

## Representation - Draft Modification Report UNC 0674

### Performance Assurance Techniques and Controls

**Responses invited by: 5pm on 24 May 2021**

**To:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

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

<b>Representative:</b>	Clare Manning
<b>Organisation:</b>	E.ON
<b>Date of Representation:</b>	17 May 2021
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	d) Positive f) Positive

#### **Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

We are supportive of the modification and its proposed evolution of the performance processes, including the introduction of clearer techniques.

There are some parts of the PAFD document which either require minor admin edits or further clarity provided. We believe these are not required for day 1 but would need to be added to the PAC agenda or forward work plan to address.

We recognise the benefit of the PAC being able to raise modifications (similar to the Code Manager in REC), but we are concerned that the current drafting in PAFD doesn't ensure that modifications are raised in both the UNC and IGT UNC. This control can be outlined in the document post implementation and we suggest the PAFA is responsible for being the PAC's conscience in raising modifications and working with the relevant code administrators.

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

We support an implementation which sees UNC/IGT/XRN changes all delivered at a single point of time. The IGT UNC operates on a release basis, unlike the UNC which is more adhoc, and because of this we would recommend a date no earlier than the November release to allow time for the Authority to decide on the proposal and to ensure there is adequate time to deliver training and engagement events as outlined in PAFD.

We recognise that a 6-week window has been written into PAFD and we would see that trigger from the November implementation date.

Where a decision is not made in time for the November release, we would then seek the February 2022 date for implementation.

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

Costs are mainly operational delivery costs; we are unable to provide detailed quantification on this but estimate to be small – medium.

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

PAFD feedback:

- Content page – bookmarks need updating.
- Definition of PA – Performance Audit (page5), we think it should be TPA – Technical Performance Audit and TA – Technical Audit (see pg 34).
- Section 7 – we were unsure how the outcome of the tender process would notify the new PAFA, our assumption would be formal email, but we would prefer to see this a formalised step rather than an assumption.
- Section 15 – as advised in our summary we would like to see a step which ensures that modifications are raised in both the IGT UNC and UNC where necessary.
- Page 19 – spacing/bullet needs removing – admin only.
- Section 17 – we were unsure how the first annual review would be completed if the implementation was e.g. November 21, by the three months prior to the gas year point there won't be a full year to review. Will the first review still continue in 2022 or would this be an extended review into 2023, especially considering a new PAFA is currently being procured? We see this as a first year question only, after that it should be BAU.
- Section 18 - it was unclear to us, where changes to PARR were outside of the annual review window how the changes would be notified to parties. This could be simply a notification of a new version being available. We do believe there needs to be an appropriate implementation window e.g. no less than 10BD to allow for parties to review the changes and deploy updates within their business where necessary. This point also extends to amendments to the PAFD and how they will be communicated.
- Section 20.3 – once a PA Representative is in place it is clear who will receive communications, but it was unclear for day 1 who the PAFA will contact to obtain the information from. We assume it would be via the DSC Contract Manager who currently receive any communications. It was also not clear where an organisation needs to update the PA Representative who they go to, our assumption was the PAFA who should be the guardians of the master list.
- Section 20.9 – we support the committee having the option to explore audit at a market or individual level, but we are concerned this section could be

contradictory and/or ambiguous because it refers to costs being for individuals but allows for a market audit, which isn't clear how that would be paid for. It also isn't clear what the committee would use as the SLAs or the triggers for an audit. We recognise this has been left open to allow flexibility for the committee, but we believe some more structure to this section will be advisable. If an audit is required parties need time to mobilise people and funds to pay for it. We believe this can be evolved at a later date.

**Modification Panel Members have requested that the following questions / considerations are addressed:**

*Q1: Provide a view on whether respondents think it is appropriate to impact non-UNC parties with this proposal?*

We support the recognition that some performance issues are linked to third parties, but it is key to remember they are not UNC acceded parties and that any remediation is with the UNC party.

*Q2: Consider impact of proposal for the overarching principle to apply to Modification Panel, UNCC, Sub Committees and Parties as set out in business rule 2a.*

Although the use to the committees, mainly where there is an escalation, it will only really be known to be a suitable process when it is utilised. It is through our review a pragmatic approach to have UNCC act in an impartial view, we aren't certain how the outcomes and recommendations work. It also isn't clear where there is a referral to the Authority what sanctions might be considered. It would be good for outcomes to be clarified in PAFD, but we believe these will only be known when the process is tested.

**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.*

See summary and Legal Text feedback sections.

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

No further comments.