

Modification 520 - Performance Assurance Reporting

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on behalf of

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Date : 18th December 2014



Background

- The Performance Assurance Workgroup was formed in January 2013
- The Performance Assurance Workgroup objective is “*To ensure that gas settlement has accurate allocation, control, self monitoring and governance post Project Nexus so that no commercial advantage can be derived from settlement*”
- Two modifications (Mod 483 & 506) have been raised to introduce an incentive regime and new governance arrangements
- The Performance Assurance Workgroup agreed to introduce reporting arrangements for the key industry inputs which impact accurate settlement allocation

Why Change

- The UK Link system is being replaced
- The UK Link replacement system, known as Nexus will deliver benefits such as improved settlement arrangements, meter point reconciliation and more accurate cost allocation
- Reporting will provide transparency and assurance that Nexus is functioning correctly

Options

1. To allow parties to produce their own reporting
2. To introduce detailed reporting requirements into the UNC
3. **To introduce a UNC guidance document detailing the detailed reporting requirements**

Solution

- To introduce reporting arrangements via a guidance document detailing for the key industry inputs which impact accurate settlement allocation
- The Performance Assurance reporting modifications are separate, so that one change does not need to delay the other
- The change is not self governance due to the potential impact of naming individual parties performance

Next steps

The Proposer recommends that this modification should be:

- Not subject to self-governance because the reporting will identify individual User performance and this could have a material effect on:

Competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.

- Sent for Workgroup assessment for 4 months to develop the modification