

Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme

Document 4

Performance Assurance Framework Administrator (PAFA) Scope

This is one of the Documents governed under the Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme.

| Version | Status | Date |
|---------------------|---|-----------------------------|
| 1.0 | Final version from the PAC report | May 2016 |
| 1.1 | Draft to support discussions of Mod 0674 | February 2020 |
| 1.2 | Updated version for review at May 2020 PAC Meeting | May 2020 |
| 1.3 | Updated following May 2020 PAC Meeting and further PAC discussion on PAFA Scope | 26 May 2020 |

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Part 1 General

1. Introduction

This Performance Assurance Framework Administrator Scope (PAFA Scope) sets out the Services to be provided by the Performance Assurance Framework Administrator to Gas Industry parties. .

2. Definitions and Interpretation

This PAFA Scope shall be interpreted in accordance with Schedule 1.

3. Services

The Services to be provided within the PAFA Scope are detailed in Schedule 2.

4. Change Control Procedure

To initiate a Change to the services a Change Control Procedure is set out in Schedule 3.

5. Agreeing the PAFA Scope, cost estimates and cost reporting

The CDSP shall monitor actual costs against forecast costs and provide a quarterly Budget Tracking Report to the PAC.

Where the CDSP identifies that actual or forecast costs vary, or are expected to vary by 10% of the relevant PAC Cost Estimate the CDSP shall provide a commentary to the PAC explaining the situation, its impacts and any mitigation that may be possible.

6. Monitoring of Performance

The CDSP shall be responsible for reporting the PAFA's performance of the services and any other obligations under this PAFA Scope to the PAC in accordance with Schedule 4, on a quarterly basis. If the PAFA fails to provide the services in accordance with the Performance Indicators the CDSP shall:

- identify the cause of any failure to provide the services in accordance with a specific Service Standard or Performance Indicator;
- inform the PAC of such action necessary to correct such failure and prevent it from recurring; and
- keep the PAC advised of the status of remedial efforts and any rectification being undertaken.

Commented [CF1]: We should completely streamline the Change Control process, once we have lifted up the level of detail in the document, to avoid the need for constant change.

Commented [CF2R1]: This has now been applied to Schedule 3

Commented [CF3]: This is not currently reported on to PAC, but should be retained – and enhanced to include reporting on the status of PAC's reporting budget. Propose quarterly, plus more frequent by exception (if there are significant developments) Xoserve aims to initiate this reporting from April 2020 onwards.

Schedule 1 Definitions

1. Interpretation and Definitions

1.1 Definitions

The following terms shall have the following meanings:

Budget Tracking Report means the report described in Section 5 in a form largely as set out in [Schedule 5](#)

Change Order means a request for a service change

PAFA Scope means the scope of services as set out in Schedule 2.

PARR means the Performance Assurance Report Register as published by the Joint Office of Gas Transporters

Performance Indicators means the specific standards to which the CDSP will monitor the services and which are set out in Schedule 4

Services means the service requirements described or referred to in Schedule 2.

1.2 Interpretation

Capitalised terms that are not defined above shall have the meanings given to them in the Uniform Network Code (UNC), Performance Assurance Committee Terms of Reference, or the Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme.

Commented [CF4]: Unclear whose performance indicators these are.

If they are the PAFA's some are very clerical e.g. publishing reports, and others are more intangible, and difficult to measure on a monthly basis (e.g. quality of interactions). We might rely on the Annual Review process to measure these?

Commented [LS5R4]: Would these be the outputs and timings of the activities provided below?

Commented [CF6R4]: Performance Indicators now drafted in Sch 4

Schedule 2 Services Schedule

The role of the PAFA is to provide the following services:

- Management of a Register of Risks to Gas Settlement
- Develop/maintenance (including periodic updates) of a Gas Settlement Risk Model
- Collation, validation, publication and interpretation of a suite of reports on Shipper Performance, with appropriate versions for each channel,
- Provision of expert advice on Gas Settlement and associated risks
- Administration of the service
- Management of changes to the service
- Liaison with UNC parties in relation to areas of Settlement performance
- Use of Performance Assurance Techniques (PATs) as requested by PAC
- Co-ordination of the Annual PAF Review

On request from PAC the PAFA will provide the role of sponsor to UNC Modifications that are relevant to Settlement and/or Performance Assurance, where the Modification Proposer is unable to do so.

1. Overview of the activities

| Activity | Timing/ Trigger | Inputs | Outputs | Recipients |
|--|-----------------|---|--|--|
| Management of a Register of Risks to Gas Settlement | Monthly | Risk templates from any UNC Party, scores, action updates from owners | Risk reports to PAC, including visual representations | PAC, other UNC Parties, Government and Regulatory Bodies |
| <u>Development/maintenance</u> (including periodic updates) of a Gas Settlement Risk Model | Quarterly | <u>Risk Register</u> , <u>data from the</u> CDSP and other UNC parties | <u>Model (and subsequent changes)</u> , possibly a Dashboard | PAC, other UNC Parties, Government and Regulatory Bodies |
| Collation, <u>validation</u> , publication and interpretation of a suite of reports on Shipper Performance | Monthly | PARR requirements, Data from The CDSP (and others) Shipper Code Names (for anonymous view) Further report requirements as identified by PAC | Report publication via appropriate channels for each audience, balancing ease of access, efficiency and confidentiality, <u>including fully anonymised dashboards for wider industry use</u> | PAC, other UNC Parties, Government and Regulatory Bodies |

Commented [CF7]: Updated following scope workshop on 20/05

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Commented [CF8]: This is the scope as per the tender for the current (incumbent PAFA role)

Commented [CF9]: Pending approval of Mod 0674

Commented [CF10]: Suggest that we would need to add these to align with Mod 0674 requirements

Commented [LS11R10]: Should we include the sponsor role here?

Commented [CF12R10]: Yes, dependent on feedback from PAC on the proposal

Commented [CF13R10]: Now added as an on-request service

Commented [CF14]: This is the list of activities from the actual procurement event

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| Activity | Timing/ Trigger | Inputs | Outputs | Recipients |
|---|-------------------------------------|--|--|--|
| Provision of expert advice on Gas Settlement and associated risks | As requested/as identified | Requests for advice on Settlement and/or Risks to Settlement Own identification of opportunities to provide expertise | Impartial advice and guidance, Impact Assessment Recommendations for additional risks/reports | PAC, other UNC Parties, Government and Regulatory Bodies, CDSP |
| Administration of the service | Monthly | Internal and external cost information Feedback from stakeholders | Timely and accurate periodic budgetary reports Reports on Scheme effectiveness and recommendations for improvement | PAC, other UNC Parties, Government and Regulatory Bodies, CDSP |
| Management of changes to the service | Adhoc | Requests from PAC or CDSP for assessment of possible changes | Impact assessment to current service, including financial implications | PAC, CDSP |
| Liaison with UNC parties in relation to areas of Settlement performance | As requested by PAC | Request by PAC, based on PAFA's analysis of individual party's performance | Contact with parties, e.g. Shippers, Transporters, to highlight current performance levels, UNC obligations and areas of concern raised by PAC (including but not limited to email, letter, telephone, face-to-face meeting) | PAC, other UNC Parties |

Commented [CF14]: This is the list of activities from the actual procurement event

Schedule 3 Change Control Procedure

1. Principles

A change to the PAFA Scope should be triggered by a change to the Performance Assurance Framework Document and should be requested by the Performance Assurance Committee via the PAFA Scope Change Request Form. Any additions to the scope of the PAFA should be relevant to the overarching objectives of the Performance Assurance Framework.

2. Process Overview

- 2.1 PAC should approve each change request to the PAFA Scope [in accordance with its voting arrangements](#) prior to submission to the CDSP.
- 2.2 The CDSP will liaise with the PAFA as required and update the Request Form with a response. Wherever possible the CDSP should respond within 15 working days.
- 2.3 PAC will consider the CDSP's response and decide whether or not to progress with the change [in accordance with its voting arrangements](#). If PAC cannot reach a decision, the change will not be progressed.

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Requests should be submitted in the following format, wherever possible.

| Performance Assurance Framework PAFA Scope Change Request Form | |
|--|--|
| Request Date | |
| Request Prepared By | |
| Service Change details (specify whether addition, removal or amendment to existing): | |
| When is the changed service required (from/to) | |
| Beneficiaries of the change, and overview of the expected benefits | |
| Any dependencies, e.g. Legislation/Licence changes, UNC Modifications, updates to Framework Document | |
| Date Request approved at PAC | |
| CDSP Response | |
| Date response prepared (Target within 3 working weeks of receipt of Request) | |
| Any implementation options (if appropriate) | |
| Estimated cost of the change, including timeframe (e.g. one-off/annual) [increase/(decrease)] | |

| | |
|--|--|
| Estimated lead time – how soon/when could the change be implemented | |
| Other consequences, e.g. impacts on other PAFA/CDSP deliverables | |
| Any likely system impacts, including PAFA, CDSP, Shippers (if known) | |
| Period for which this Response is valid | |
| Confidence level in the accuracy of the response, e.g. costs, lead times, other impacts | |
| PAC Decision | |
| Date Response considered at PAC | |
| Outcome of PAC consideration: Accept/Decline/Pause/Re-Submit Request with Amendment/Other | |
| Selected implementation option (if appropriate) | |

2.4 Development and Implementation

If the PAC agrees and approves the Change, the CDSP will commence work to develop and implement the chosen implementation Option.

If the PAC agrees and approves the Change, but changes are required to the Data Services Contract then the DSC Service Changes process will be followed.

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Once (if required) the Data Services Contract has been amended, the CDSP will proceed to implement the chosen implementation Option (if applicable) and the changes to the service as set out in the Change shall be made.

The CDSP will provide ongoing progress reports to the PAC as the development and implementation of the chosen implementation Option progresses. This will include performance against planned timescales and budgets.

Schedule 4 Performance Indicators

1. Performance Indicators

- 1.1 The Performance Indicators and the Services to which they apply are set out in the following table.
- 1.2 The CDSP shall produce an exception report on a quarterly basis, which provides relevant information relating to the non-achievement of the Performance Indicators in accordance with Part 1 paragraph 7.
- 1.3 The introduction, change or removal of Performance Indicators can only occur as a result of a Change Order. Any such introductions, changes or removals will come into force in the month immediately following their implementation unless otherwise agreed with the Performance Assurance Committee.
- 1.4 In the case of introduction or substitution of a Performance Indicator, where no historic performance and management information is available, a period of at least six months must elapse (or such other period as may be agreed between the CDSP and the Performance Assurance Committee) before a new performance standard can be set for the Performance Indicator.

Commented [CF15]: As highlighted above, not clear whose performance this should be (PAFA/CDSP/Shippers/PAC?), and concerned that not all the activities of the PAFA and/or CDSP lend themselves to a monthly indicator?

Commented [CF16R15]: Performance measures now added below

| Performance Indicators | | | |
|---|-----------------|---|---|
| Based upon Schedule 2 [Services] and to be updated where required, in line with Schedule 3 [Change Control] | | | |
| Service Line | Timing/ Trigger | Outputs | Performance Measure |
| Management of a Register of Risks to Gas Settlement | Monthly | Risk reports to PAC, including visual representations | Provision of Updated Risk Register to PAC in line with Joint Office publication deadlines |
| Development/ maintenance (including periodic updates) of a Gas Settlement Risk Model | Quarterly | Model (and overview of subsequent changes) , possibly a Dashboard | Provision of Risk Model to PAC in line with Joint Office publication deadlines |
| Collation, validation , publication and interpretation of a suite of reports on Shipper Performance, including fully anonymised dashboards for wider industry use | Monthly | Report publication via appropriate channels for each audience, balancing ease of access, efficiency and confidentiality | Publication of Reports and Dashboards in line with Joint Office publication deadlines |

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| | | | |
|---|-------------------------------------|--|--|
| Provision of expert advice on Gas Settlement and associated risks | As requested/as identified | Impartial advice and guidance, Impact Assessment Recommendations for additional risks/reports | Provision of advice in a timely manner, customer satisfaction with the advice provided |
| Administration of the service | Monthly | Timely and accurate periodic budgetary reports Reports on Scheme effectiveness and recommendations for improvement | Provision of reports in a timely manner |
| Management of changes to the service | Adhoc | Impact assessment to current service, including financial implications | Responding to requests from the CDSP within 10 working days |
| Liaison with UNC parties in relation to areas of Settlement performance | As requested by PAC | Contact with parties, e.g. Shippers, Transporters, to highlight current performance levels, UNC obligations and areas of concern raised by PAC | Contacting parties in a timely manner, level of response and engagement from parties, proportion of parties demonstrating an improvement following contact |

Schedule 5 Budget Tracking Report

1. Principles

- 1.1 The CDSP will provide a **quarterly confidential report** to PAC detailing the expected and actual costs to date of the PAFA service in the Financial Year in question.
- 1.2 The CDSP will provide a quarterly report to PAC on the usage of the PAC's budget for additional reporting.
- 1.3 If the PAC requests any other third party costs in connection with the PAFA service, the CDSP will monitor those in the same format.

2. Format

| PAC Quarterly Budget Tracking Report | | | | |
|---|------------------------------|-------------------------|-----------------------------|-------------------------|
| Quarter: XX/YYYY £000s | Original Cost Estimate | Latest Cost Estimate | Actual Costs for Quarter | Commentary on Variances |
| PAFA Costs | | | | |
| CDSP Report Development | | | | |
| Any other (Third Party) costs | | | | |