

## Representation - Draft Modification Report 0520 0520A Performance Assurance Reporting

**Responses invited by: 10 March 2016**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Andrew Margan
<b>Organisation:</b>	British Gas Trading Limited
<b>Date of Representation:</b>	10/03/2016
<b>Support or oppose implementation?</b>	<b>0520</b> - Support <b>0520A</b> - Oppose
<b>Alternate preference:</b>	<i>If either 0520 or 0520A were to be implemented, which would be your preference?</i> <b>0520</b>
<b>Relevant Objective(s):</b>	<b>0520</b> d) Positive <b>0520A</b> d) Positive

### **Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

Both Modification UNC0520 and UNC0520A give the Transporter's Agency the vires to publish industry information and introduces gas industry performance reporting. As currently there is only limited reporting, by ensuring the inputs to settlement risks are monitored and measured, we believe both proposals should have a positive impact to Relevant Objective D, securing of effective competition.

By comparing individual performance, shippers will be able to monitor industry behaviour and measure peer performance. As a result of the additional transparency, we would expect any outliers to improve their performance or risk the Performance Assurance Committee (PAC) or another UNC Party raising a new modification to improve and/or incentivise industry performance.

Modification UNC0520 report information is carefully constructed not to reveal commercial or company sensitive information, whilst providing industry performance against Shipper Short Codes (SSCs). This is to ensure transparency of performance reporting.

Modification UNC0520A deviates from UNC0520, as many of the reports use a 'peer comparison' or castle name instead of the SSCs. Not using the SSCs raises some concerns –

- Historical castle name reporting only has a limited impact to parties improving their performance.
- The castle name will not reveal poor performers identity, so there is no incentive for them to improve their performance.
- As castle names will be used comparing like for like shippers will not be possible, therefore removing the benefit of having the reporting.

As during development of UNC0520, the reports were carefully constructed not to expose company sensitive data or commercial position, we do not understand why UNC0520A seeks to create a 'safe haven' by not using SSCs. We believe not using the SSC for all reports is a retrograde step. At the risk of identifying parties, we believe the worse possible outcome could be parties are incentivised to improve their performance. Under other codes, performance reports formally named industry parties. Therefore using SSCs is not setting any precedents.

It should be noted that Modification UNC0520A, does make SSC information available to the Performance Assurance Committee (PAC). Our concern is UNC0520A prejudices what information the PAC requires. We believe the PAC should have what data they require to assess the settlement risks and this governance should sit under Modification UNC0506.

As Modification UNC0520 will lead to greater transparency across the industry and may allow all UNC Parties to monitor shipper's data input performance in elements related to settlement accuracy and that this should lead to more accurate and up-to-date information being held on central systems and as a by-product improve accuracy of settlement we support UNC0520 only.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

These modifications are not self governance.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

For Schedule 1 reports, we support the implementation as soon as possible.

For Schedule 2 reports, as this relies on Nexus data we support the earliest possible implementation after Nexus go-live.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

None identified.

**Legal Text:** *Are you satisfied that the legal text and the proposed Agency Charging Statements (ACS) (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the Solutions?*

Yes

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

During the modification development, some parties appeared to be confused between where the Performance Report documents were published. As per the standard industry change process, the modification and the ancillary documents are published on the Joint Office website. The Performance Reports will be published on a secure access point, only available to UNC Parties.

Whilst this was explained at the workgroup and the proposal was amended and the workgroup confirmed this question has been appropriately addressed, we sort to clarify this point, as the questions keeps being raised.

Further to the above, some parties appeared to be concerned that modification UNC0520 restricts reporting to shippers only. UNC0520 does not restrict reporting to shippers only.

We welcome all future performance reporting to be added to the Performance Assurance Report Registers (PARR) document, creating a repository for all UNC performance reporting.

**Please provide below any additional analysis or information to support your representation**

None identified