

NOVEMBER 22 - GEMSERV

# 2021 / 2022 ANNUAL REVIEW & ENGAGEMENT EVENT REPORT

TALIA LATTIMORE



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MAKING THINGS THAT MATTER WORK BETTER

# OVERVIEW



The 2021/2022 Performance Assurance Regime Annual Review was issued for consultation on in October 2022 for a period of 4 weeks.

As part of our continued review of the approach to the Annual Review, and in addition to the consultation, this year the content of the Annual Review was shared and talked to as part of a Performance Assurance Engagement event, which was held on 21<sup>st</sup> September 2022. This approach was taken in an effort to obtain more views on Performance Assurance than had been received in previous years.

This report provides an update on responses to the Annual Review consultation as well as feedback and key observations from the engagement event.

**PAC will be asked to consider the consultation responses and provide a response to points raised during the meeting. We will also ask PAC to consider the recommendations set out in slide 18.**



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# 2021/22 ANNUAL REVIEW REPORT

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CONSULTATION RESPONSES

# ANNUAL REVIEW CONSULTATION RESPONSES



We received 1 response to the Annual Review consultation

**Q1) Please comment on whether the Framework meets the needs of the UNC, your organisation, and the wider gas industry. Please indicate its strengths and weaknesses.**

Meets needs of UNC, less so for organisation as PAC continues to expect all shippers to improve in areas of concerns, but does not factor in issues in wider industry for example, poor MRA performance, EBRS changes / government changes that affect resource within organisation.

**Q2) PAC (in its role as manager of the PAF); Are you aware of the work the PAC do? If so, how have you become aware of the work?**

Yes, via engagement days, letters, performance plans and active participation in PAC.

# ANNUAL REVIEW CONSULTATION RESPONSES



**Q3) Please comment on the PAC's management of the framework in terms of the PAF, the UNC, your organisation, and the wider gas industry. Please share identified positives and negatives.**

Management of framework is sufficient, risk review and mitigation in place. Marginal increases in read performance represent a lack of effective improvement measures for PC1, PC3 and PC4. Appreciate this is a moving target due to SoLR and shippers exiting the market. Perhaps the holistic view will increase performance across more areas than just read performance.

**Q4) PAFA (in its role as administrators of the PAF); Please comment on the work of the PAFA in relation to the PAF, your organisation, the UNC and the wider industry. Please share identified positives and negatives.**

PAFA look to be covering key risk areas to settlement, aged data in PC4 is an area to address as the read performance shippers are answering to is already old and out of date. Could PAFA not receive an indicative view on a monthly basis to enhance the decision making processes of the PAC.

# ANNUAL REVIEW CONSULTATION RESPONSES



**Q5) If you've been engaged with PAFA following receipt of a performance communication, how would you rate your experience, E.g. Professionalism, Knowledge, Helpfulness.**

PAFA lack operational shipper knowledge and technical experience in that they are managing the framework however do not understand how reads are submitted to XOS. This lack of understanding might also affect decision making when they provide stats to PAC to direct the areas that require improvement, rather than addressing the root cause of poor read performance e.g shipper BAU processes, market interactions etc.

**Q6) CDSP (for the provision of performance insights and information); Please comment on the work of the CDSP in the context of Performance Assurance and in relation to performance insights and information for your organisation, the PAF, the UNC, the DDP and PA reports. Please share identified positives and negatives.**

DDP is a good platform, but some data is aged based on rules, could show an indicative view XOS has errors in code that is released that affects shipper ability to meet read performance targets, or diverts resource within organisation to create and manage manual workarounds due to XOS code errors. XOS should be clear when errors are made and request feedback from shippers on how this is going to affect their ability to continue to run their business.

# ANNUAL REVIEW CONSULTATION RESPONSES



**Q7) Performance Impacting Operational and Industry issues; Please indicate any issues that are impacting performance reports for the industry or your organisation.**

Current industry issues PC2 AMR contracts expect a check read after 2 years, not 1 year – expectation this was not in code during Nexus Estimated FICC reads on a class change by XOS impacting reads accepted by industry High industry activity e.g MBSR / EBRS / BEIS HH that is diverting resource to ensure suppliers / shippers are meeting OFGEM / BEIS expectation.

**Q8) If your organisation has been involved in an improvement plan, would you say it helped you focus on improvement action within your organisation?**

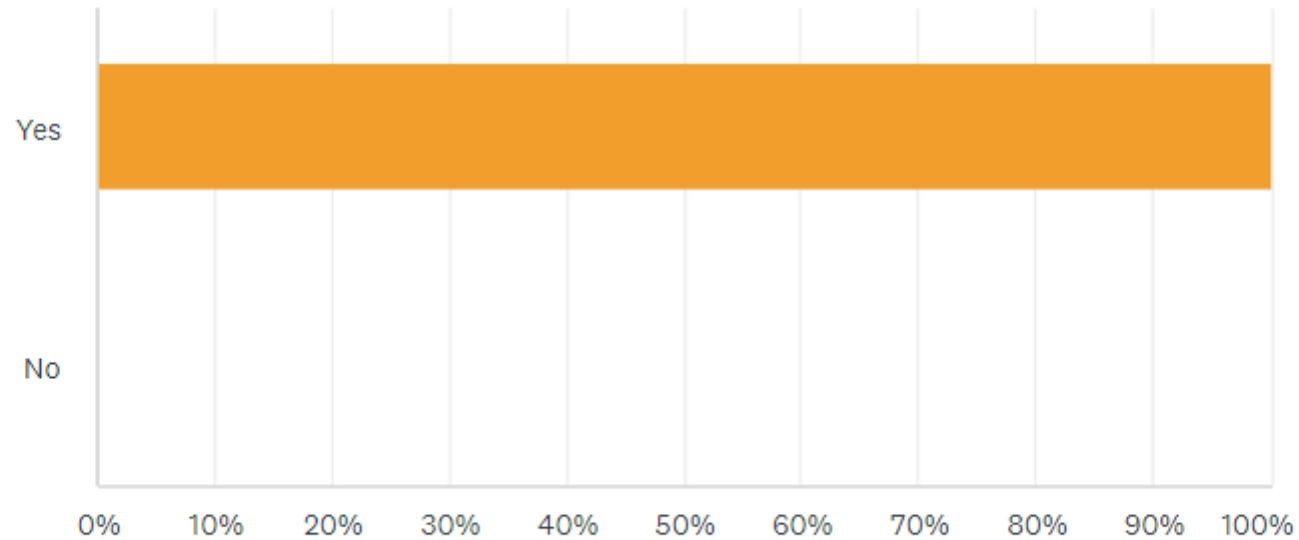
No, it was additional administration, time consuming and expectation around target dates to meet standard regardless of what is occurring in the industry.

# ANNUAL REVIEW CONSULTATION RESPONSES



**Q9)** Does your organisation obtain the monthly Performance Assurance Reports via the Gas Performance Assurance Portal (GPAP) platform?

Answered: 1 Skipped: 0







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# ENGAGEMENT DAY REPORT

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PARTY ENGAGEMENT, FEEDBACK  
AND KEY OBSERVATIONS

# ENGAGEMENT EVENT: OVERVIEW



The Performance Assurance engagement event was held on 21st September 2022 and was well attended and well received. The event covered the following areas:

- Overview of the Performance Assurance Regime
- PACs focus for the next 12 months (including UNC0674V)
- How you can improve and maintain performance
- 2021/22 Annual Review
- Opportunity for feedback, Q&A and Panels (Slido)

As part of the event we also had a number of pause points where we engaged with attendees using Slido, making use of polls, Q&A and word maps.

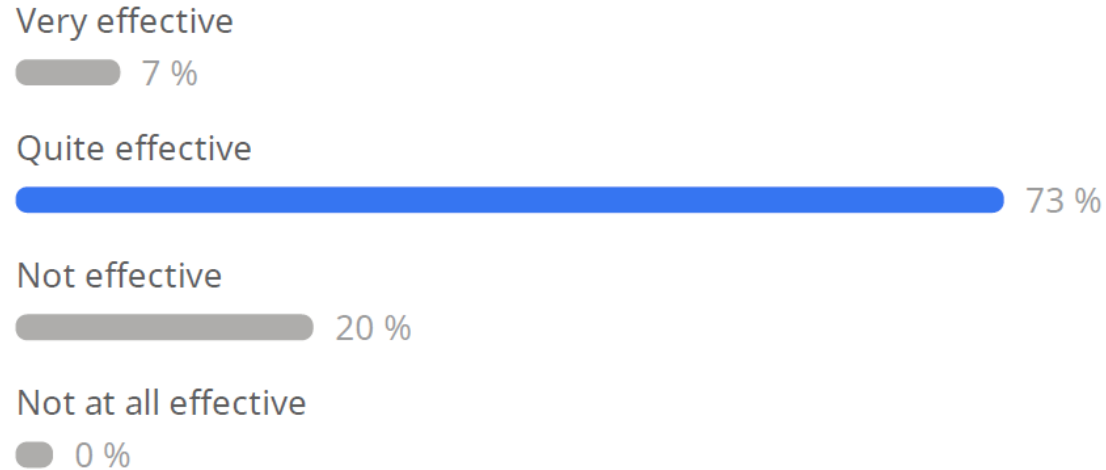
A total of 45 industry participants attended the event and all but one engaged via Slido. We had a total of 42 questions/statements submitted and participants voted on questions 159 times.

# ENGAGEMENT EVENT: PARTY ENGAGEMENT



How effective do you think the Performance Assurance regime is under the UNC?

030



How important is it that industry performance levels improve?

026

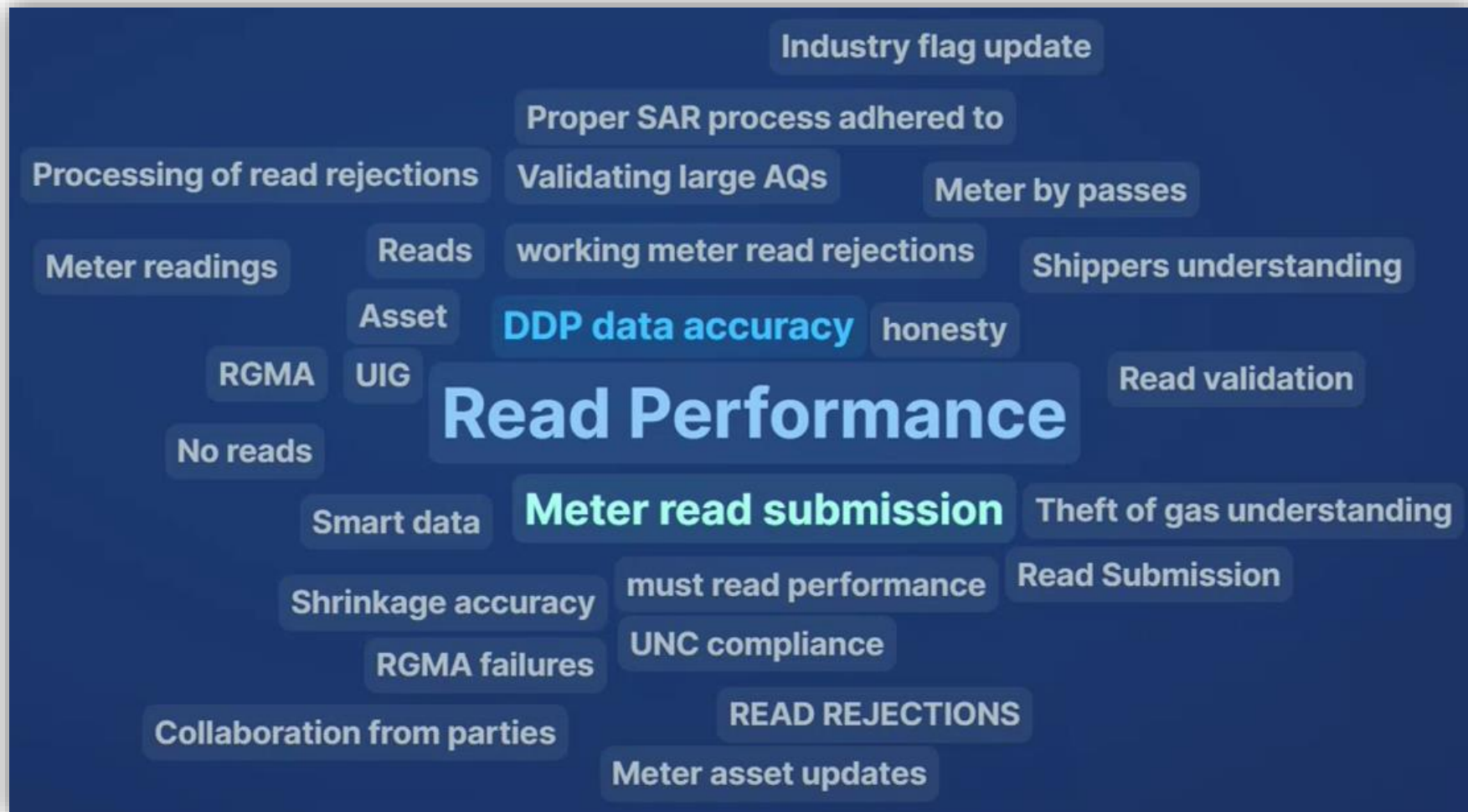


# ENGAGEMENT EVENT: PARTY ENGAGEMENT



What areas do you think need to be addressed to see the greatest improvement to settlement accuracy?

0 2 2



# ENGAGEMENT EVENT: TOP 5 QUESTIONS



With the PC4 amount doesn't this go to show there is a fundamental issue with the gas industry as a whole and the % of accepted reads should not be set to 90%

Is there not a risk that some parties may abuse the system and submit estimated data just to improve % performance? How would PAC/PAFA identify this and target?

Re No Reads.. will consideration be made to sites churning between shippers?  
Also consideration to overall AQ associated to the no read pot.

With the 90% target it's harder for non- domestic as many domestic customers working from home but reluctance from some businesses to provide access

Would the expectation not be to lower the target for PC4 as alot of 'good' performing sites are moving to PC3

**\*\* Please note that the questions above are reflected as written by the event attendees.  
All questions and answers from the event will shortly be available on the [GPAP website](#).\*\***

# ENGAGEMENT EVENT: FEEDBACK



Since the event we have received both positive, negative and constructive feedback, all of which we will take into consideration ahead of any further Performance Assurance events.

## Positive Feedback:

- Use of Slido was very good.
- Very insightful.
- Found content very useful and party is now applying information provided to their current work.

## How useful did you find this session?

0 2 1

Very useful



Quite useful



Not useful



Not at all useful



# ENGAGEMENT EVENT: FEEDBACK



## Negative / Constructive Feedback:

- Slides needed in advance.
- Some of the information in the first 2 hours was for those with prior knowledge / experience and hard for those not as close to performance assurance to understand.
- Post event materials not provided fast enough.
- Felt the event was focused only on poor Shipper performance and felt it was unfair.
- An organisation was unhappy with how some of the questions were responded to in terms of gravitas.



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# OBSERVATIONS, KEY TAKEAWAYS & RECOMMENDATIONS

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# KEY OBSERVATIONS & TAKEAWAYS



- Parties are keen to engage and understand their obligations and the actions they need to take.
- Based on the questions / statements during the meeting there is still a lack of understanding of the PAC, PAF and obligations on gas Parties. There is also a lack of understanding with regards to UNC0674 specifically and what this means for the PAC, PAF and Parties. All of which indicates that there is still some work to be done with regards to industry engagement and level at which information is presented.
- A lot of focus / perceived anxiety on how achievable the 90% target is for PC4. This topic had the most airtime as far as a single topic goes during event. As part of this discussion there were comparisons made between Electricity and Gas which had a mixed response.
- During the Engagement Event there was a general feeling of frustration felt from Parties. Although Parties agreed that improved performance was important, Parties still felt it is quite difficult to achieve.

# RECOMMENDATIONS



- **UNC0674V Engagement Event:**
  - Suggest an engagement event be held in the new year to help bring parties up to speed on UNC0674V. As part of this, suggest communications are issue in advance to highlight the event and invite views on areas Parties want discussed during the event.
  
- **PAC discuss and consider key topic areas touched on during the event:**
  - UNC Code - targets or obligations?
  - PC4 90% obligation
  - Current economic climate & volume of industry change
  - Changes regarding Must Read
  - I&C and domestic reporting
  - Access to premises for non-domestic reads

Suggest PAC Members review and consider [all questions / statements](#) made by Parties during the Engagement Event to gain an understanding of the full scope of the discussions as context for discussions going forward.



# THANK YOU!

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## ANY QUESTIONS?

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