

Representation - Draft Modification Report UNC 0674 Performance Assurance Techniques and Controls

Responses invited by: 5pm on 24 May 2021

To: enquiries@gasgovernance.co.uk

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

Representative:	Carl Whitehouse
Organisation:	Shell Energy Retail Limited
Date of Representation:	24 May 2021
Support or oppose implementation?	Support
Relevant Objective:	d) Positive f) Positive

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

The implementation of the Performance Assurance Framework and Governance Arrangements under UNC 0506V in 2016 was effectively what the gas industry required due to not having any ways of monitoring shipper performance. It is abundantly clear that updates to the governance are required for the Performance Assurance Committee (PAC) to further fulfill the requirements of the role. Further, the concurrent development of the new REC PAB governance arrangements have proposed similar techniques during their recent consultation.

The proposals in this modification will ensure that the PAC have the requisite tools in place to effectively manage settlement performance by identifying deficiencies and implementing controls to improve performance. In particular, providing PAC additional authority to impose sanctions on under performing UNC parties.

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

We support the implementation in line with the scheduled iGT UNC release.

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

No significant costs will be incurred as a result of this modification.

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

The legal text has not been scrutinised in any great detail.

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?

It is imperative that if improvements are made to assurance controls of the governance framework then an underperforming party should be accountable for their actions. This monitoring should equally apply to non-UNC parties. The UNC party should not be able to use excuses for poor third party performance. We understand it would be difficult in practice to administer performance related charges to non-UNC parties as they do not accede to the code.

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.

The overarching principle set out in business rule 2a should apply to those committees mentioned.

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.*

N/A

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

N/A