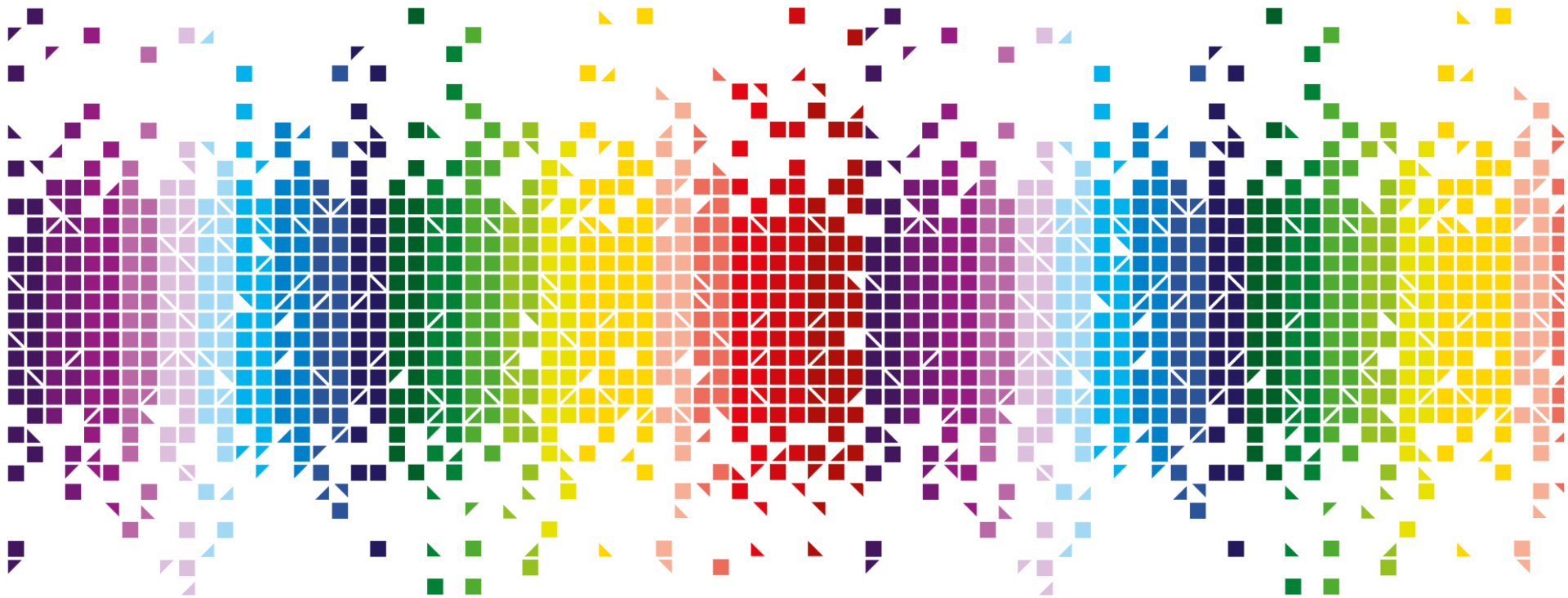


Schedule 1 and 2 Shipper Performance Report review

8 August 2017





Overview

Schedule 1	Schedule 2
Standard Correction Factors for sites with AQ > 732, MWH	Estimated & Check Reads used for Gas Allocation, and consumption adjustments for Products 1 & 2
No Meter Recorded in the Supply Point Register	No Meter Recorded in the Supply Point Register
Shipper Transfer Read Performance	No Meter Recorded in the Supply Point Register and data flows received by Xoserve
No Reads received for 2, 3 or 4 years (includes estimated transfer readings)	Shipper Transfer Read Performance
	Read Performance
	Meter Read Validity Monitoring
	No Reads received for 1, 2, 3 or 4 years (excludes estimated transfer readings)
	AQ Corrections
	Standard Correction Factors for sites with AQ > 732, MWH
	Replaced Meter Reads

Schedule “A” reports - Industry Peer Comparison View

Schedule “B” reports - Performance Assurance Committee View



Overview

- Reviewed the existing Schedule 1A and 1B Performance reports
- Reviewed specification of Schedule 2A and 2B as defined in MOD 0520A



Criteria for review

- Designed to identify where undesirable outcomes have occurred
- Identify performance standards against a specific area of settlement where risk is introduced
- Provide quantitative and qualitative data for areas where risk can be introduced



Example Schedule 1A-1

Standard Correction Factors for sites with AQ > 732, MWH

Purpose:

To monitor potentially incorrect correction factors for large consuming sites. Sites with an AQ >732 MWH should have a site specific correction factor rather than the default CF

Expected Interpretation:

Sites where gas is conveyed to the meter at a rate which is reasonably expected to exceed 732 MWH a year should have a specific correction factor. Therefore any site that has a standard correction factor at this level of consumption for a reasonable period of time may be incorrect.

Shows:

At a Shipper level, the report provides a monthly count for the sites with an AQ >732 MWH that have a Correction Factor of 1.02264

Doesn't show:

Group the counts by LDZs.

The count of the Shipper's portfolio of total sites with an AQ >732 MWH

The total count of a Shipper's portfolio

The percentage of Shipper sites with an AQ >732 MWH and CF of 1.02264 against the total sites with an AQ >732 MWH

How many new registrations per month the Shipper has gained

If there is a converter fitted at the site

Sites with an AQ >732 MWH that have a Correction Factor of 1.02264 that have been registered for more than 3 months

Suggested change:

Amend the report at a Shipper level, that provides a monthly count for the sites with an AQ >732 MWH that have a Correction Factor of 1.02264 with no converter fitted.

Indicate how many of the sites have been registered with the Shipper for more than 3 months.

Provide percentage of affected sites against total Shipper portfolio. Change description of report to replace the wording of conversion factor to correction factor.



Example Schedule 2A-1

Estimated & Check Reads used for Gas Allocation, and consumption adjustments for Product Classes 1 & 2

Purpose:

The report assesses the impact of estimated reads being used for daily-metered sites at initial allocation and evaluates where check reads are not completed.

Expected Interpretation:

MPRNs with significant usage can have volatile consumption. Only when an actual read is submitted or when a check read is completed will the correct consumption for a site be determined.

Shows:

Percentage Shipper's Estimate Reads by product class. Percentage Check Reads by product class

Doesn't show:

Percentage of Shipper's Product Class 1 and 2 sites against the rest of the market

Suggested change:

PAFA to see Shipper's percentage of PC1 and PC2 sites against the industry to provide analysis. Report would then contain Percentage Shipper's Estimate Reads by product class and Percentage Check Reads by product class



Schedule 1 and 2

- Reports show either a count or percentage of Shipper Performance against agreed outputs within MOD 0520A
- Suite of reports provide a small view of industry performance
- Do not indicate relative size of Shipper and therefore relative impact of poor performance
- Suite of reports viewed alone do not provide much monitoring of industry performance
- Additional comments in attached appendix



Conclusions

- Reports provide limited quantitative data against report criteria
 - Reports are one dimensional in providing performance metrics
- Reports provide limited description against measuring criteria
- Reports provide limited description of risk associated with poor performance



Recommendations

- Provision of additional data either at a specific report level or market share level
 - Provides avenue to investigate outliers and patterns founds in data
- Amendments to report specification to provide additional context against measuring criteria
 - Provides additional dimensions in providing metrics
 - Allows for each performance report to be mapped to a risk



Lizzie Montgomerie

Head of Assurance

Elizabeth.Montgomerie@gemserv.com
+44 (0)20 7090 7750



Nirav Vyas

Head of Gas Performance Assurance

Nirav.Vyas@gemserv.com
+44 (0)20 7191 1505



PAFA@gemserv.com