

0520: Performance Assurance Reporting

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification is to introduce lower level industry performance reporting.



The Proposer recommends that this modification should be:

- assessed by a Workgroup



High Impact: None



Medium Impact: Shippers



Low Impact: Transporters

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About this document:		 enquiries@gasgovernance.co.uk																
<p>This modification will be presented by the Proposer to the Panel on 18 December 2014.</p> <p>The Panel will consider the Proposer's recommendation and agree whether this modification should be:</p> <ul style="list-style-type: none"> referred to a Workgroup for assessment for 4 months. 		 0121 288 2107																
<p>The Proposer recommends the following timetable: <i>(delete as appropriate)</i></p> <table border="1"> <tbody> <tr> <td>Initial consideration by Workgroup</td> <td>13 January 2015</td> </tr> <tr> <td>Amended Modification considered by Workgroup</td> <td>N/A</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>16 April 2015</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>17 April 2015</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>tbc</td> </tr> <tr> <td>Variation Request presented to Panel</td> <td>N/A</td> </tr> <tr> <td>Final Modification Report presented to Panel</td> <td>21 May 2015</td> </tr> <tr> <td>UNC Modification Panel decision</td> <td>21 May 2015</td> </tr> </tbody> </table>		Initial consideration by Workgroup	13 January 2015	Amended Modification considered by Workgroup	N/A	Workgroup Report presented to Panel	16 April 2015	Draft Modification Report issued for consultation	17 April 2015	Consultation Close-out for representations	tbc	Variation Request presented to Panel	N/A	Final Modification Report presented to Panel	21 May 2015	UNC Modification Panel decision	21 May 2015	 Andrew.margan@centrica.com  07789 577327 Transporter: Northern Gas Networks Systems Provider: Xoserve  commercial.enquiries@xoserve.com
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1 Summary

Is this a Self-Governance Modification?

Self Governance should not apply to this modification because the reporting will identify individual User performance and this change 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.

Why Change?

The new gas settlement regime introduced as part of the Project Nexus arrangements is expected to offer wide benefits to the industry, however it is also recognised that new risks may be introduced. The gas Performance Assurance Workgroup (PAW) was established by the Uniform Network Code (UNC) Modification Panel to consider the development of a framework that can help to ensure the gas settlement risks are understood, and to provide assurance that the actions of parties are not inappropriately allocating costs to others.

Given the value of energy that is delivered throughout GB each day, any small percentage of inaccuracy in aggregate allocation is potentially significant. The volume of un-reconciled energy after any period is dependent upon accurate and timely data provision, including asset and available consumption data.

The transparency of individual User and industry performance will be a key component in ensuring Nexus functions effectively and ensures the objective of User and industry performance is maintained or potentially improved.

This modification is expected to be one of a series of modifications around Performance Assurance, each of which should be able to be developed independently and implemented at different times as required. For the avoidance of doubt it is intended that this modification be implemented without reliance on any other modification.

Solution

This modification proposes to introduce reporting arrangements for the key industry inputs which impact accurate settlement allocation.

Relevant Objectives

This proposal will have a positive impact on relevant objectives d) Securing of effective competition by reporting User data input performance in elements related to settlement accuracy and with improved data quality the proposal should further relevant objective a) Efficient and economic operation of the pipe-line system.

Implementation

No implementation timescales are proposed.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This modification is related to the UK Link Replacement project, aka Nexus, but will not have an impact on the signed off requirements or system delivery timescales. The new UK Link replacement system has reporting functionality built into the current specification. This change will give the relevant Transporters the legal vires to produce reports from available industry data.

2 Why Change?

As part of the outcome of the last Gas Distribution price control review, it was agreed that funding should be available to support a major IT systems investment programme by the Transporters' agent, Xoserve.

This major systems investment for UK Link Replacement provides an opportunity to consider whether the existing UNC requirements remain appropriate. Whilst the new regime is expected to offer benefits, it is also recognised that new risks may be introduced. As a result the gas Performance Assurance Workgroup (PAW) was established by the Uniform Network Code (UNC) Modification Panel to consider the development of a framework that can help to ensure the gas settlement risks are understood, and to provide assurance that the actions of Users are not inappropriately allocating costs to others.

Given the value of energy that is delivered throughout GB each day, any small percentage of inaccuracy in aggregate allocation is potentially significant. The volume of un-reconciled energy after any period is dependent upon accurate and timely data provision, including asset and available consumption data. Therefore PAW has identified the necessity for individual User and industry performance reporting, for the key industry inputs which impact accurate settlement allocation.

The transparency of individual User and industry performance will be a key component in ensuring UK Link Replacement functions effectively, the key benefits are realised and ensures User and industry performance is maintained or potentially improved.

This modification is expected to be one of a series of modifications around Performance Assurance, each of which should be able to be developed independently and implemented at different times as required. For the avoidance of doubt it is intended that this modification be implemented without reliance on any other modification.

This will also allow the other Performance Assurance Incentive Regime (UNC 0483)¹ and Gas Performance Assurance Framework and Governance Arrangements (UNC0506)² modifications to be considered on their own merits and not potentially delay by other proposals.

The intension of this proposal is that this change provides Transporters the legal vires to produce reports from industry data. Available data could include UK Link Replacement data or other data. This position is taken as Users have access to their own data, whereas the Transporters have access to all User and industry data.

Performance Assurance Workgroup reporting subjects are documented in Appendix 1. This will be the starting point for the creation of a Performance Assurance Reporting guidance document. The detailed specification for each report will be developed at Performance Assurance Workgroup.

¹ www.gasgovernance.co.uk/0483

² www.gasgovernance.co.uk/0506

3 Solution

This modification will create the obligation for the relevant Transporters to produce and publish lower-level Performance Assurance reporting.

Business Rules

1. A UNC Performance Assurance Reporting guidance document will be created, detailing the specification for each report.
2. Reports will not be issued in an anonymised form and will detail individual Shipper party names.
3. Reports will be issued monthly.
4. The reports will be published on a publicly available website.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	The creation of the incentive regime is classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	Costs split will need to be defined and agreed at PAW.
Proposed charge(s) for application of User Pays charges to Shippers.	Shipper charges will split by Shipper market share throughput.
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	A cost estimate will need to be requested by PAW before this section can be completed.

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
b) Coordinated, efficient and economic operation of <ul style="list-style-type: none"> (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters. 	None

c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This proposals should have a positive effect on relevant objective d) Securing of effective competition. The reporting will allow for the monitoring of Shipper's data input performance in elements related to settlement accuracy and support an incentive regime to improve performance and reduce settlement risk.

This is expected to lead to more accurate and up to date information being held on Xoserve's system and therefore improve accuracy of settlement and information in relation to system utilisation and capacity needs.

This could further relevant objective (a), in particular if more up to date and accurate data allows the Transporters to understand system requirements in areas of constrained capacity.

5 Implementation

No implementation timescales are proposed. Ho

It is expected that implementation of the reporting will be post UK Link System implementation. The reports will be produced using available industry data and therefore will not impact the core design of the UK Link Replacement system.

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This change does not impact an SCR.

Post Nexus Implementation

The proposal is intended to use Nexus data for reporting, although it does not limit the Transporters from delivering the change for the current gas settlement regime, it is intended that the change will be implemented post Project Nexus Go-live.

7 Legal Text

Text Commentary

To be provided.

Text

To be provided.

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should not be subject to self-governance; and
- Progress to Workgroup assessment.

9 Appendix

PAW Reporting spreadsheet

Post Nexus	Reporting Required	Existing Report	Frequency	Party	Purpose / Benefit	Expected Action
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		s				
Subject						
Meter Reading submission*	Monitor of DM time critical 97% submission daily by 10am on GFD+1	NONE	Monthly	By Shipper	Ensures that Nexus processes are being operated efficiently and in accordance with rules in BRD and UNC.	Adherence to the rules. The proposed high-level gas settlement targets will require supplementary measurements to show whether the targets are being met in accordance with UNC.
	Monitor of DM , not time critical 97.5% submission by end of GFD+1	NONE	Monthly	By Shipper	As above	
	Monitor of Daily batched submission 90% in month	NONE	Monthly	By Shipper	As above	
	Monitor of Monthly MRF submission 90% in month	NONE	Monthly	By Shipper	As above	
	Monitor of SSP Annual 70% submission in 12 months	NONE	Monthly	By Shipper	As above	
	Monitor of LSP Annual 90% submission in 12 months	NONE	Monthly	By Shipper	As above	

Reading validity*	Number of reads where logic check failed	NONE	Monthly	By Shipper	As above	This is an indicator of process or data problems, so will aid improvement in processing or data quality.
	Number of reads rejected	NONE	Monthly	By Shipper	As above	This is an indicator of process or data problems, so will aid improvement in processing or data quality.
	Number of missing reads	NONE	Monthly	By Shipper	? Is this missing reads in a batch of daily reads submitted at the end of the month?	
	Number of consumption adjustments for DM sites	NONE	Monthly	By Shipper	As indicator of data quality.	Improvement in instances of getting the read right first time.
	Number of replacement reads outside of retrospective update process	NONE	Monthly	By Shipper	As above	Improvement in instances of getting the read right first time.
	Number of reads sent with override flag	NONE	Monthly	By Shipper	As above	This is an indicator of process or data problems, so will aid

						improvement in processing or data quality.
	Performance against check read obligation	NONE	Monthly	By Shipper	As above	Improvement in instances of getting the read right first time.
Product change	Number of accepted product changes by Shipper, showing multiple changes per MPRN	NONE	Monthly	By Shipper	? Indication of usage of process.	? What problems would be expected?
	Volume of class change rejections per Shipper by rejection reason	NONE	Monthly	By Shipper	? Indication of usage of process.	? What problems would be expected?
AQ update+	Number of DM time critical updates against 97.5% targets in the month	NONE	Monthly	By Shipper	Ensures that Nexus processes are being operated efficiently and in accordance with rules in BRD and UNC. Where reads are submitted, AQs should be recalculated.	Adherence to the rules. The proposed high-level gas settlement targets will require supplementary measurements to show whether the targets are being met in accordance with UNC.
	Number of DM not time critical updates against a	NONE	Monthly	By Shipper	As above	

	97.5% target in the month					
	Number of batched daily updates against a 90% target in the month	NONE	Monthly	By Shipper	As above	
	Number of periodic updates against a 90% target in the month	NONE	Monthly	By Shipper	As above	
	Number of SSP Annual updates against a 70% target in 12 months and 5.8% in month	NONE	Monthly	By Shipper	As above	
	Number of LSP Annual updates against a 90% target in 12 months and 7.5% in month	NONE	Monthly	By Shipper	As above	
	Number of MPRNs where the AQ calculation attempt has failed each month	NONE	Monthly	By Shipper	As above	
	MPRNs where an AQ has been uncalculated for more than [12] months each month	NONE	Monthly	By Shipper	As above	

	General AQ movements and trends for each Product set	NONE	Quarterly	By Shipper	Two purposes: 1. To highlight general consumption trends. 2. To highlight any discrepancies between shippers.	
	Use of AQ correction process and energy movement of correction	NONE	Monthly	By Shipper	The AQ correction process should be used minimally. High levels of usage indicates a process or data problem.	Improvement or correction of data and processing.
Reconciliation	Number of DM time critical updates against 97.5% targets in the month	NONE	Monthly	By Shipper	Ensures that Nexus processes are being operated efficiently and in accordance with rules in BRD and UNC. Where reads are submitted, reconciliation should occur.	Adherence to the rules. The proposed high-level gas settlement targets will require supplementary measurements to show whether the targets are being met in accordance with UNC.
	Number of DM not time critical updates against a 97.5% target	NONE	Monthly	By Shipper	As above	

	in the month					
	Number of batched daily updates against a 90% target in the month	NONE	Monthly	By Shipper	As above	
	Number of periodic updates against a 90% target in the month	NONE	Monthly	By Shipper	As above	
	Number of SSP Annual updates against a 70% target in 12 months and 5.8% in month	NONE	Monthly	By Shipper	As above	
	Number of LSP Annual updates against a 90% target in 12 months and 7.5% in month	NONE	Monthly	By Shipper	As above	
	MPRNs and AQ value where an no rec has been undertaken in more than [12] months	NONE	Monthly	By Shipper	As above	
	Value of unreconciled energy compared to reconciled energy	NONE	Monthly	By Shipper	As above	

	Reconciliation values and monetary value where they are [10%] greater than allocation	NONE	Monthly	By Shipper	As above	
	Number of and energy associated with DM re-syncs	NONE	Monthly	By Shipper	As above	
	Number of reconciliations that breach the [XXX] tolerance	NONE	Monthly	By Shipper	As above	
	Number of override flags used	NONE	Monthly	By Shipper	As above	
	How many MPRNs which have an override flag, but are unsuccessful	NONE	Monthly	By Shipper	As above	
	Number of market breaker instances	NONE	Monthly	By Shipper	As above	
	Energy volume and no of sites for LSP reconciliations which pre-date Nexus implementation	NONE	Monthly	By Shipper	As above	
Market Accuracy	Reporting of the allocation scaling adjustment	NONE	Monthly/Annually	By LDZ	This is an overall health-check of the system and	If a problem is highlighted, a review of the system is required.

					size of unidentified gas.	
	Reporting of reconciliation scaling adjustment	NONE	Monthly/Annually	By LDZ	This is an overall health-check of the system and size of unidentified gas.	If a problem is highlighted, a review of the system is required.
Retrospective update	Number of MPRNs, value and associated energy where the retrospective update has been used	NONE	Monthly/Annually	By Shipper	The retrospective update process should be used minimally. High usage indicates a process or data problem.	Correction of data and processes.
	Reasons, number & value e.g. Duplicate MPRNs, CF, dead MPRNs, replace reads, asset/meter update	NONE	Monthly/Annually	By Shipper	As above	
	Number and value of the transportation charge adjustment	NONE	Monthly/Annually	By Shipper	As above	
	Trend analysis of the use of the transportation charge adjustment	NONE	Monthly/Annually	By Shipper	As above	

Metering Error	Analysis of the Transporter metering errors	NONE	Monthly/Annually	By Transporter/by LDZ	Health-check of the transporters' processes and indication of the impact inaccuracies have on shippers.	
Post-Nexus iGT						
New Connections	Number of MPRNs where a pre-auto confirm has been sent		Monthly	By Shipper		
	Number of responses received within 15 days		Monthly	By Shipper		
	Volume associated with responses disputed in 15 days		Monthly	By Shipper		
	Number of Shipper queries upheld		Monthly	By Shipper		
	Number where Shipper is confirmed		Monthly	By Shipper		
	Number where the Shipper has been auto-confirmed		Monthly	By Shipper		
	Number where other Shipper has been		Monthly	By Shipper		

	identified					
	Percentage of sites where MAM information updated prior to registration taking place		Monthly	By Shipper		
	Number of maximum CSEP AQ breaches		Monthly	By Shipper		
	Number of later meter fits received by the iGT		Monthly	By Shipper		
Meter Reading	Number of MBRs		Monthly	By Shipper		
Reconciliation	Number of reconciliations processed with energy and monetary value					

* By Shipper
and based
on BRD
target

+ monthly
AQ
calculation
target