

0506A: Gas Performance Assurance Framework and Governance Arrangements



Proposer: Mark Jones, Scottish and Southern Energy
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Why change?



- Modification Proposal 0506 creates the framework and governance for a Performance Assurance Regime
- Developments at the Performance Assurance Workgroup suggest that such a scheme may be required to create the correct behaviours to minimise settlement risk

Options



- Both modifications require services to be defined and performed by a third party and for costs to be recovered
- Within the Performance Assurance Workgroup no other feasible options other than a UNC modification have been identified

Solution



- The solution is to create a Performance Assurance Regime for the Gas Industry. This will be achieved by:
 - The creation of a UNCC Sub-Committee (note: a UNC modification is not needed for this step, it is included for completeness only)
 - The creation of an administration role (performed by the Transporter Agency (Xoserve)) to provide services to the Sub-Committee. Note this is a transitional appointment to establish the arrangements promptly
 - The creation of a UNC related document detailing the business rules of the arrangements and roles and responsibilities of the Sub-Committee and the administrator

Recommended Steps



- The Proposer recommends that this modification should be:
- Not subject to self-governance as it will have a material impact on *competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes*
- Passed for workgroup assessment to develop the modification for 4 months