

Representation - Draft Modification Report UNC 0674V

Performance Assurance Techniques and Controls

Responses invited by: 5pm on 20 May 2022

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Mark Bellman
Organisation:	ScottishPower
Date of Representation:	18 th May 2022
Support or oppose implementation?	Support
Relevant Objective:	d) Positive f) Positive
Relevant Charging Methodology Objective:	Not Applicable * <i>delete as appropriate</i>

The consultation is aimed at establishing if the content/effect of the variation have caused you to change a view that you previously expressed, or to take a view that you had not previously considered. Please note any representation received in respect of Modification 0674V will be carried forward should parties not wish to change their original representation.

Reason for support: Please summarise (in one paragraph) the key reason(s)

As stated in our previous consultation response, ScottishPower, as Proposer, is in support of the implementation of this modification as it seeks **to address weaknesses in Performance Assurance that allow Settlement errors to persist uncorrected.**

Over the last several years, the Performance Assurance Risk Register, which can be found on PAFA's Huddle website, has evolved to include many different failure modes that contribute to inaccurate settlement and many of which are failures in compliance or prescribed process. The Proposer considers that this supports the need for a more effective Performance Assurance Framework.

These risks include for example estimation, meter by-pass status, consumption adjustments, temperature correction factors, LDZ Offtake, Shipperless sites, meter exchanges, etc. These create financial uncertainty arising from errors in cash-out, amendments, UIG and transportation.

Improving the effectiveness of performance assurance by clearly stating the importance of settlement accuracy will reduce this settlement uncertainty.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

The next scheduled industry release date is June 2022, if a decision has not been reached by the authority in time to achieve this date, it would be our recommendation for implementation to be the next available release date which would be November 2022.

We would like to note IGT138 has a dependency on implementation of UNC0674 and would like them to be delivered at the same time.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

ScottishPower do not expect Parties to incur any direct costs beyond what would be required for them to comply with their UNC obligations.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes, we are satisfied the legal text is aligned to the business rules and will deliver the intent of the solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation

As Proposer, ScottishPower has sought to develop arrangements that are proportionate and effective, providing transparent assurance and a clear performance objective, namely accurate settlement.

Advice has been taken from workgroup, Ofgem and various industry bodies including UNC Mod Panel. The process included a supplemental series of workgroups following points of interest raised by the initial consultation and which have been accommodated in the Variation Request.