

(Gas) Energy Settlement Performance Assurance Committee:

Annual Work Plan and Budget

Prepared and maintained by the Performance Assurance Committee

1. Associated Documents

Performance Assurance Committee (PAC) Terms of Reference [Retrieved 01/07/2017]:

<https://www.gasgovernance.co.uk/sites/default/files/ggf/PAC%20Terms%20of%20Reference%20v3.0.pdf>

Performance Assurance Framework Document [Retrieved 01/07/2017]:

<https://www.gasgovernance.co.uk/sites/default/files/ggf/PAF%20Framework%20Doc%20v2.0.pdf>

2. Background

The PAC, as established under UNC Modification 506V, is responsible for providing guidance, oversight and direction to the Performance Assurance Framework Administrator (PAFA) in determining what the industry will receive from the Performance Assurance Framework.

The PAC is broadly responsible for:

- overseeing the work of the PAFA;
- overseeing the PAF risk register;
- determining reporting and analysis;
- reviewing settlement performance data; and
- proposing remedies where performance issues are identified.

The PAC has begun actively assessing the Performance Assurance Report Register (PARR) schedule 1 reports, with the PARR schedule 2 reports due to be available in early 2018, and there is a need to communicate to industry in a concise manner the PAC's expectations of how the framework will work over the next year and any key dates in implementation.

The purpose of this work plan is to provide industry with a high level view of the planned activities of the PAC for the coming year and, as far as possible, indicative costs. It is hoped that this will provide opportunities for industry participants to engage with PAC and the Performance Assurance Framework in general, and provide an early indication of the areas of performance related to settlement that PAC intend to scrutinise as to whether performance assurance measures are required.

3. Scope

The scope of the Annual Work Plan & Budget is based on the annually agreed areas. The areas for 2017/18 are listed below:

- On boarding the PAFA
- 'Setting out the stall' for the coming year
- Nexus manual workarounds and risks arising

4. [Headlines]

5. [Horizon Scanning]

6. [Commentary]

7. [Detail on Areas in Scope]

- a. PAFA On Boarding
- b. Setting out stall – expectations for coming year
- c. Nexus workarounds

8. Project Implementation Plan

	Status	Date Complete
Q1 2017		
Review the Engage Risk Report		Q1 2017
Consider process to be used with PAFA to create the risk methodology		Q1 2017
Agree communication routes for the risk methodology		Q1 2017
Agree if within period changes will be allow, under what circumstances, and how these will be recognised	Ongoing	Q1 2017
Receive pre-Nexus reports under V16.1.3 from Xoserve	Ongoing	Q1 2017
Review the PARR	Underway	Q1 2017
Consider how to assess the materiality of any issues presented in the reports under V16.1.3 (pre-Nexus)		10/01/2017
Create workplan (inbcluding budget), with future looking budget		Q1 2017
Consider if any further analysis is required by the PAFA on the pre-Nexus reports under V16.1.3		01/02/2017
Convert Engage Report into Risk Register		14/02/2017
Review the electricity industry incentives regime		14/03/2017
Consider if there are other models that could be consider from other industries e.g. water		14/03/2017
Q2 2017		
Consider reports and whether they provide the expected insight into settlement risk		Q2 2017
Work with Xoserve on any additional elements required from the reports		Q2 2017
Determine and agree a range of available incentives, considering the problems		Q2 2017
Conclude contract with PAFA		30/06/2017
Review other communication needs		Q2 2017
Q3 2017		
Assess where there are opportunities to improve performance through incentives/controls		Q3 2017
Commence incentives/controls mechanisms on a prioritisation basis		Q3 2017
Develop dashboard of industry performance		Q3 2017
Resolve outstanding questions from Xoserve on post-Nexus reports		Q3 2017
Consider reports and whether they provide the expected insight into settlement risk		Q3 2017
Monitor progress of the Electricity PAF Review		Q3 2017
First meeting with PAFA		11/07/2017
Instruct PAFA to analyse the pre and post-Nexus reporting to identify any concerns or issues over performance		11/07/2017
Instruct PAFA on what analysis PAC wish to see on a monthly basis		11/07/2017
Instruct PAFA to look at materiality of performance and highlight any areas for concern		15/07/2017
Q4 2017		
Discuss frequency of reports with Xoserve		Q4 2017
Monitor progress of the Electricity PAF Review		Q4 2017
Consider if other reporting is necessary to support the risk methodology and consultation		Q4 2017
Q1 2018		
Consider industry developments that might lead to PAF risk		Q1 2018
Monitor progress of the Electricity PAF Review		Q1 2018
Assess risks and determine the treatment		Q1 2018
Q2 2018		
Agree how industry will be kept up to date on effectiveness of approach	Ongoing	Q2 2018
Agree how the effectiveness of the methodology will be assessed	Ongoing	Q2 2018
Receive post-Nexus reports under V16.1.3 from Xoserve		Q2 2018
Evaluate the performance of the PAFA at year one		Q2 2018
Consider whether to introduce a critical friend role for the PAFA to help Industry Parties		Q2 2018
Consider other areas that the PAF should be monitoring performance impacts (e.g. switching and data issues)		Q2 2018
Monitor progress of the Electricity PAF Review		Q2 2018
Consider the need to interface with the SPAA governance arrangements		Q2 2018
Q3 2018		
Consider reports and whether they provide the expected insight into settlement risk		Q3 2018
Consider if other reporting is necessary to support the risk methodology and consultation		Q3 2018
Consider performance issues and materiality and whether or not it would be beneficial for settlement accuracy to look at targets		Q3 2018
Monitor progress of the Electricity PAF Review		Q3 2018
Receive reports from Xoserve under V16.3.1 (pre-Nexus reports)		ONGOING
Consider reports and whether they provide the expected insight into settlement risk		ONGOING
Work with Xoserve on any additional elements required from the reports		ONGOING
Keep under consideration communication with industry on progress and performance areas of concern		ONGOING

9. Assumption Register

The following list of working assumptions was agreed by the Performance Assurance Committee (PAC) on 14 February 2017, and any subsequent amendments shall only be made by prior approval of the committee.

PAC Ref.	Assumption Description	Status	
		Approved	Closed
1	The UK Link replacement system operates in accordance to the design specified within the BRDs (<i>Engage Report Assumption 1</i>)	PAC 14/02/17	
2	Xoserve cannot be subject to a performance assurance regime unless every action they complete is fully documented (<i>Engage Report Assumption 2</i>)	PAC 14/02/17	
3	A high number of read submissions or AQ corrections will not impact system performance (<i>Engage Report Assumption 3</i>)	PAC 14/02/17	
4	A significant number of supply points will be elected into product 2 and 3 as a result of the mandated smart and AMR rollout (<i>Engage Report Assumption 5</i>)	PAC 14/02/17	
5	All processes associated with settlement should be documented and complied with by all parties		14/03/17

10. Risk Register

11. Issues Register

Performance Assurance Committee (PAC): Issue Register (as at 13 June 2017)									
Issue Ref.	Issue	Background	Issue Originator	Date Created	Status	Priority for Discussion (H/M/L)	Status Date	Status Summary/Action taken	Next Review
PAC002	Performance Assurance Framework (PAF) Document: Document 4 (Page 28) - Performance Assurance Administrator Scope: Part 1 General; paragraph 5 - Agreeing the PAFA Scope, cost estimates and cost reporting - timescales/percentages at paragraph 5 are currently in square brackets and need to be agreed	Agreeing such matters ahead of a forthcoming gas year will become more relevant for year 2 onwards, since year 1 is more about engaging a PAFA, gathering data and initial risk identification.	PAC	29/06/2016	Live	Low	29/06/2016	No action until mid-2017	11/07/17
PAC007	There might be a need for PAF-specific contacts to be established; need to understand the purposes (such as operational process, commercial etc).	After considering the Electricity Incentive scheme it could be necessary to be able to quickly reach a variety of contacts throughout the industry to understand/address areas of poor performance	PAC	14/03/2017	Live	Medium	13/06/2017	Ongoing. DSC Contract managers to be requested to nominate PAC specific contacts or to be the contact.	11/07/17
PAC008	There might be benefits in providing some 'preventative services' (such as systems/process verification, formal training etc) to parties.	After considering the Electricity Incentive scheme it could be necessary to be able to quickly reach a variety of contacts throughout the industry to understand/address areas of poor performance	PAC	14/03/2017	Live	Low	14/03/2017	New issue - suggested completion December 17	01/10/17

12. [Communication Plan]

[update from DSC committees on contact list]

13. [Code Changes / Industry Developments that affect/likely to affect settlement]

14. Indicative Budget

