use (if possible) the Meter Read Agency (MRA) and SPAA breach rules
 - The role of the administrator should be benchmarked against other similar industries
-