

Performance Assurance Techniques (PATs)

20.4 Relevant Third Party Engagement

The PAFA and PAC may communicate with and seek performance improvements from Relevant Third Parties, as part of its work to analyse and identify areas of performance that may impact the Performance Assurance Objective.

- It was agreed there would be no pre-work for this technique, consideration will be on a case-by-case basis, with a need to consider confidentiality, appropriate engagement, and protection against reputational damage.
- Examples: Meter Read Agencies, Billing agency etc.

20.5 Training

Training is a way of remedying the root causes of a Settlement error or of mitigating a Settlement risk. It ensures PAPs and their employees are aware of what can lead to Settlement error and how to either prevent or correct it.

- Agreed library of training packages and the use of free resources available on the Xoserve e-learning page at: <https://www.xoserve.com/learning-hub/training-and-e-learning/e-learning-materials> would be utilised first.
- Training could be directed as self service (links to Xoserve material) plus support from Xoserve if deemed appropriate.
- Bespoke training could be considered, if material was not readily available. This could include the creation of bespoke training packages, coaching etc. This would involve Xoserve establishing specific training needs and a quote for the provision of this as an extra billable service.
- Need to explore what would happen if a party refused training, what would the next step/escalation be.
- Need to ensure performance issues can be linked to training and then what the expected outcome would be (e.g. Improved performance in reads submitted).

20.8 Publication

Publication provides a mechanism for making all Performance Assurance Parties aware of the scale and root causes of a Settlement issue, as well as the Performance Assurance Party(s) who is responsible for rectifying it. It therefore ensures better awareness of Settlement risks and errors, as well as incentivising timely and proportionate remedial action.

- It was envisaged the non-confidential area of GPAP would be used which requires user access controls and is not available to the general public.
- There was some uncertainty on whether organisations can be identified as having poor performance under the scope of the UNC. It was agreed to consider the ability to identify organisations further to add clarity to this technique.
- It was suggested that there needs to be a clear purpose for reporting. It was clarified this would be a factual report of Performance against the UNC requirements. The expectation was that the current anonymous performance reporting would not be anonymised.

20.9 Audit

An audit is a systematic review of a set of business practices, intended to highlight the level of conformity with expected practice inside an organisation. It provides a rigorous, structured and independent view of the risk the subject of the audit poses to gas Settlement or of the level of error attributable to them, as well as a mechanism for clarifying expectations and managing progress toward resolution. An audit can be carried out across the entire market or against a targeted segment of the market. It may involve auditing a wide range of connected business processes or targeting specific areas of activity.

- Considered the value and potential costs of audits, whether this was an initiator tool or a process to understand the rigour of an approach, at the end of the process.
- Further consideration is required with a clear framework, and what the process/trigger would be for instigating an audit.

20.10 Referral to Authority

A referral to the Authority is intended to make the Authority aware of the scope and scale of a Settlement risk or Settlement error, including, if relevant, the behaviours PAC has observed in relation to the PAP contributing to that risk or error. It invites the Authority to exercise its powers in relation to a Settlement risk, error or the associated behaviours. It is not in the industry's interest that referrals are made where some other steps might have achieved the required outcome. Therefore, before this technique is applied, PAC will ensure that all reasonable steps within its power have been taken to remedy the performance failure, including but not limited to, informal and formal escalations to the senior executive director and/or CEO at the PAP. It will also have ensured that UNCC are fully briefed on the performance failure, the financial impact, the techniques applied, the PAP's response, and the proposed referral to the Authority.

- Considered creation of a pack, a draft letter to the authority and a checklist to ensure appropriate steps have been taken.
- Notification of a breach was considered and whether this would be PACs role or a UNCC role.
- Record-keeping and diligence were considered, along with the rigour potentially required by Ofgem and whether Ofgem would want to undertake its own information gathering and investigation.
- It was agreed to seek a view from Ofgem on how a referral would be managed, and the expectations before escalation.

20.11 Disputes

The impact of PAPs failing to meet performance obligations can have serious financial consequences for other PAPs, thereby adversely impacting Shipper-competition and ultimately suppliers and customers. Assurance is intended to give PAPs confidence that settlement is predictable as well as being fair and equitable. The Performance Assurance Framework includes where the impact of such performance failures is an error in settlement allocation the PAC may advise the affected Parties to seek Dispute resolution in order to remedy the impact. This reduces the risk that PAPs resort to legal court action where they have been disadvantaged by another's acts or omissions.

- The right to be able to dispute and having a dispute process was considered.

- It was believed parties should be provided with an opportunity to disagree or dispute a claim against them where they disagree with the level of reported performance.
- Discussed whether this PAT would allow a dispute to be raised where the fault of the problem is not in the control of the Shipper/Supplier and there are financial consequences of the failure of another party.
- It was agreed that PAC should consider the scope of disputes and the UNC Disputes process.

UNC GT A – Dispute Resolution has the following definition:

1.1.2 For the purposes of this Section A: (a) a "dispute" is any dispute or difference arising between the Parties under or in connection with the Code, the Framework Agreement, any Ancillary Agreement or any Supplemental Agreement; (b) in respect of any dispute "parties" means the Transporter(s) and/or the User(s) party to such dispute, and "party" shall be construed accordingly.

Potential New PAT – RFI to be considered

UNC TPD Section V covers the costs and expenses associated with PATs:

16.7.5 Each Party shall be responsible for all costs and expenses incurred by the Party in complying with the requirements of this paragraph 16 (including for the avoidance of doubt those incurred by the Party in connection with the implementation of Performance Assurance Techniques).