

UNC Final Modification Report		At what stage is this document in the process?
<h1>UNC 0657S:</h1> <h2>Adding AQ reporting to the PARR Schedule reporting suite</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This Modification adds AQ reporting to the Performance Assurance suite of reports (PARR Schedules) that were initially introduced through Modification 0520A</p>		
	The Panel determined that this self-governance modification be implemented.	
	High Impact: None	
	Medium Impact: Shipper	
	Low Impact: Transporters / CDSP	

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Timetable	
Modification timetable:	
Initial consideration by Workgroup	24 May 2018
Amended Modification considered by Workgroup	26 July 2018
Workgroup Report presented to Panel	16 August 2018
Draft Modification Report issued for consultation	16 August 2018
Consultation Close-out for representations	07 September 2018
Final Modification Report available for Panel	11 September 2018
Modification Panel decision	20 September 2018

 **Any questions?**

Contact:
Joint Office of Gas Transporters

 enquiries@gasgovernance.co.uk

 0121 288 2107

Proposer:
John Welch
Npower

 john.welch@npower.com

 07557 170816

Transporter:
SGN

 Hilary.Chapman@SGN.co.uk

 07749 983418

Systems Provider:
Xoserve

 UKLink@xoserve.com

Other:
James Rigby

 james.rigby@npower.com

 telephone 07557 198020

1 Summary

What

Modification 0520A introduced named reporting for the Performance Assurance Committee (PAC) on a number of measures, the post Nexus content of which is due to be delivered imminently. Modification 0520A did not introduce any reporting that detailed the movement of AQs on a monthly basis by Shipper. This Modification looks to address that omission by adding named AQ reporting to the PARR (Performance Assurance Report Register) Schedule of reports.

Why

Given the industry wide issues experienced in relation to unidentified gas, and the potential importance of rolling AQ movements to unidentified gas levels at the allocation stage of energy balancing, it is important that the PAC are able to review AQ movements to be able to focus activity on this area as and when required.

How

This Modification would introduce reports showing AQ movements, with permissions for these to be seen by the PAC as a set of named, non-anonymised reports. The content will be similar, but not identical to the reports introduced through DSC change order proposal XRN4525 to be sent to the industry on an anonymous basis.

2 Governance

Justification for Self-Governance, Authority Direction or Urgency

The Modification Panel determined that this Modification is suitable to follow Self-Governance procedures as these reports although un-anonymised would facilitate transparent reporting of User performance on key industry data, that is used for accurate allocation of energy and the appropriate targeting of costs. However, this is unlikely to have a material impact on competition.

Modification 0657S will therefore follow self-governance procedures.

Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- proceed to Consultation

The Workgroup agreed with the Panels determination that this Modification should follow self-governance procedures, as the proposed reports should have been included in the original PARR Schedule 2 suite and therefore this Modification is correcting an oversight and should not have a material impact.

The Workgroup considers the Modification is sufficiently developed to proceed to consultation.

3 Why Change?

The AQ (annual quantity) is a data item of crucial importance in the settlement process. Since the introduction of the post Nexus arrangements, AQs are now calculated on a monthly basis (following the submission of meter reads in a relevant period) rather than on a typically annual basis.

When the original suite of PARR reports was created through Modification 0520A, while read submission reporting was introduced, there was no reporting included that showed AQ movements or trends. This is an important omission, as movement of AQ following read submission is an important element in settlement risk, and as such it is pivotal that the PAC has regular access to data that will allow it to understand patterns and trends.

Modification 0520A also introduced a requirement that when additional PARR reports were required by the PAC, further modification would be needed to request them. As such, following the introduction of change XRN4525, which will distribute related AQ reporting to the industry in the style of the pre Nexus Mod 81 reports, the PAC ascertained that similar reporting was also required to be added to the PARR. This Modification looks to add the additional report to the suite, as the PAF arrangements intended.

It should also be noted that the proposed reporting would measure percentage of updated AQ (rather than say, sum of total energy movements) which serves to limit the information to the salient performance aspects that should be monitored.

4 Code Specific Matters

Reference Documents

The Performance Assurance Report Register details the existing named reports to be sent to PAC on a monthly basis.

https://www.gasgovernance.co.uk/sites/default/files/ggf/PAC%20Document%201%20Performance%20Assurance%20Framework%20Report%20Register%20v1.0_0.pdf

Knowledge/Skills

None needed.

5 Solution

It is proposed that the PARR is updated to add the AQ reports.

UNC Section V notes in 16.1.2 that “Any amendment to the Performance Assurance Report Registers shall be made in accordance with the Modification Rules and for such purposes the Performance Assurance Report Registers shall be deemed to be a part of the Code.”

Reports to be based on the specifications below, and the PARR document will be extended to include the reports below.

Only section B of the PARR would be updated (named reports for PAC) as DSC change XRN4525 is already producing a similar set of anonymous reports for the industry that don't need to be duplicated for the industry section of the PARR.

See Appendix 1 for proposed PARR Schedule 2B.11 – Annual Quantity Reports.

By Class and by MRF (where applicable)

Rolling AQ

AQ Band	Percentage Portfolio Calculated in month							
	1	2	3	4	5	6	7	8
Shipper A								
Shipper B								
Shipper C								
Industry								

	Total Percentage Portfolio Calculated by Month (12 mths rolling)							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Shipper A								
Shipper B								
Shipper C								
Industry								

AQ Band	Percentage Increased in month							
	1	2	3	4	5	6	7	8
Shipper A								
Shipper B								
Shipper C								
Industry								

	Percentage Increased by rolling 12 months (total AQ)							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Shipper A								
Shipper B								
Shipper C								
Industry								

AQ Band	Percentage Decreased in month							
	1	2	3	4	5	6	7	8
Shipper A								
Shipper B								
Shipper C								
Industry								

	Percentage Decreased by rolling 12 months (total AQ)							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Shipper A								
Shipper B								
Shipper C								
Industry								

Month	Percentage of portfolio with AQ calculation 1 month, 4 months, 12 months, 12 months plus etc.							
	1	2	3	4	5	6	7	8
Shipper A								
Shipper B								
Shipper C								
Industry								

Rejection Code	Failure to calculate by rejection codes							
	1	2	3	4	5	6	7	8
Shipper A								
Shipper B								
Shipper C								
Industry								

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No impacts identified.

Consumer Impacts

This Modification is proposing to extend the PARR Schedule 2 Reporting and therefore should have no direct impact on consumers.

Consumer Impact Assessment	
Criteria	Extent of Impact
Which Consumer groups are affected?	<ul style="list-style-type: none"> Not applicable.
What costs or benefits will pass through to them?	<ul style="list-style-type: none"> Not applicable.
When will these costs/benefits impact upon consumers?	<ul style="list-style-type: none"> Not applicable.
Are there any other Consumer Impacts?	<ul style="list-style-type: none"> Not applicable.

Cross Code Impacts

No impacts have been identified as it is noted that IGT UNC has been amended to provide permissions for IGT data to be used in the PARR schedules.

EU Code Impacts

None identified.

Central Systems Impacts

There should be a limited impact on Central System as PARR Schedule reports are already being provided.

Workgroup Impact Assessment

The Workgroup noted the questions raised by Panel and have provided the following response:

- Should the reports be anonymised or un-anonymised.

The Workgroup understands the concerns that the provision of un-anonymised data should be controlled due to the potential risks involved with the inadvertent circulation of commercially sensitive information. However, the provision of un-anonymised AQ data to PAC should have been included in the reporting established by Modification 0520A and this Modification is correcting an oversight and the existing provisions for managing data should be sufficient for this purpose.

As the movement of AQs following read submission is an important element in settlement risk, it is important that PAC has regular access to data that will allow it to understand patterns and trends, while gaining insight as to whether specific organisations would benefit from education/support without the need to resort to indiscriminate incentive mechanisms.

- Consider EBCC Credit Rules for managing the framework and reporting requirements.

The Workgroup understands that the Energy Balancing framework operated by the EBCC, aims to influence the behaviours of individual organisations that might be in breach of the rules and although the reporting is usually anonymised, it is specific to an individual organisations performance and does not lead to action being taken against other organisations. Whereas the PAC is using the information to consider trends in performance for the wider market, while also trying to understand why an individual organisation performs in a certain way and if the performance reported is a one off or on a regular basis.

Rough Order of Magnitude (ROM) Assessment

ROM Request was submitted to the CDSP on 20 July 2018.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None

<p>d) Securing of effective competition:</p> <ul style="list-style-type: none"> (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. 	<p>Positive</p>
<p>e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.</p>	<p>None</p>
<p>f) Promotion of efficiency in the implementation and administration of the Code.</p>	<p>Positive</p>
<p>g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p>	<p>None</p>

This Proposal should have a positive impact on Relevant Objective d) securing of effective competition, as it will facilitate greater transparency of reporting on key metrics related to settlement processes which underpin the accurate allocation of costs.

The Proposal could also have a positive impact on Relevant Objective f), the promotion of efficiency in the implementation and administration of the Code by avoiding the need for repeated Modifications in this area as and when reporting is required.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

The Workgroup notes that this Modification is proposing an amendment to the PARR Schedule, therefore Legal Text is not required.

UNC TPD Section V 16.5.2: Any amendment to the Performance Assurance Report Registers shall be made in accordance with the Modification Rules and for such purposes the Performance Assurance Report Registers shall be deemed to be a part of the Code.

10 Consultation

Panel invited representations from interested parties on 16 August 2018. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Implementation was unanimously supported in the 7 representations received.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Cadent	Support	d - positive f - positive	<ul style="list-style-type: none"> The Performance Assurance Committee is tasked with determining reporting and analysis to inform a reliable assessment of the performance of gas settlement (Performance Assurance Committee Terms of Reference) and in that respect, this Modification will aid the Committee in carrying out its stated activity. Agrees with the Self-Governance Statement within the modification that this is a non-material change to the UNC and can be subject to Self-Governance.
ENGIE	Support	d - positive f - positive	<ul style="list-style-type: none"> Agrees an additional report on the trends in the evolution of monthly rolling AQ would enhance the suite of reports available to the PAC for them to better understand the evolution of UIG.
E.ON	Support	d - positive f - positive	<ul style="list-style-type: none"> Supports the inclusion of this within the reporting, to enable the PAC to evolve the work they are conducting and to hopefully have a positive impact on UIG. Supports Self-Governance.
First Utility	Support	d - positive f - positive	<ul style="list-style-type: none"> The new reports will assist PAC in recognising trends in AQ movements Supports Self-Governance. Implementation should be immediately following approval by the Panel.
npower	Support	d - positive f - positive	<ul style="list-style-type: none"> Supports the introduction of AQ reporting to the PARR. The addition of AQ reports to the PARR schedules would be an important enhancement to the reporting suite, and would further support PAC in monitoring industry trends and movements in relation to UIG. Agrees with self-governance status. Implementation should be immediately to allow the CDSP time to create the relevant reports as soon as possible.
SGN	Support	d - positive f - positive	<ul style="list-style-type: none"> SGN supports the inclusion of AQ reporting to the PARR Schedule reporting suite. Believes this additional report will have a positive impact on the work of the PAC and on the issue of UIG. Agrees with the Self-Governance Statement

			<ul style="list-style-type: none"> • Having as short a lead time as possible would be beneficial to this Modification, and fully recommend that it is implemented as soon as possible. • No SGN costs or system development have been identified. • Agrees that the Legal Text provided meets the intent of the Solution.
SSE	Support	d - positive f - positive	<ul style="list-style-type: none"> • This modification will allow the Performance Assurance Committee to see non-anonymised reports that provide details on the movement of AQ values on a monthly basis by Shipper. Rolling AQ values are used for energy allocation and are used to set the formula year AQ for transportation charges on an annual basis, and due to the industry wide issues experienced in relation to unidentified gas, it is important that the Performance Assurance Committee is able to review AQ movements in order to be able to focus activity in this area if required. • Agrees with the self-governance criteria. • The modification should be implemented in line with self-governance timescales.

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report, and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

The Panel noted and supported the views of the Workgroup on the Relevant Objectives:

- *This Proposal should have a positive impact on Relevant Objective d) securing of effective competition, as it will facilitate greater transparency of reporting on key metrics related to settlement processes which underpin the accurate allocation of costs.*
- *The Proposal could also have a positive impact on Relevant Objective f), the promotion of efficiency in the implementation and administration of the Code by avoiding the need for repeated Modifications in this area as and when reporting is required.*

Panel Members felt that the benefits of the Modification would have a positive impact on Relevant Objective f).

12 Recommendations

Panel Determination

Members agreed that Modification 0657S should be implemented.

13 Appendix 1

Appendix 1: PARR Schedule 2B.11 – Annual Quantity Reports

Report Title	Annual Quantity Reports
Report Reference	PARR Schedule 2B.11 [number to be confirmed should modification be implemented]
Report Purpose	To monitor AQ movements.
Expected Interpretation of the report results	To review AQ movements to be able to focus activity on this area as and when required. It should also be noted that the proposed reporting would measure percentage of updated AQ (rather than say, sum of total energy movements) which serves to limit the information to the salient performance aspects that should be monitored.
Report Structure (actual report headings & description of each heading)	<p>Report 1, 2 & 3: Class and MRF (for Class 4); Monthly non-cumulative report; Shipper Short Code; Percentage Calculated by AQ; AQ Band; Industry Total</p> <p>Report 4: Monthly non-cumulative report; Shipper Short Code; AQ Band; Age bracket; Industry Total; Class and MRF (for Class 4)</p> <p>Report 5, 6 & 7: Monthly non-cumulative report; Shipper Short Code; Percentage Calculated by AQ; Industry Total; Class and MRF</p> <p>Report 8: Monthly non-cumulative report; Shipper Short Code; Count of failures by rejection code; Industry Total</p>
Data inputs to the report	<p>Report 1, 2 & 3: Shipper Short Code; Rolling AQ; AQ Band; Number calculated in month (and related AQ); Industry view of above; Class; MRF (Class 4)</p> <p>Report 4: Total AQ; Date AQ last updated; AQ Band; Shipper Short Code; Class; MRF (Class 4)</p> <p>Report 5, 6 & 7: Shipper Short Code; Rolling AQ; Number calculated in month (and related AQ); Industry view of above; Class; MRF</p> <p>Report 8: Failure to calculate rejection codes; Shipper Short Code</p>
Number rounding convention	Reports 1-7: two decimal places Report 8: whole number
History (e.g. report builds month on month)	Reports 1-4: Monthly report. Reports 5-8: a rolling 12 month view, provided monthly.
Rules governing treatment of data inputs	The portfolio is measured as at the first day of the relevant month, associated rolling AQs the values that went live for those supply points on

(actual formula/specification to prepare the report)	the same day.
Frequency of the report	All reports: Monthly
Sort criteria (alphabetical ascending etc.)	All reports: Shipper Short Code Alphabetically
History/background	Originally AQ reports were omitted from the original PAF report Modification 0520A. Related non-PAF reports subsequently to be created through change request XRN 4525. AQ PAF reports required to support settlement risks (PAF Risk Register) R2 and R10 as well as regular monitoring of key settlement data.
Additional comments	
Estimated development costs	
Estimated on-going costs	

Percentage Portfolio Calculated in month								
AQ Band								
Month	1	2	3	4	5	6	7	8
SSC								
A								
B								
C								
D								
Industry								

Percentage Portfolio Increased in Month

AQ Band								
Month	1	2	3	4	5	6	7	8
SSC								
A								
B								
C								
D								
E								

Percentage Portfolio Decreased in Month								
AQ Band								
Month	1	2	3	4	5	6	7	8
SSC								
A								
B								
C								
D								
E								

Percentage of portfolio with AQ calculation 1 month, 4 months, 12 months, 24 months, 36 months plus					
AQ Band					
Month	1	4	12	24	36+
SSC					
A					
B					

C					
D					
Industry					

Total Percentage Portfolio Calculated by Month (12 months rolling)												
Month	1	2	3	4	5	6	7	8	9	10	11	12
SSC												
A												
B												
C												
D												
Industry												

Total Percentage AQ Increased by Month (12 months rolling)												
Month	1	2	3	4	5	6	7	8	9	10	11	12
SSC												
A												
B												
C												
D												
Industry												

Total Percentage AQ Decreased by Month (12 months rolling)												

Month	1	2	3	4	5	6	7	8	9	10	11	12
SSC												
A												
B												
C												
D												
Industry												

Count of failure to calculate by rejection codes in month												
Rejection Code												
	1	2	3	4	5	6	7	8	9	10	11	12
SSC												
A												
B												
C												
D												
Industry												