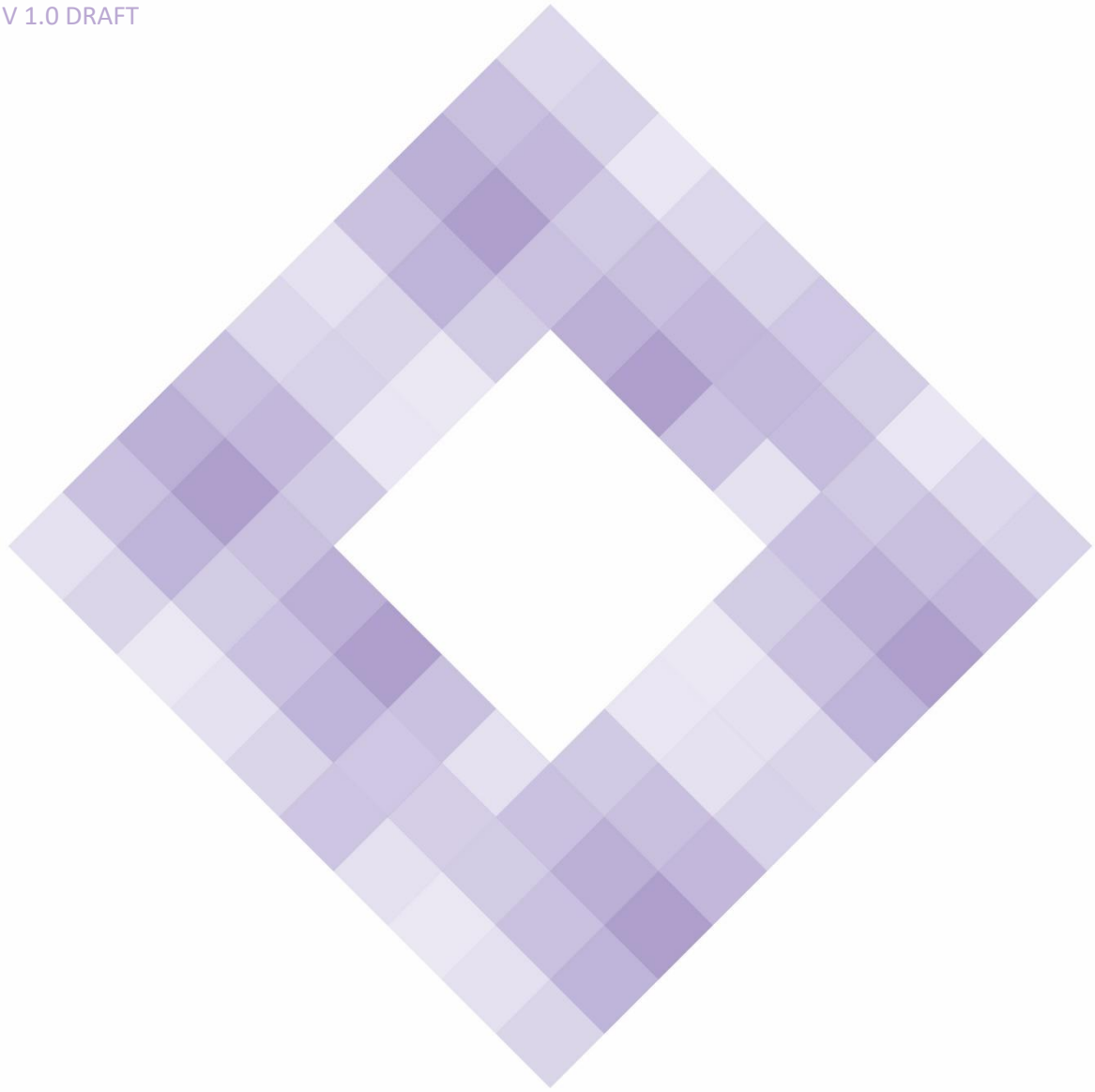
Performance Assurance Framework Administrator - Annual Review and Feedback Request 2021

23 July 2021

V 1.0 DRAFT



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CHANGE HISTORY

Version	Status	Issue Date	Author	Comments
V 1.0	Draft	23/07/2020	Rachel Clarke	

DOCUMENT CONTROLS

Reviewer	Role	Responsibility	Date
Anne Jackson	Reviewer	Initial review	06/08/2021
Sara Usmani	Reviewer	Quality review	xx/0x/2021

Executive Summary

This report provides an overview of the work undertaken by the Performance Assurance Committee (PAC), Performance Assurance Framework Administrator (PAFA) and the Central Data Service Provider (CDSP) for the operation of the Uniform Network Code (UNC) Gas Performance Assurance regime between the period 1st July 2020 to 30th June 2021.

The PAC operate within the Performance Assurance Framework (PAF). The PAF is limited to energy and supply points within local distribution zones, including those in Independent Gas Transport Networks (IGT) (although PAC governance is limited to the UNC and PAC have no jurisdiction over matters governed by the IGT UNC), it does not extend to energy transported through the National Transmission System and supply meter points connected to it.

The PAC monitors Shipper performance against the Performance Assurance Reports Register (PARR). The data within these reports is used by the PAFA to review Industry performance, identify areas for performance improvement and to target poorly performing Shippers to request performance improvement action. The PAC also monitor the risks in the risk register and their impacts on gas industry settlement risk.

The PAC met a total of eighteen times over the period; consisting of twelve Committee meetings, three Data Delivery Platform (DDP) outputs development workshops and three PARR/risk review workshops. A considerable amount of work has been undertaken to re-engineer the Risk evaluation tool as well as the Risk Register over this period. To date, twelve of the sixteen PARR reports are available on Xoserve's Data Delivery Platform (DDP), with work continuing to deliver the remaining reports as soon as possible. An increasing number of UNC modifications contain reference to the requirement for PAC to monitor industry behaviour in a particular area and consider development of a PARR report.

The PAC has also continued to work closely with the PAFA and CDSP to further develop the range of performance assurance techniques available to them. PAFA have continued to work with the Xoserve Customer Advocate team, meeting with them every two weeks. The primary aim of these meetings is to increase communication with Shipper organisations, highlighting areas of concern and offering performance assurance advice. The implementation of these techniques has led to performance improvements across many of the areas monitored by the PARR reports.

The profile of the PAC has been raised, with the work of the PAC being increasingly recognised across the industry. More recently, the PAC requested a Shipper attend a PAC meeting in order to discuss their performance in Settlement and how the party intended on addressing this performance. The meeting was well received and

identified a number of areas the Shipper needed to address in order to be able to meet their UNC targets. PAFA and the CAMs have worked closely with this Shipper, bringing monthly updates back to the PAC on their progress.

A record number of Shippers have been contacted regarding making improvements to their performance against the requirements of the UNC due to the success of performance improvement plan request and industry engagement on these. Some of the most notable PAC achievements over the last 12 months have been:

- Significant increase in the number of performance improvement techniques being applied:
    - **Issuing 54** Performance Observation letters;
    - **Making 23** Performance Improvement Requests on PC1, 2, 3 and PC4 Annual;
    - **Making 32** PC4 Monthly Performance Improvement Requests.
        - **Establishing 48** Performance Improvement Plans with Shipper organisations;
    - **Contacting 18** Shippers regarding the provision of NDM sample data; and
- The continued development of the PARR
    - The number of reports has grown from **ten** anonymised reports ("A" for industry) and non-anonymised reports ("B" for PAC) to **thirteen** anonymised reports (fourteen including sub-reports) and from **thirteen** to **sixteen** non-anonymised reports (twenty-two including sub-reports).
    - An increasing number of UNC modifications contain recognition for the requirement of PARR reports.
    - PAFA have worked closely with the CDSP to test the development of the Data Delivery Platform helping to ensure that the logic used for the PAC reports is reflective of the requirements of the PARR and offers the PAC the appropriate level of insight. This has in turn allowed Shippers to save resource costs on testing in order to ensure that the DDP is delivered on schedule.
- Increased Shipper engagement levels, demonstrated through engagement in performance improvement plans, requests to attend PAC meetings and emails to the PAFA mailbox.
- Risk register redesign completed:
    - **30** risks recorded;
    - **4** risks closed;
    - **4** open issues recorded;
    - PAC worked on grouping risks into topics, to target specific areas for improvement including;
        - Data/Volume;
        - Meter Read;
        - Retrospective;
        - Unattributed;
        - Meter Asset; and
        - General.

For the coming contract year, one aspect of the PACs focus will continue to be meter readings with an objective to improve meter read performance across all product classes. In the past year the PAC carried out strategic targeting of all product classes and good work has been carried out on bringing the industry on that journey. In the next year the PAC will begin to see the benefits of this targeting approach and will help to steer their future strategy, complimented by the Risk Register and the Risk Evaluation Tool.

The PAC will also continue to pay close attention to the impact of UNC modifications implemented to provide economic relief and assistance to Consumers and Shippers through the period of the government's COVID-19 lockdown and other measures. This will include reviewing their use and, when appropriate, suggesting that the reversing of these measures is raised in Code. Or corrections as consumption levels resume or the period of need is deemed to have passed. This includes the UNC modifications **UNC0722** – Allow Users to submit Estimated Meter Reads during the COVID-19 period and **UNC0723** – Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period.

Feedback request:

As part of the annual review process the PAC are seeking views from industry on the activities and success of:

- the Performance Assurance Framework arrangements (which can be found at: https://www.gasgovernance.co.uk/PAC);
- the PAC in its role as managers of the Performance Assurance Framework; and
- the PAFA in its role as administrator of the arrangements;
- CDSP for the provision of information.

We are also eager to hear about any factors operational, systemic or otherwise that impact Code Parties ability to operate within the current arrangements.

Comments, feedback or suggestions may be sent to PAFA@gemserv.com

Anonymous/confidential response should be marked as such.

1. Performance Assurance Committee

The PAC is made up of a total of twelve seats, nine of which are held by Shippers and three by Transporters. This is illustrated below in Figure 1.1.

Figure 1.1: Performance Assurance Committee Member structure

Due to the sensitive nature of the information discussed at the PAC, the meetings are closed. However, industry participants are able to request attendance to some sections of the meetings by emailing a request to the Joint Office of Gas Transporters. Ofgem also have an optional non-voting seat on the committee and are able to attend PAC meetings. During 2020 – 2021 there has been a Shipper vacancy on the Performance Assurance Committee, however, the PAC have rarely experienced quoracy issues. PAC elections take place every year and new PAC members are appointed on 1st October following an election process which is carried out by the Joint Office as the PAC Secretariat.

The PAC meetings are held on the second Tuesday of each month and are supported by the Joint Office of Gas Transporters in its role as UNCC sub-committee chair and secretariat, and PAFA as administrator of the Performance Assurance Framework (PAF). Xoserve in its role as the Central Data Service Supplier (CDSP) also attend as an observer.

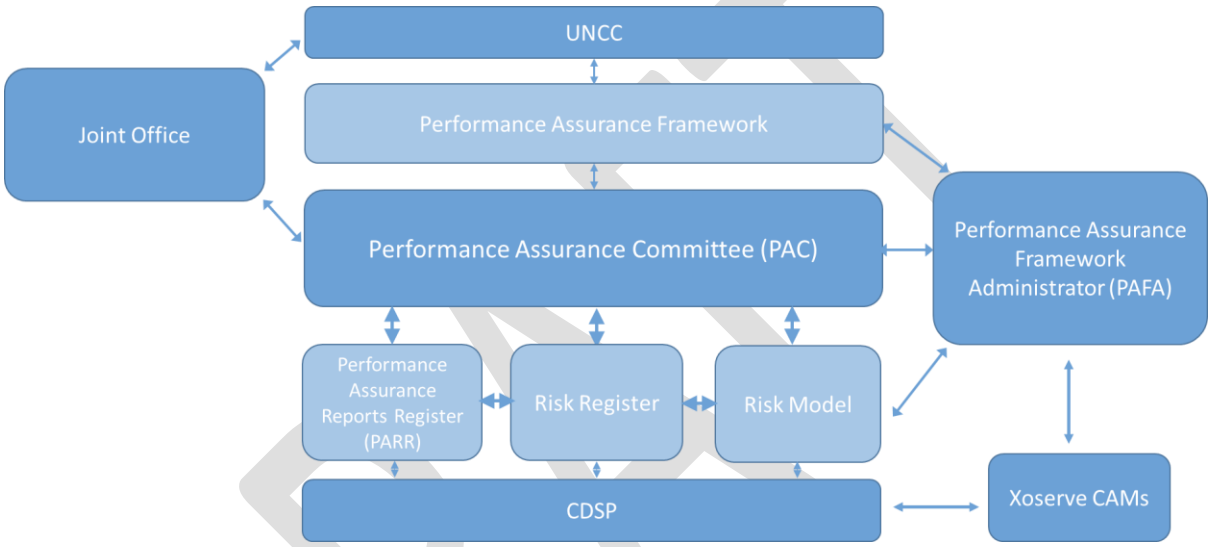
The PAF contains the following objectives:

- To determine the appropriate reporting and analysis to measure energy settlement performance and risks to it;

- To create a risk register and supporting analysis to assess risks and determine mitigation activities for energy settlement performance;
- To report as necessary; and
- To create a regime incentivising the required performance if necessary, by proposing modifications to the UNC.

The primary goal of the monthly PAC meetings is to work towards the achievement of these objectives. The PAC and its relationship to the rest of the industry is demonstrated below in Figure 1.2.

Figure 1.2: PAC industry structure



The PAC terms of reference and the Performance Assurance Framework document can be found on the PAC section of the Joint Office website: https://www.gasgovernance.co.uk/PAC

2. Performance Assurance Reports and the Data Delivery Platform

The PARR reports are separated into two reports: anonymised (marked as "A" reports) and non-anonymised (marked as "B" reports) versions. The anonymised reports are reported to the industry whilst the non-anonymised reports are only available to PAC members. Non-anonymised reports are used by the PAFA to monitor Shipper performance and in turn, provide performance assurance to the PAC. It should be noted that the PARR reports consider data relating to all energy and supply points within local distribution zones, including those in Independent Gas Transport Networks (IGT) – but excluding those directly connected to the National Transmission System.

Both A and B reports are published via the Huddle platform, with a separate location for the non-anonymised reporting which is closely monitored by the PAFA in order to ensure the Huddle Workspace is being used appropriately. The PARR reports included within the industry view (A) are below in Figure 2.

Figure 2: PARR report structure – anonymised reports

Report number	Report Title
2A.1	Estimated read performance
2A.2	No meter recorded in the Supply Point Register
2A.3	No meter recorded and data flows received
2A.4	Shipper Transfer read performance
2A.5	Meter read performance
2A.6	Meter read validity failure
2A.7	No read received for 1, 2, 3 or 4 years
2A.8	AQ corrections by reason code
2A.9	Standard Correction Factors
2A.10	Replaced Meter reads
2A.11	Sites above the Class 1 threshold which are not in Class 1
2A.12	Class 4 read submission performance as a percentage of portfolio AQ

2A.13 Breakdown of AQ overdue for a Meter Reading

The PAFA also receive WAR band updates and NDM Sample data updates throughout the year and ensure this data is fed into PAC discussions.

The full specification of these reports and the non-anonymised reports can be found in Appendix 1 of this document. Graphs demonstrating average industry performance across all ten PARR reports can be found in Appendix 4 of this report.

The PAC and PAFA have continued to work on the development of the PARR, adding granularity and clarity to the reports and identifying the requirement for additional data items to add context and additional dimensions to the reporting. PAC welcome the increasing number of UNC modifications, whereby the proposer now includes the requirement for a PARR report and associated transparency and monitoring ability that this brings. As a result of this the number of reports included in the PARR is growing.

Change Management Committee (ChMC) change XRN4876 was delivered during this year and it provided further data, through the DDP to PAFA to aid analysis of performance reporting. The change will allow the PAFA to access more up to date data and the ability to cross-reference the data to bring more in depth analysis and considerations to the PAC.

The development of the Data Delivery Platform (DDP) by the CDSP is set to enable the PAFA (and Shippers), when fully rolled out, to 'self-serve' their monthly reports. To facilitate this, PAFA were added to the Data Permissions Matrix (DPM), through the implementation of modification **UNC0707S: Introducing 'Performance Assurance Framework Administrator' as a User Type to the Data Permissions Matrix.**

Currently twelve PARR reports are available on the DDP, with the remaining four reports to be delivered as soon as possible. The additional reporting that is available to the PAC, as well as additional reports due to implementation of modifications, are also expected to be available imminently. The PAFA, alongside Xoserve carried out sub-groups to scope and spec out the user stories which would be later added into the DDP for both PAFA and Shipper views. PAFA have also carried out testing for all stages of implementation of the platform, ensuring that all user stories implemented met the specifications and identified any anomalies.

Details of the change proposal requests can be found here: https://www.xoserve.com/change/change-proposals/?customers=&statuses=&search=

3. Performance Assurance Techniques

The PAC, with the support of PAFA, monitors Shipper performance against the PARR. The data within these reports alongside market intelligence and input from the Xoserve Customer Advocate teams is used by the PAFA to identify areas for industry performance improvement and target specific Shippers exhibiting poor performance for performance improvement action.

Where areas for performance improvement are identified the PAC have deployed a number of performance assurance techniques to encourage Shippers to work towards meeting the requirements of the UNC. Over the course of the year, the PAC have worked to deploy these techniques across the PARR, issuing a total of One hundred nine Shipper specific communications. These are spread across the performance assurance techniques as follows:

- **Issuing 54** Performance Observation letters,
- **Making 23** Performance Improvement Requests PC1, 2, 3 and PC4 Annual,
- **Making 32** PC4 Monthly Performance Improvement Requests, leading to;
    - **Establishing 48** Performance improvement plans with Shipper organisations; and
- **Contacting 18** Shippers regarding the provision of NDM sample data.

Month of issue	Technique	Performance area	No. of Shippers contacted
July'20	Performance improvement request	2A.5 Read Performance Product Class 3	2
July'20	Performance improvement request	2A.7 No Read for 1,2,3 OR 4 years (PC4) & 2A.5 Read performance (PC4)	1
July'20	Performance improvement request	Mandating provision of NDM sample data	8
August'20	Performance improvement request	2A.5 Read Performance PC1 & PC2	1
Dec' 20	Performance improvement request	2A.5 Read Performance Product Class 4	15
Jan'21	Performance improvement request	Mandating provision of NDM sample data	6
March'21	Performance improvement request	2A.5 Read Performance Product Class 4	7
April'21	Performance improvement request	2A.5 Read Performance Product Class 4	10
May'21	Performance improvement request	2A.5 Read Performance Product Class 2	1
July'21	Performance improvement request	Mandating provision of NDM sample data	4

Month of issue	Technique	Performance area	No. of Shippers contacted
July'20	Performance Observation	2A.5 Read Performance Product Class 3	8
Aug'20	Performance Observation	2A.7 No Read for 1,2,3 OR 4 years (PC4)	46

The Performance Assurance Techniques are displayed below in Figure 3, a full description of the techniques can be found in Appendix 2 of this document.

Figure 3: Performance Assurance Techniques

4. Performance improvements (to date)

The PAC and PAFA have continued to work closely alongside the Xoserve Customer Advocate Team (CAMs) to encourage improvements in Shipper performance. PAFA meet with the CAMS every two weeks to discuss areas of concern, discuss progress and understand issues that are currently impacting the industry as a whole.

Following the outbreak of COVID-19 and the multiple UK lockdowns, PAC took the decision, guided by Ofgem communications in this area, to suspend performance improvement activities from 24th March 2020 and resumed this work in July 2020. The PAC have maintained throughout the Pandemic consideration of the difficulties Shippers have experienced in obtaining meter reads, especially through the early part of this period. The PAC have discussed at recent meetings the expectation that meter read activity should return to normal levels upon the Government Roadmap coming to fruition and the economy opening up again.

The below charts show the improvements in meter read performance over the past year, taking into account the difficulties parties have faced this year, the improvements can still be seen in PC1, PC2 and PC3 markets.

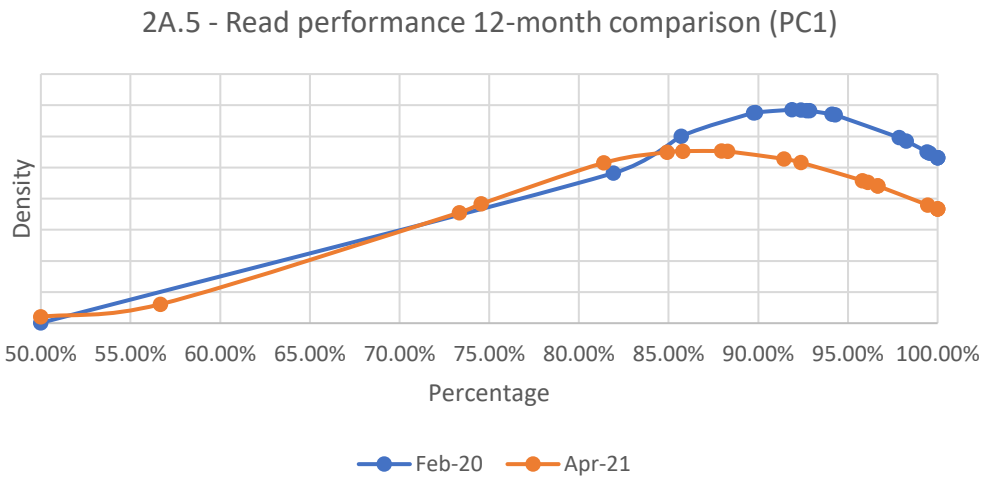
Over the past two years the PAC have deployed various techniques to encourage industry engagement. The PAC have issued various letters to Shippers who are not reaching the UNC targets taking into consideration both a risk and market model. PAC successfully engaged with parties through requesting improvement plans on Shipper's mitigations and journey to UNC target. The PAFA manages these plans and liaises with industry throughout their plan length to ensure parties are supported in reaching target. This technique has been very successful and has contributed to the improvements in industry performance that we are now starting to see through the data. Performance improvement plans have been so successful that PAC tasked the PAFA to engage in a PC4 Monthly targeting project which has resulted in 48 in-flight improvement plans.

Within the last year we have also seen the successful closing of plans for Shippers who have consistently met UNC target for more than three consecutive months. PAC have been very encouraged by these gains and are motivated by the industries efforts in improving their performance.

Targeting of PC4 Monthly and PC4 annual began in late 2020 and although numbers are encouraging, the PAC have yet to fully see the new landscape of these product classes following good industry engagement.

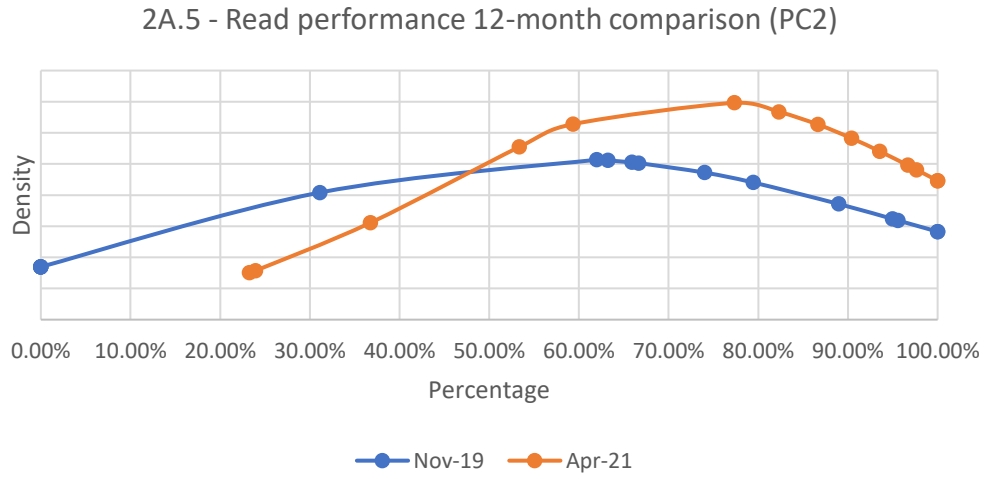
Figure 4.1 and 4.2 demonstrate the distribution of percentage of read performance across product class 1 (PC1) and product class 2 (PC2) from March 2020 to April 2021, respectively.

Figure 4.1: Read Performance for PC1 Market – March 2020 vs April 2021



The data has shown that PAC activities over the past year, as well as the engagement of the industry to address their performance, has shown an improvement in the data. This is, more predominantly seen within the PC2 and PC3 markets. As previously mentioned there have been many Shippers completing and consistently meeting UNC target and the PAC are encouraged by these successes.

Figure 4.2: Read Performance for PC2 Market – March 2020 vs April 2021



Increasing feedback has been received by the PAFA from Shippers noting that large scale data cleanse activities are being carried out to ensure that meters are situated in the correct product class. This has resulted in an increase in the PC3 market, with meters moving from PC4 monthly and PC4 annual.

Figure 4.3 and 4.4 demonstrate the distribution of percentage of read performance across product class 3 (PC3) and product class 4 Monthly (PC4M) from March 2020 to April 2021, respectively.

Figure 4.3: Read Performance for PC3 Market – March 2020 vs April 2021

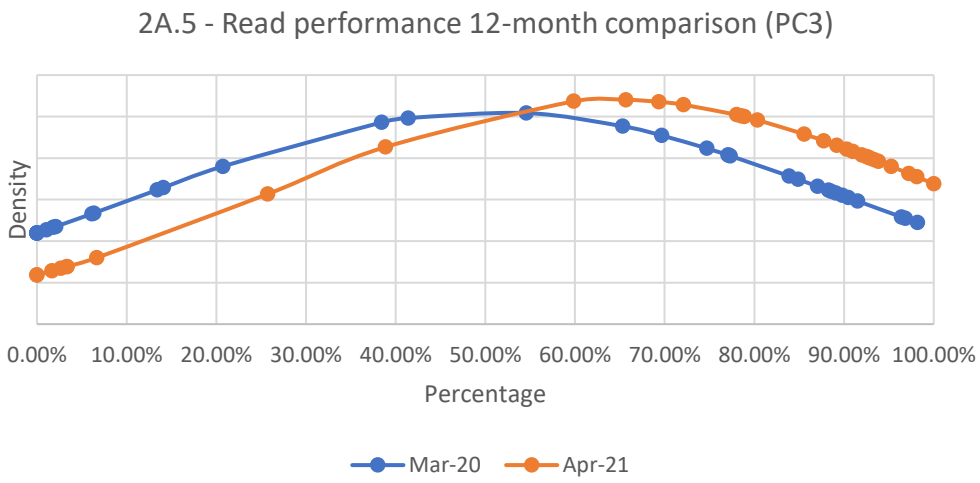
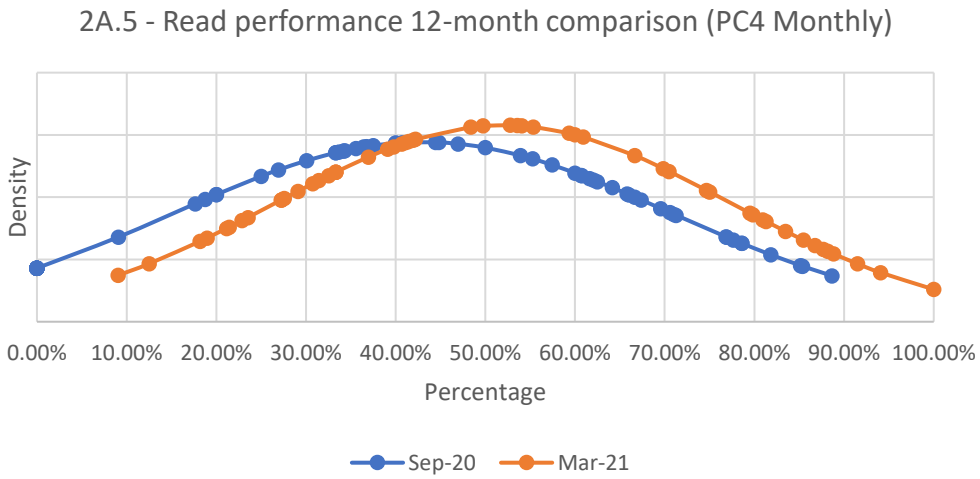


Figure 4.3: Read Performance for PC4 Monthly Market – September 2020 vs March 2021



5. Huddle usage

Huddle is a platform that is utilised by the PAFA to securely share reporting on industry performance with the PAC, CDSP and industry members. Current arrangements allow each Shipper organisation access licences to the Huddle platform.

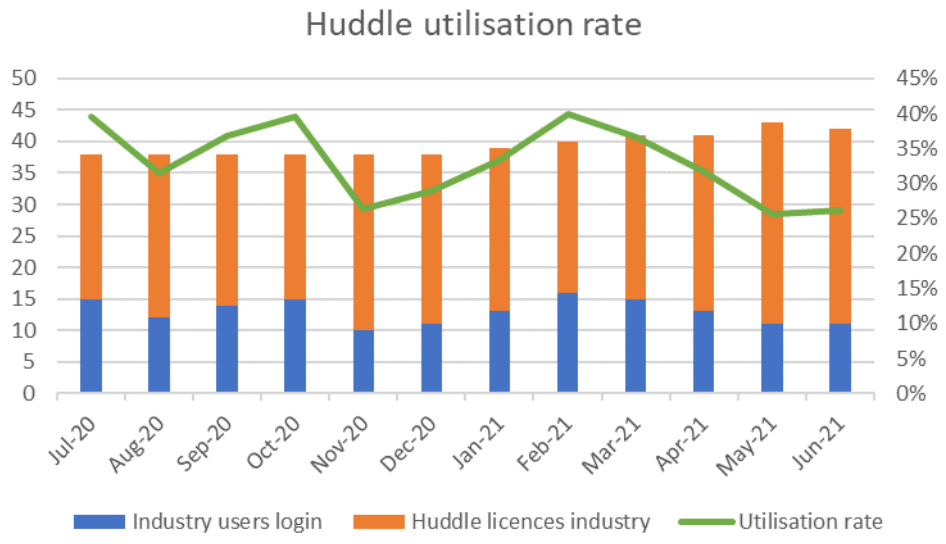
This year, PAFA have undertaken a full review of the Shipper access to the Huddle platform, encouraging Shippers to update their contact details and advising Shippers of the level of information that is available for Shippers to access.

Despite work on increasing visibility and access to the platform, utilisation still remains lower than expected. Currently 42 licences have been issued to Shipper organisations, with industry utilisation decreasing over the past year from 35% to a 33% average.

To identify who has access for your organisation, please contact the PAFA: PAFA@gemserv.com.

The graph below illustrates the Huddle utilisation rate across industry members (excluding PAC, CDSP & PAFA). The Huddle industry (orange bar) figure show the total number of industry users with a login during a given month whilst the industry users (blue bar) illustrates the number of users who either viewed and/or downloaded a document from the platform. The utilisation rate (right hand side axis) is the rate which indicates platform usage.

Figure 5.1: Huddle utilisation rate



More work needs to be done to engage the industry in this aspect of the PAC communication work and, although we are seeing an increase in Shippers enquiring about Huddle, we are not seeing that progress through the utilisation percentages. The current provisions for Shipper access to data has improved with the DDP and this gives an individual performance indicator. Reports contained on Huddle give wider industry view averages and are consolidated into one report. We intend to seek views from the industry through this review on their views of the current arrangements and what could be done to improve engagement.

6. Risk Register

The PAFA have this year, redesigned the risk register and risk evaluation tool which informs the values included in the register. The redesign has simplified the way risks are measured and has grouped risks into topics to enable the PAC to focus on specific areas of industry performance rather than individual risks in isolation. The redesign of the risk register has been carried out alongside the PAC with PAFA hosting subgroups to ensure the redesign was dynamic and informed the PAC sufficiently.

As a result, the number of risks recorded on the register has increased from to **thirty**, and six topic groups have been determined. Four risks have been closed and there are four open issues recorded.

The six topic groups are set out below, with an explanation of what is included in these areas;

- Meter Reads – This includes those risks that directly affect meter reading activities or areas that are directly affected by data going into central systems. These include WAR bands, no read 'line in the sand' and meter read classes.
- Meter Assets – This includes those risks that are concerned with physical meter assets and includes missing or incorrect asset data.
- Data/Volume – This included both Data Corrections and Volume Corrections and includes areas such as Correction factors and use of the AQ correction process.
- Unattributed – This includes those risk areas that have a level of unquantifiable gas attributed to them. This includes Theft of Gas, LDZ offtake and Shipperless sites. These areas can have high fluctuations and therefore do not sit in another category.
- General – These are used for risks that do not directly affect settlement, but do have impacts on the Performance Assurance regime. These include PARR report review, UNC674 and DDP implementation.
- Retrospective – This area looks at all risks which look at retrospective reads.

Risks can be raised by any PAC member and then presented to the rest of the PAC to reach agreement for inclusion in the register. PAFA and CDSP then work to provide evidence to support the risk and define possible target measures.

A list of the risks on the register is detailed below, with the full risk register being available on Huddle.

PAC Risk no.	Risk Title	Category
PACR001	Theft of gas: The consumption recorded at and by the meter does not record the actual consumption at the premise because of theft of gas at that premise	UNATTRIBUTED
PACR002	AQ correction process: The process to correct AQ's is not used correctly or appropriately thereby applying a bias to the AQ corrections which is not reflective of the AQ corrections needed in any shipper portfolio	DATA/VOLUME
PACR003	Use of estimated daily meter reads: For daily metered sites in Product class 1 & 2 due to an actual daily reading not being loaded on to UK Link	METER READS
PACR004	Identified LDZ Offtake measurement errors: The gas measured into the network has been identified as being incorrect	UNATTRIBUTED
PACR005	Incorrect or absent meter asset data: Consumptions are inaccurately derived from the meter billing attributes provided	METER READS
PACR006	Site-specific winter annual ratio (WAR) bands: site specific WAR bands are not available for End User Category (EUC) 03-08 sites	METER READS
PACR007	Undetected LDZ offtake measurement errors: The gas measured into the network is incorrect and remains undetected	UNATTRIBUTED
PACR008	Unregistered Supply points: The supply point is not registered, but is consuming gas	UNATTRIBUTED
PACR009	Shipperless Supply points: The supply point exists on the Supply Point Register with no registered Shipper whilst consuming gas	UNATTRIBUTED
PACR010	Meter readings fail validation (product class 3 and 4): Insufficient reads are loading into UK Link eroding the accuracy of the AQ	METER READS
PACR011	Derived meter read drift: The consumption derived from automatic reads is not reflective of the actual consumption recorded on the meter and this is not identified	METER READS
PACR012	Required meter read frequency for product 4 meters: the differing required frequency in meter read provision between product class 3 and 4 sites	METER READS
PACR013	Change of Shipper reads: Estimated change of shipper reads are used and rather than actual reads, creating inaccurate reconciliation to the shippers involved	METER READS
PACR014	*CLOSED: Meter readings not provided within the settlement window: Sites do not have any reads loaded in the settlement window*	*METER READS*
PACR015	Retrospective updates: Application of an inconsistent approach by Shippers and the industry to retrospective updates	DATA/VOLUME
PACR016	Correction factors (CF): incorrect use of standard CF above 732,000 kwh	DATA/VOLUME
PACR017	Correction factors (CF): incorrect use of standard CF for sites consuming on or below 73,200 kwh	DATA/VOLUME
PACR018	Correction factors (CF): incorrect use of non-standard CF below 732,000 kwh	DATA/VOLUME
PACR019	Smart meter exchanges: Late meter exchanges involving smart meters	GENERAL
PACR020	ISSUE: Issues with UK link post New UK Link implementation	METER ASSETS
PACR021	ISSUE: AMR data provision: there is a risk that poor meter read services and data provision will distort settlement accuracy	METER READS

PACR022	Use of meter by-pass: Inappropriate use of meter by-pass and/or inaccurate records kept	UNATTRIBUTED
PACR023	ISSUE: Post New UK Link implementation reconciliations: delay in finalising 'pot 2' reconciliations	DATA/VOLUME
PACR024	*CLOSED: Understated Aqs on 177,000 PC3 meters*	*CENTRAL SYSTEMS*
PACR025	*CLOSED: Impact on performance assurance reporting of change to PC3 settlement process for EUC01*	*CENTRAL SYSTEMS / METER READ PERFORMANCE*
PACR026	ISSUE: Removal and/or non-replacement of correction equipment: There is a risk that Suppliers (at customer request) remove onsite correction equipment, relying on standard/non-standard correction factors	DATA/VOLUME
PACR027	*CLOSED: COVID-19 - impact on the operation of the PAC*	*ALL*
PACR028	COVID-19 - related UNC modifications: A number of urgent UNC modifications have been raised by industry to an attempt to mitigate the impact of COVID-19 on Shippers	GENERAL
PACR029	NDM sites in EUC09, increase AQ above NDM threshold	METER READS
PACR030	Delay in between UNC mod implementation and PARR report delivery	GENERAL

PAC and PAFA would welcome any feedback on the Risk Register or should any Industry Party wish to highlight a risk to settlement accuracy for consideration by the PAC, please pass details to either a PAC member or to PAFA@gemserv.com and PAFA will table for PAC members to discuss.

7. UNC Modification proposals – Industry change

Discussions during PAC meetings often identify the need for potential changes to the UNC arrangements. The PAFA and PAC are unable to raise UNC modifications in their own right, although UNC0674/IGT138, proposes to change this. Initial proposals for change are discussed at PAC meetings and then adopted by a UNC/IGT UNC Party as modification sponsor and developed through the modification process.

The PAC, PAFA and CDSP have so far worked collaboratively to facilitate the development of the below UNC modification proposals which has led to the raising of mods in the IGT UNC to mirror the requirements:

- **UNC0674 / IGT138: Performance Assurance Techniques and Controls**
    - To provide an effective framework for the governance of industry performance that gives industry participants mutual assurance in the accuracy of settlement volume allocation
    - It should be noted that if successful, these modifications will allow the PAC jurisdiction over all supply points including those on the IGT networks.
    - IGT138 will only be implemented if UNC674 is passed for implementation by the Authority. Currently there is no performance assurance regime in the IGT UNC.

- **UNC0664VV / IGT145: Transfer of sites with Low Read Submission Performance from Class 2 and 3 into Class 4**
    - To create an obligation for Shippers to move sites with low meter read submission performance from Product Class 2 and 3 into Product Class 4, in the first three months of entry to the settlement class.
    - UNC664VV has been passed for implementation in the UNC, however, to date IGT145 is still under development.

- **UNC0677R: Shipper and Supplier Theft of Gas Reporting Arrangements**
    - Request to review and identify any discrepancies in Shippers and Suppliers theft of gas reporting arrangements.

- **UNC0734S: Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers**
    - The intent of this Modification is to introduce a new process to help ensure that valid confirmed theft data (claims), received from Suppliers via the Retail Energy Code (REC), is appropriately reported into central systems.

- **UNC0763R: Review of Gas Meter By-Pass Arrangements**

To request a review of the current Uniform Network Code (UNC) Meter By-Pass arrangements.

Appendix 1: PARR description

Report ID	Topic	Details	Split by	12 Months Rolling	Report Format	Condition
2B.1	Estimated & Check reads used for Gas Allocation and Consumption Adjustments for Product Classes 1 & 2	Estimated Reads: Checks Class 1 & 2 portfolios for each reporting day and count of MPRNs where a read has been estimated and no actual present on the same day. Only includes instances where an estimate read is still present at D+6 Check Reads: As at the report snapshot day check how many class 1 & 2 MPRNs are present with DRE/AMR. For those MPRNs validate if we have a site visit read <+14 months and no subsequent site visit read.	Class	Annual	%	M-1
2B.2	No meter recorded in the supply point register	Meter serial number should be blank and MPR status should be LI. Dead and extinct are excluded	Class	Annual	Count	M
2B.3	No Meter Recorded in the Supply Point Register and data flows received by Xoserve	Same as above but additional validation to confirm if Data Flows have been received in that month e.g. Asset Updates	Class	Annual	Count	M
2B.4	Shipper Transfer Read Performance	Only covers a Change of Supply Event. Read Reason Code of O (opening read). Read Reason Code of R with a source read of A (if within the submission window)	No split	Annual	%	M-2
2B.5	Read Performance	As per the read frequency and latest read received date, validate if we have received the expected read e.g. monthly read site we will check if we have received the read in month. Class and Shipper transfer are excluded. M-2, exclude sites where class changes happened in M-2, Shipper changes	Class	Month	%	M-2
2B.6	Meter Read Validity monitoring	MRE01026: Reading breached the lower Outer tolerance MRE01027: Reading breached the Upper Outer tolerance	Reason codes	Month	%	M-1

		MRE01028: Reading breached the lower inner tolerance value and no override flag provided MRE01029: Reading breached the upper inner tolerance value and no override flag provided MRE01030: Override tolerance passed and override flag provided The total calculation is based on the Number of Rejections for each category / number of reads received by Class type				
2B.7	No reads received for 1,2,3 or 4 years	For reporting 22.11.2018 No reads received for 1 year – latest read date between 22.11.2016 and 22.11.2017 No reads received for 2 years – Latest read date between 21.11.2015 and 22.11.2016 No reads received for 3 years – Latest read date between 21.11.2014 and 22.11.2015 No reads received more than 4 years – Latest read date less than 22.11.2014. Report currently includes NTS sites in Class 1 which is incorrect	AQ band	Annual	%	M
2B.8	AQ Corrections	AQ correction by reason code: cancellations of AQ corrections in the same month are excluded from the report	AQ band	Annual	Count	M-1
2B.9	Standard Correction Factors for sites with AQ>732,000mwh	Standard correction factor by AQ band	AQ band	Annual	Count	M
2B.10	Replaced Meter reads	Count of meter points where replacement reads received by AQ band. Only reports class 3 & 4	AQ band	Annual	Count	M-1
2B.11a	AQ Portfolio Calculation	Percentage of Shipper's portfolio calculated in Month.	Class	Monthly	%	M-1
2B.11b	AQ Portfolio Calculation Increase	Percentage of Shipper's portfolio calculated in Month which has seen AQ increase.	Class	Monthly	%	M-1
2B.11c	AQ Portfolio Calculation Decrease	Percentage of Shipper's portfolio calculated in Month which has seen AQ decrease.	Class	Monthly	%	M-1
2B.11d	AQ Portfolio Calculation by frequency of 1, 4, 12, 24 or 36+ months	Percentage of Shipper's portfolio calculated in Month by frequency.	Class	Annual	%	M-1
2B.11e	AQ Portfolio Calculation 12 month rolling	Percentage of Shipper's portfolio calculated by frequency	Class	Annual	%	M-1

2B.11f	AQ Portfolio Calculation Increase 12 month rolling	Percentage of Shipper's portfolio calculated which has seen AQ increase.	Class	Annual	%	M-1
2B.11g	AQ Portfolio Calculation Decrease 12 month rolling	Percentage of Shipper's portfolio calculated which has seen AQ decrease.	Class	Annual	%	M-1
2B.11h	AQ Portfolio Calculation failure by reason code	Count of failure to calculate by Rejection Codes.	AQ banding	Annual	Count	M-1
2B.14	Sites above the Class 1 threshold which are not in Class 1	The report measures the number of sites meeting or approaching or have reached the criteria for re-confirmation as Class 1 as set out in UNC G2.3.15b. Count of supply points/Total AQ (gWh) of supply points above Class 1 threshold but not in Class 1. Count of supply points/Total AQ (gWh) of supply points above Class 1 threshold but Class 1 criteria not yet met	Class	Monthly	Count	M
2B.15a	Class 4 Monthly read submission performance as a percentage portfolio AQ	Class 4 sites with an AQ >=293,000 to submit a meter reading within a 1 month window for 90% of their Shipper AQ Portfolio. The report measures the percentage of monthly read AQ for sites >=293,000.	Class	Annual	%	M-1
2B.15b	Class 4 Monthly read submission performance as a percentage portfolio AQ	Class 4 sites with an AQ <293,000 and no SMART/AMR present need to submit a meter reading within a 1 month window for 90% of their Shipper AQ Portfolio. The report measures the percentage of monthly read AQ for sites <293,000 with SMART/AMR.	Class	Annual	%	M-1
2B.15c	Class 4 Annual read submission performance as a percentage portfolio AQ	The report measures the percentage of annually read AQ for sites <293,000 with no SMART/AMR. Class 4 sites with an AQ <293,000 and no SMART/AMR present need to submit a meter reading within a 12 month window for 90% of their Shipper AQ Portfolio.	Class	Annual	%	M-1

Appendix 2: Performance Improvement Process

Regular monitoring

- PARR reporting is used to monitor Shipper performance.
- Monitoring is likely to be an area of constant evolution as drivers of settlement risks are identified by PAC and shipper action improves performance with the resultant impact on settlement risk.

Targeted Monitoring

- Detailed analysis of the PARR reports identifies those Shippers that are consistently not performing as expected.
- Shippers are closely monitored for 3 months, working with the Xoserve CAMs to identify any issues before any performance improvement recommendations are made to the PAC.

Performance Observation/ Data cleanliness letter

- Following identification of sub-optimal performance in a particular PARR report, communication is sent to all Shippers operating within that area.
- Communications advise that PAC are paying particular attention to this report and that performance improvement is required.
- No formal response from Shippers is required.
- Failure to improve performance within 3 months of receipt of this communication could lead to escalation through a 'Performance Improvement Request'.

Performance Improvement Request letters

A suite of Shipper communications has been designed to encourage performance improvement.

Performance Improvement Request (letter):

- Using PARR data and market intelligence, PAFA identify those Shippers who have demonstrated 3 months of sub-optimal performance.
- PAC approve issuing of a 'Performance Improvement Request'.
- Shippers are required to both acknowledge receipt of this letter and provide details of an improvement plan.
- Failure to respond or provide adequate details of their improvement plan could lead to escalation.

Urgent Performance Management Request (letter):

- PAFA identify Shippers whose performance is of significant concern to the PAC, using PARR data, market intelligence and Xoserve CAM input.
- PAC approve issue of an 'Urgent Performance Management' request.
- Shippers are required to respond with details of Performance Improvement Plans in expedited timescales.
- Failure to provide or an inadequate response could lead to escalation.

PAFA Meeting

Alongside written communication, a face-to-face meeting may also be arranged. PAC can request PAFA to meet with Shippers to discuss performance in more detail and/or explore the measures proposed in their performance improvement plan. PAFA also work alongside the Xoserve Customer Advocate teams (CAMs) to increase communication with Shippers.

This combination of written communication and face-to-face meetings has proved successful to date and we are currently seeing performance improvements in all areas that have been targeted.

PAC Call in

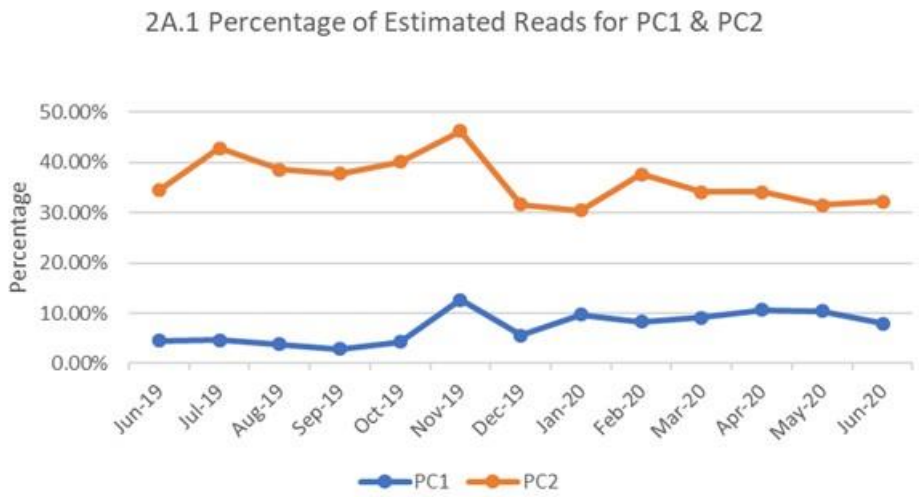
PAC can request senior representatives within a Shipper organisation attend a meeting with the PAC to answer questions around their Company's performance and plans to improve.

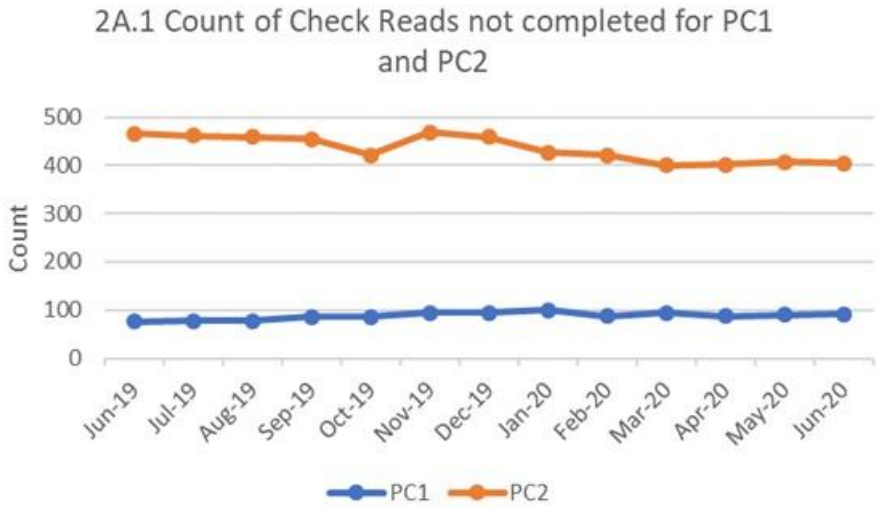
Presentation of case to Ofgem

Failure to improve performance to a level that is either in line with the requirements of the UNC or aligned with the rest of the industry, can lead to Shippers' names, details of relevant PAC and PAFA contact and performance data being passed to Ofgem as an evidence pack. This technique has not been applied this year.

Appendix 3: Annual performance graphs

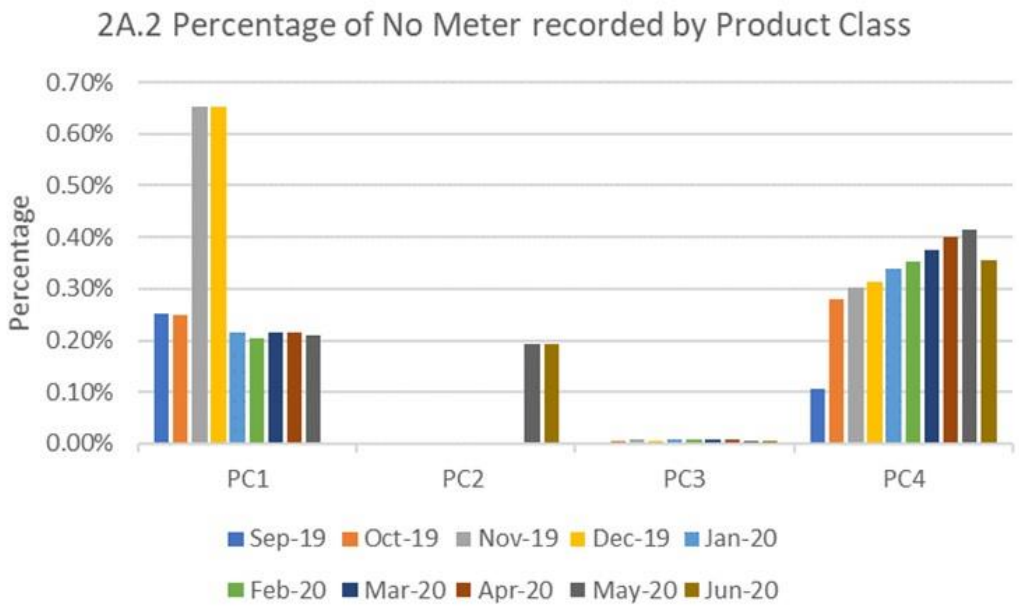
2A.1 Estimated and Check Reads – Product Classes 1 & 2



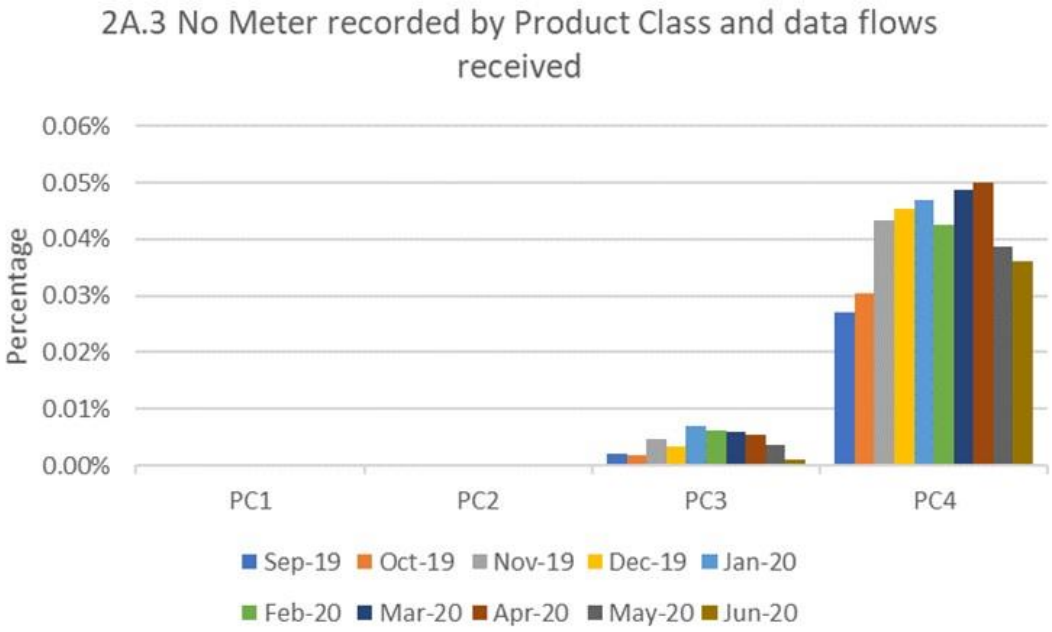


2A.2 No Meter Recorded

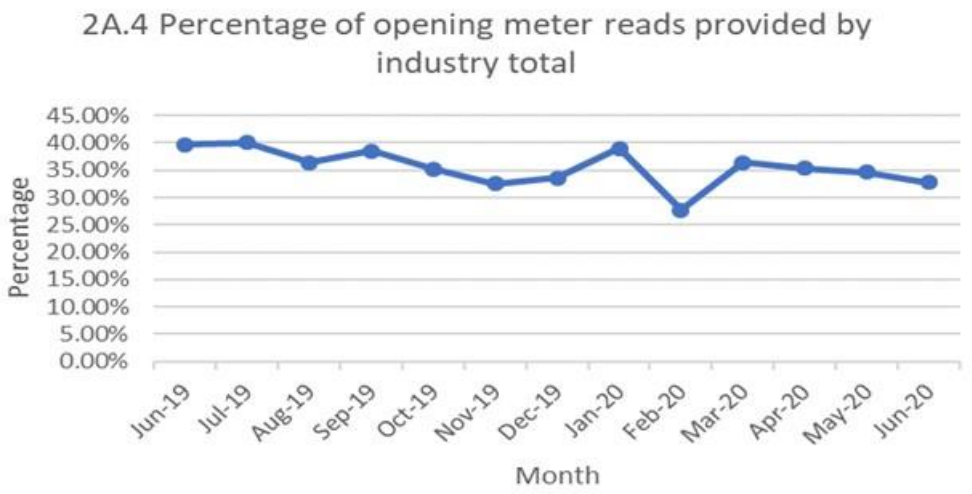
Chart begins in September-19, as all data was available and accurate from this point



2A.3 No Meter Recorded and Data Flows Received

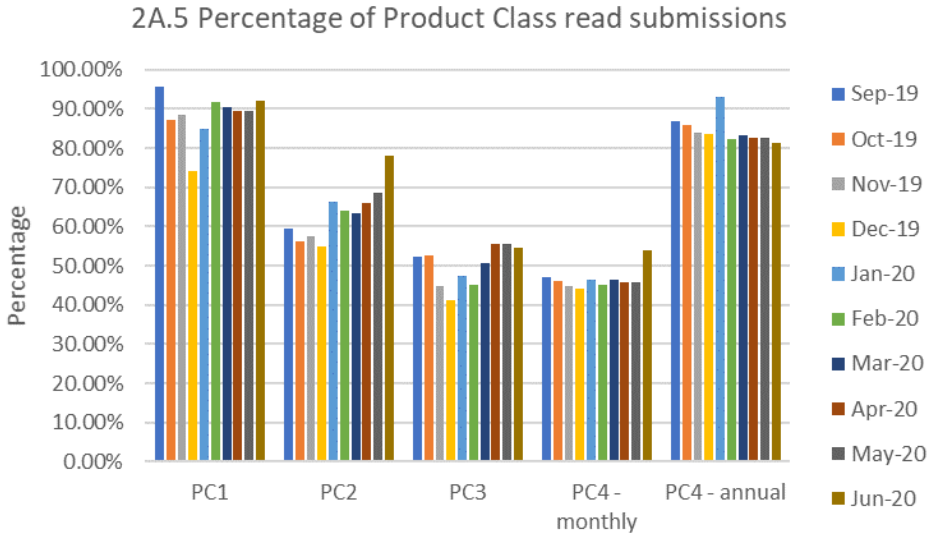


2A.4 Shipper Transfer Performance

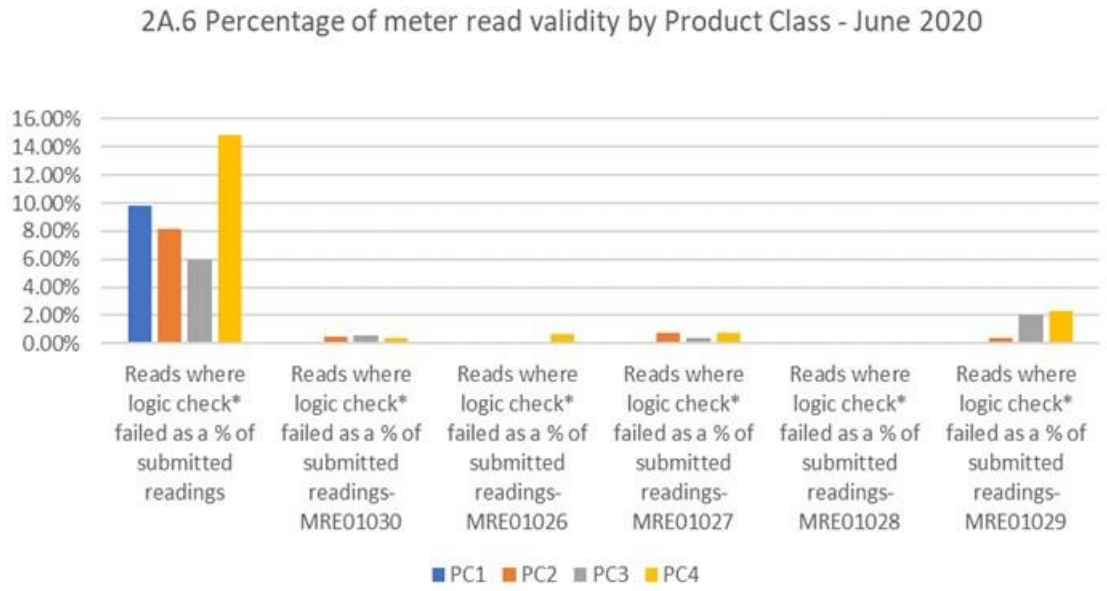


2A.5 Read Performance

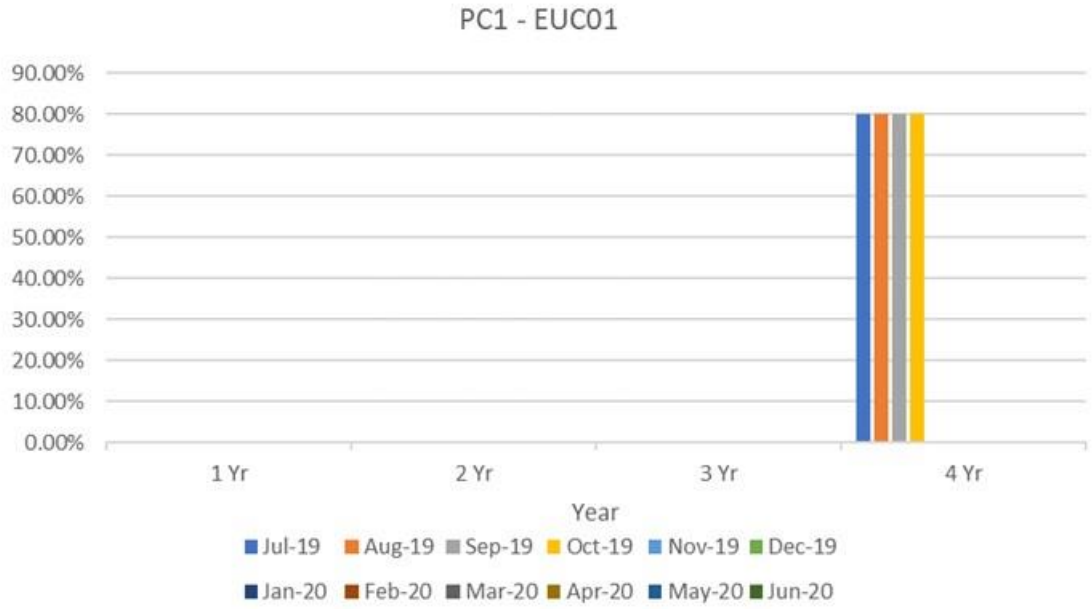
Chart begins in September-19, as all data that measured accepted vs expected reads was available from this point.



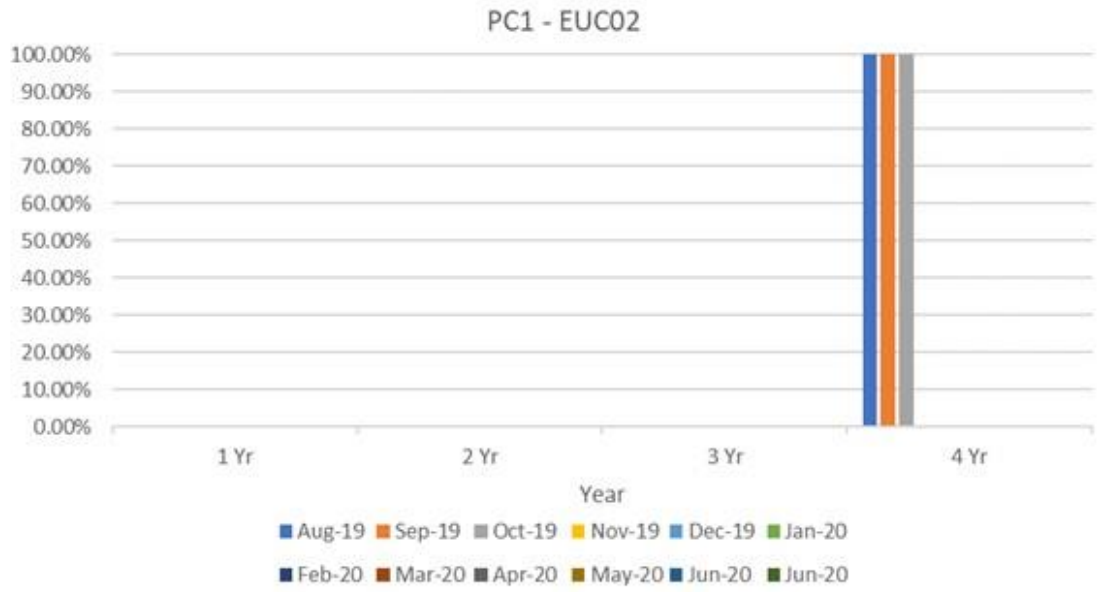
2A.6 Meter Read Validity Monitoring



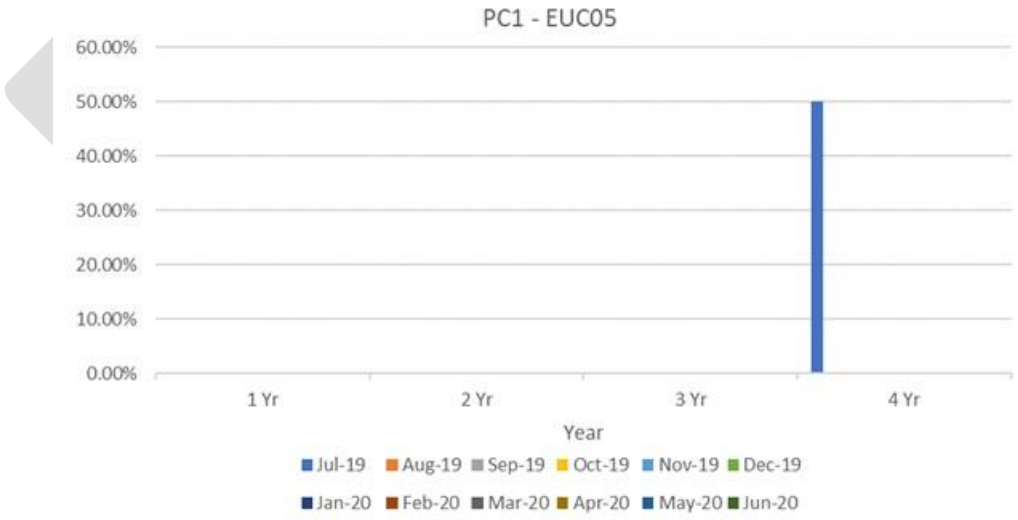
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC01)



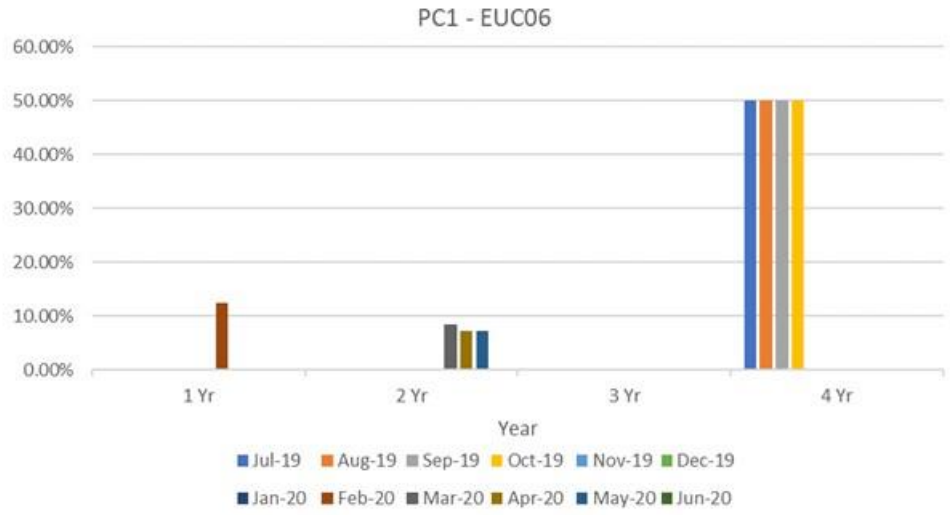
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC02)



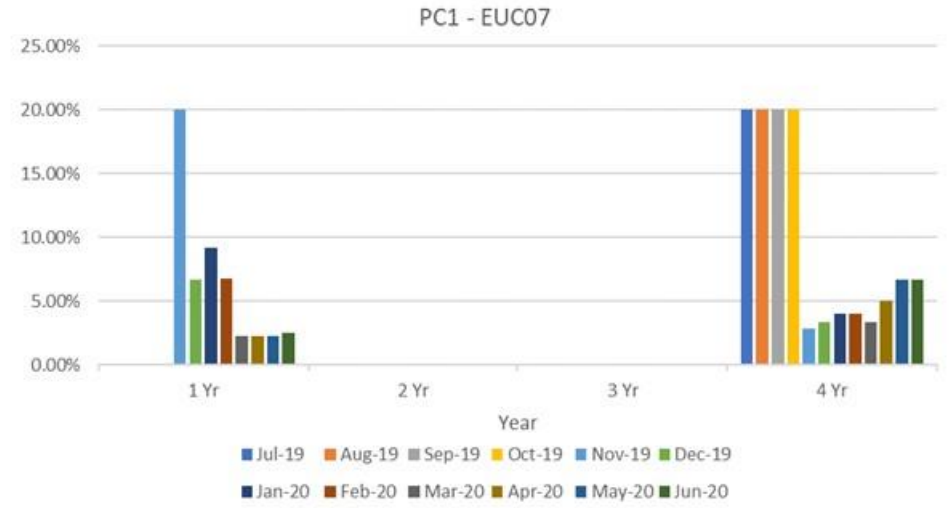
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC05)



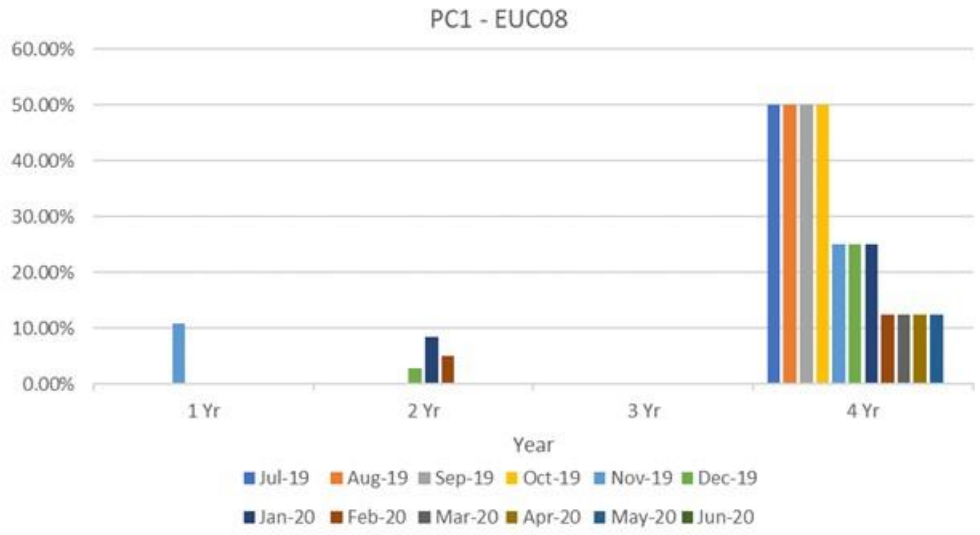
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC06)



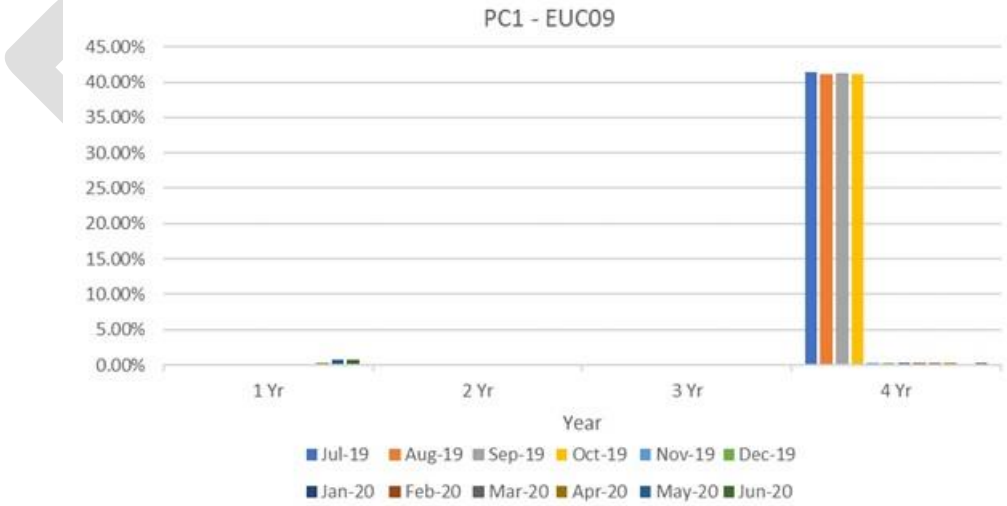
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC07)



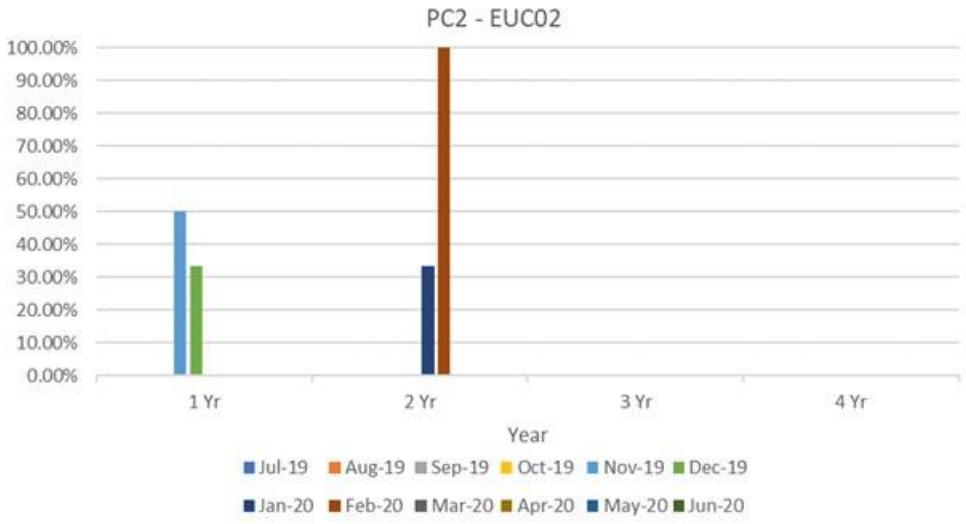
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC08)



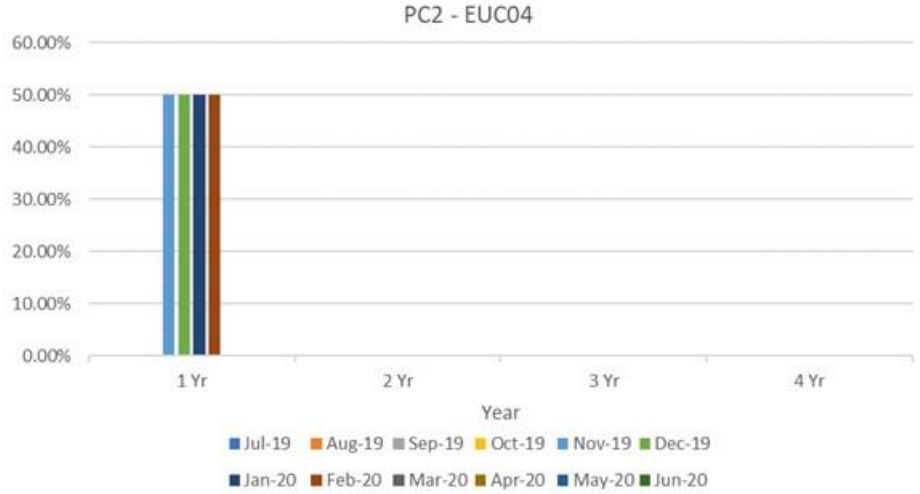
2A.7 No Reads Received for 1,2,3,4 years (PC1 EUC09)



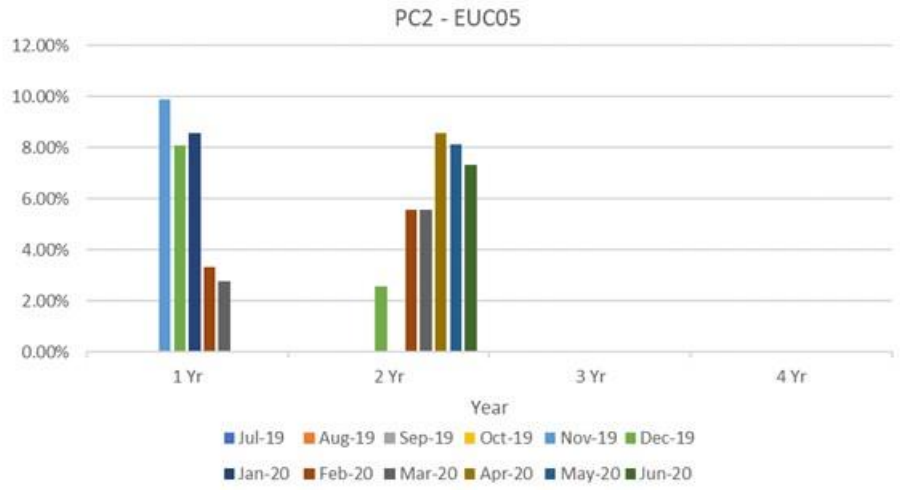
2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC02)



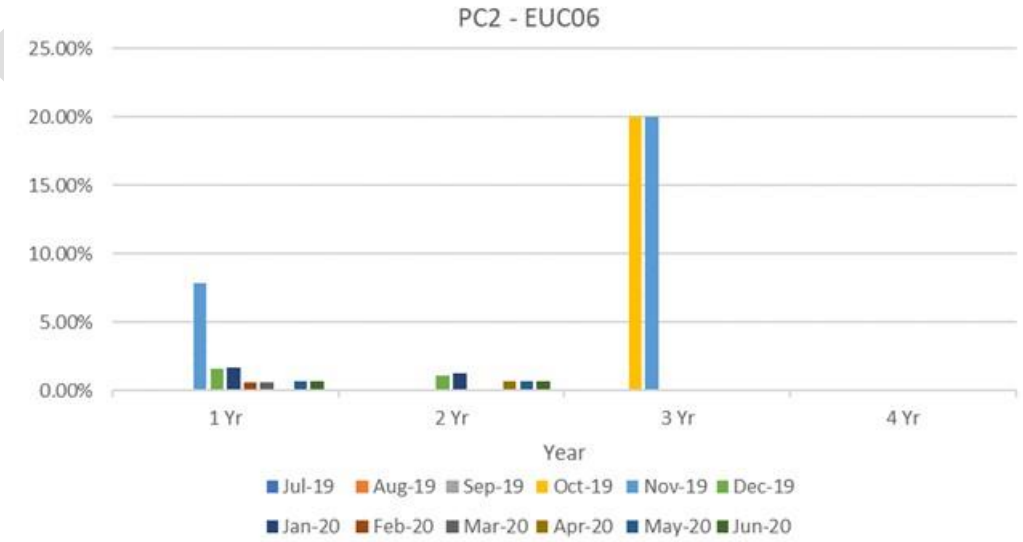
2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC04)



2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC05)



2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC06)



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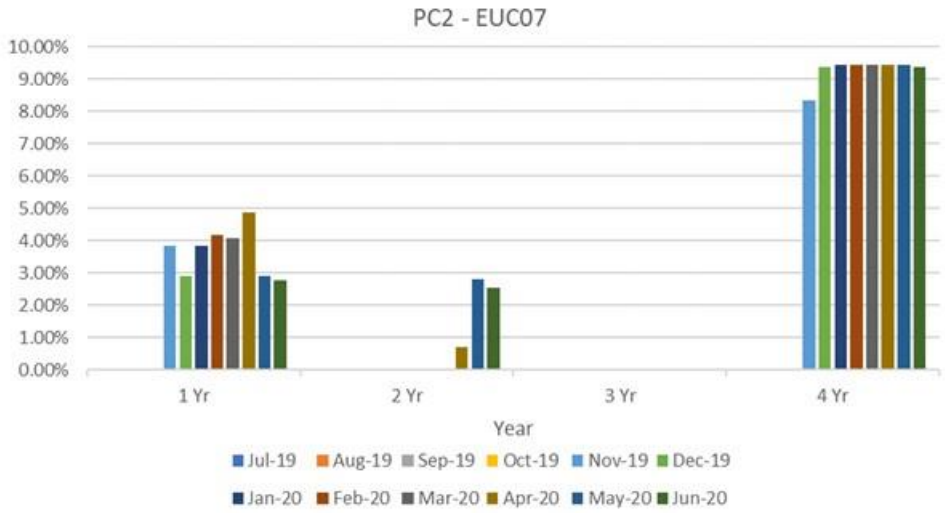
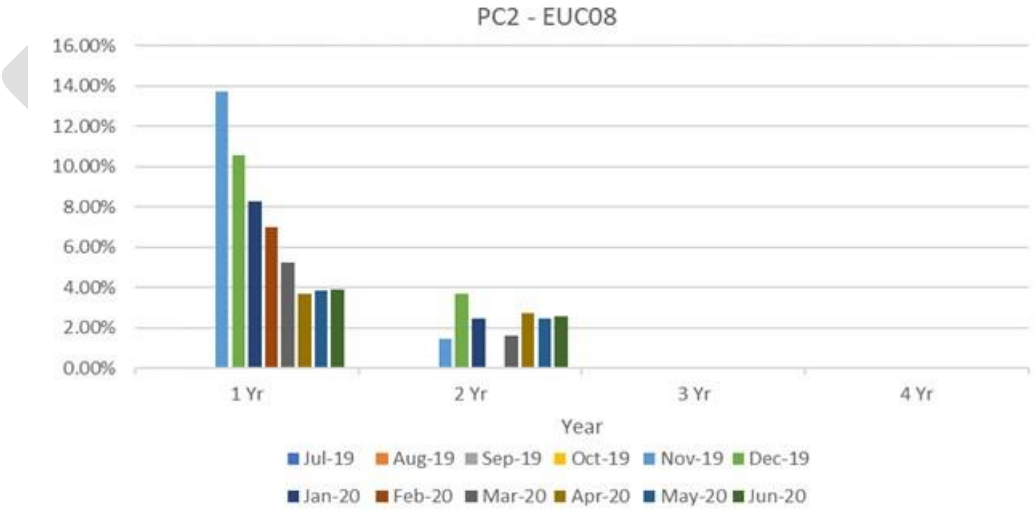
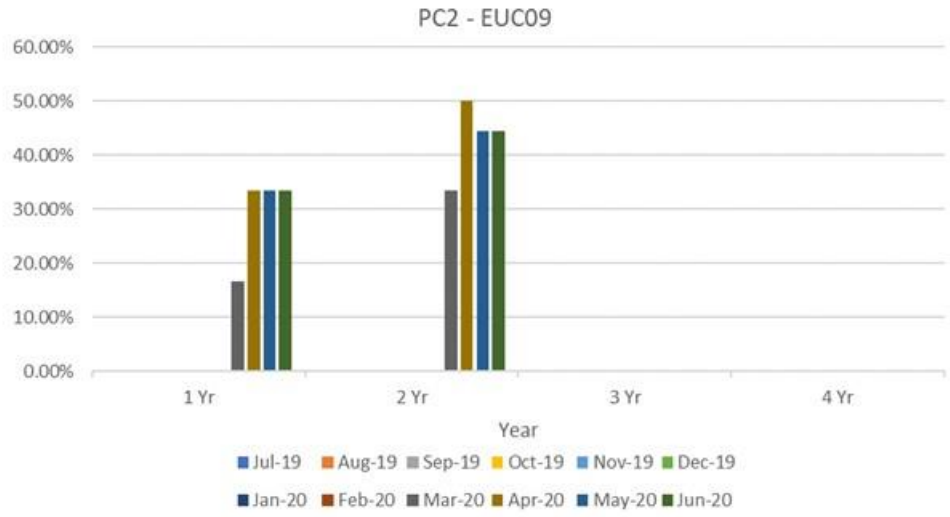


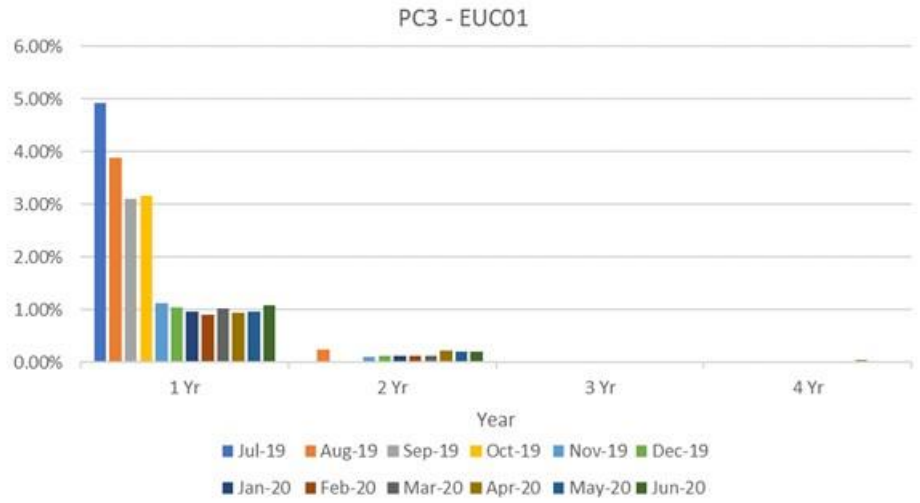
2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC08)



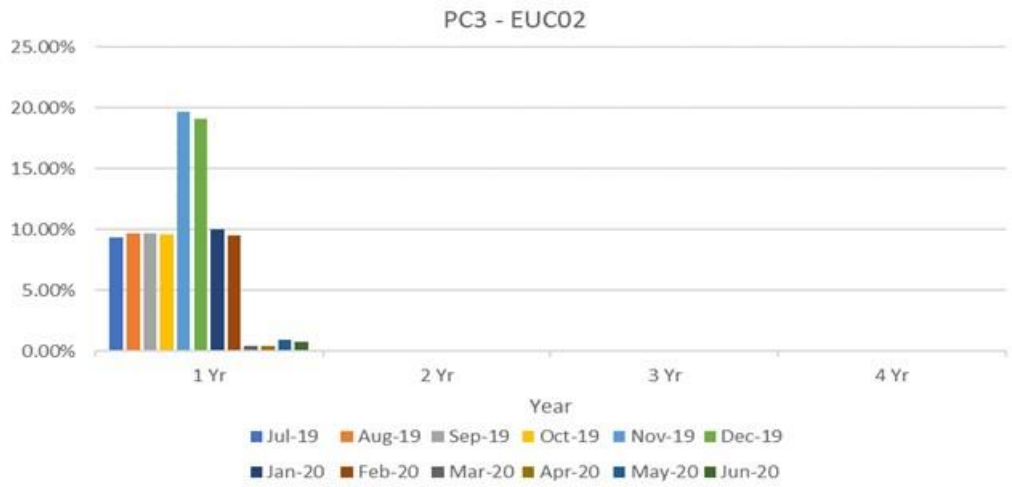
2A.7 No Reads Received for 1,2,3,4 years (PC2 EUC09)



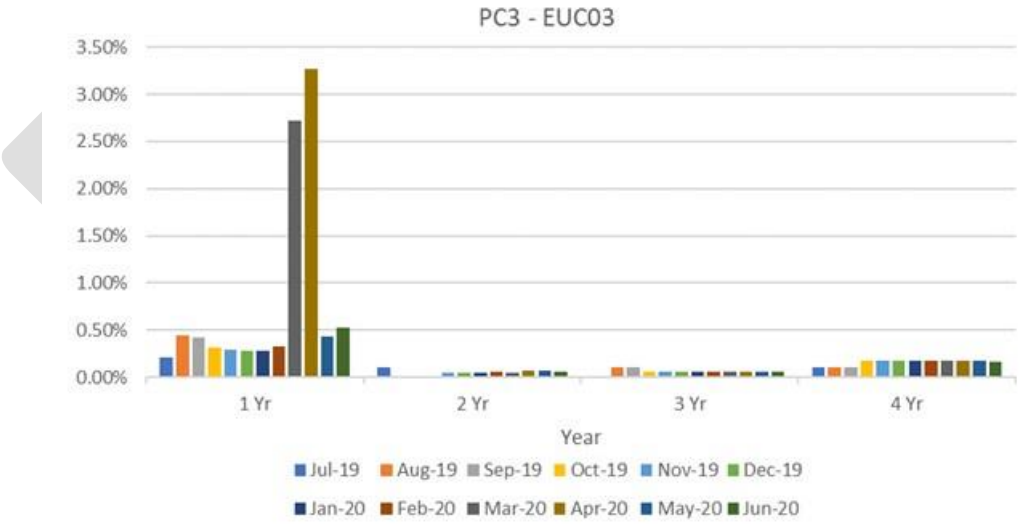
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC01)



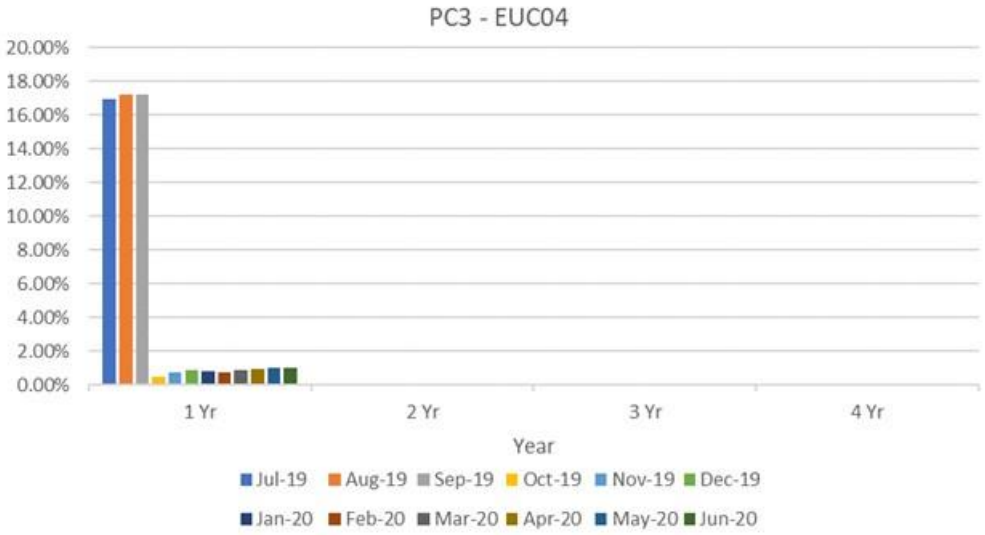
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC02)



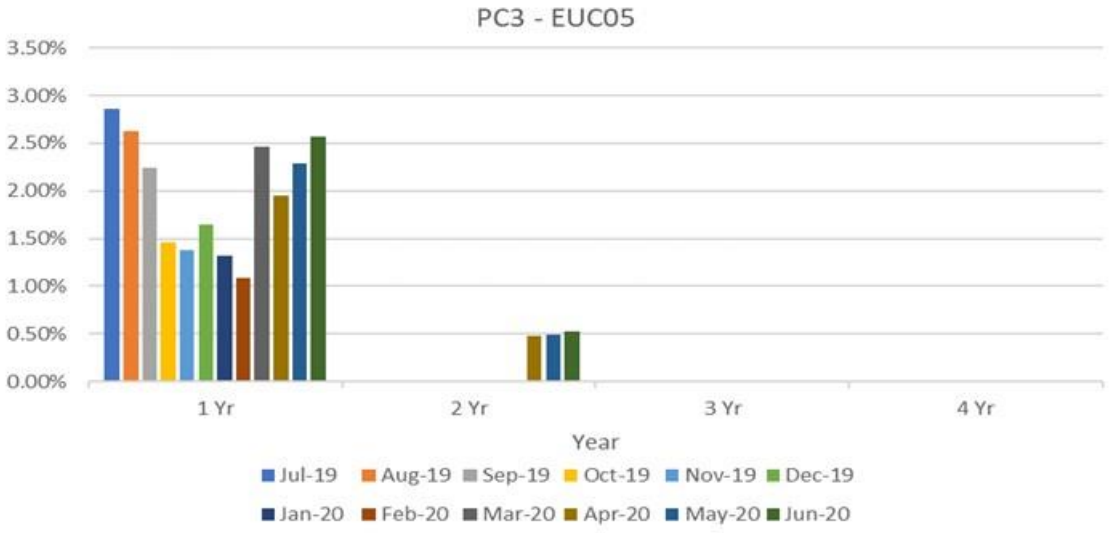
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC03)



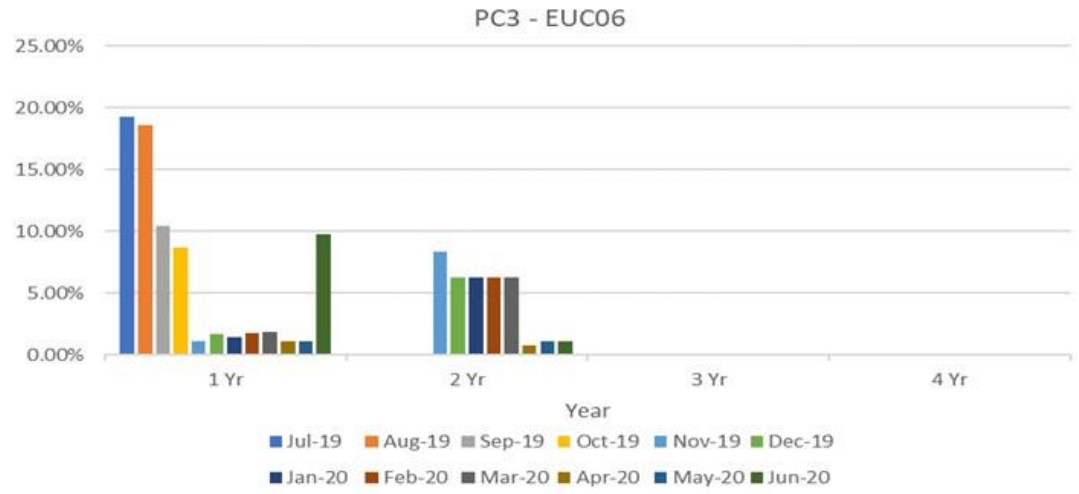
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC04)



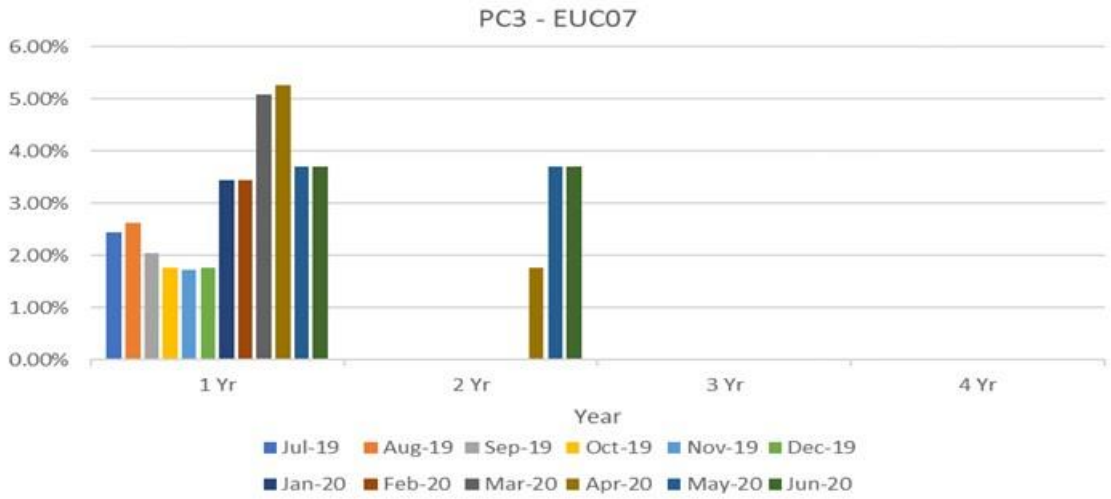
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC05)



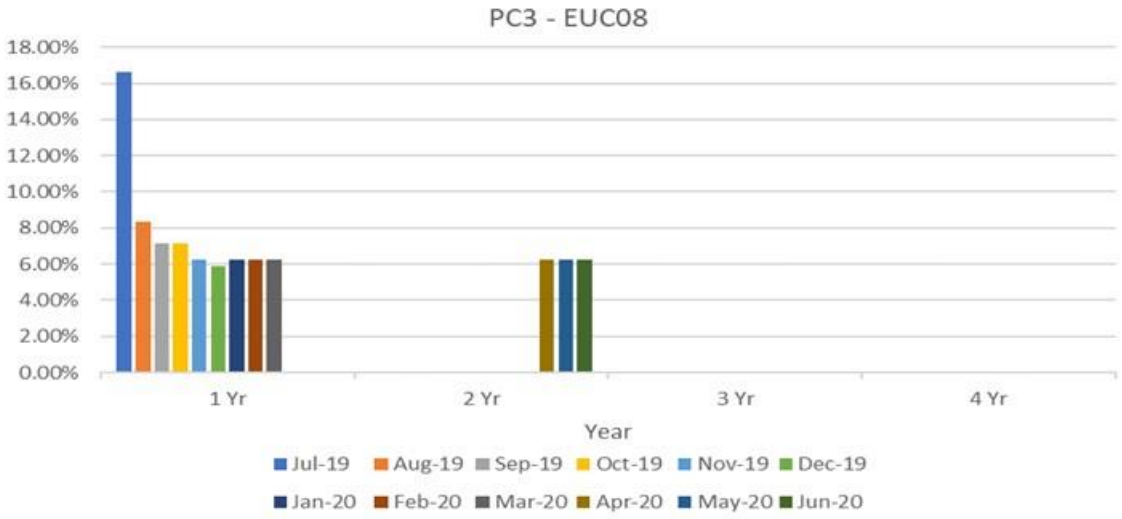
2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC06)



2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC07)



2A.7 No Reads Received for 1,2,3,4 years (PC3 EUC08)



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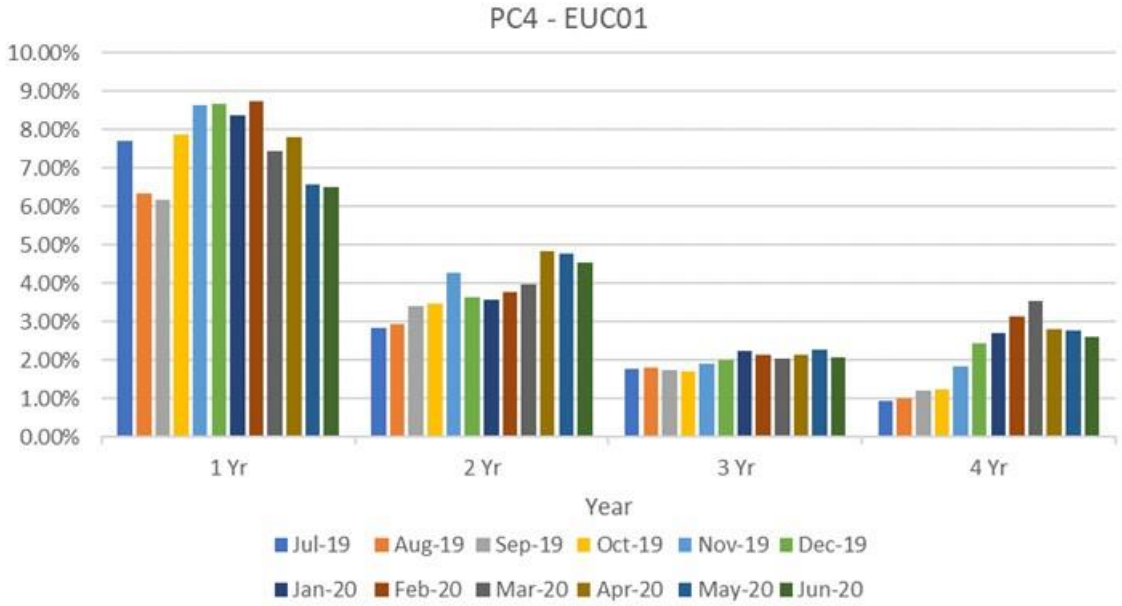

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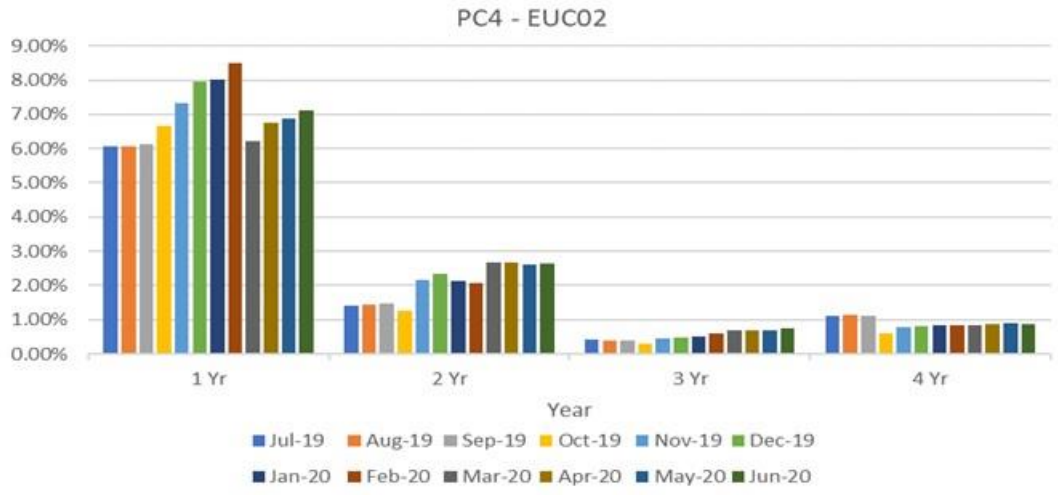

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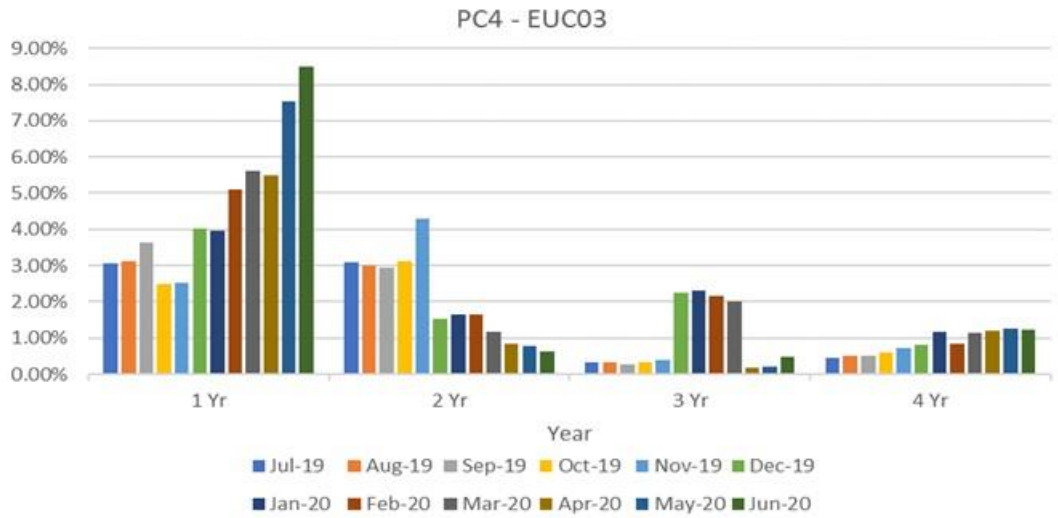
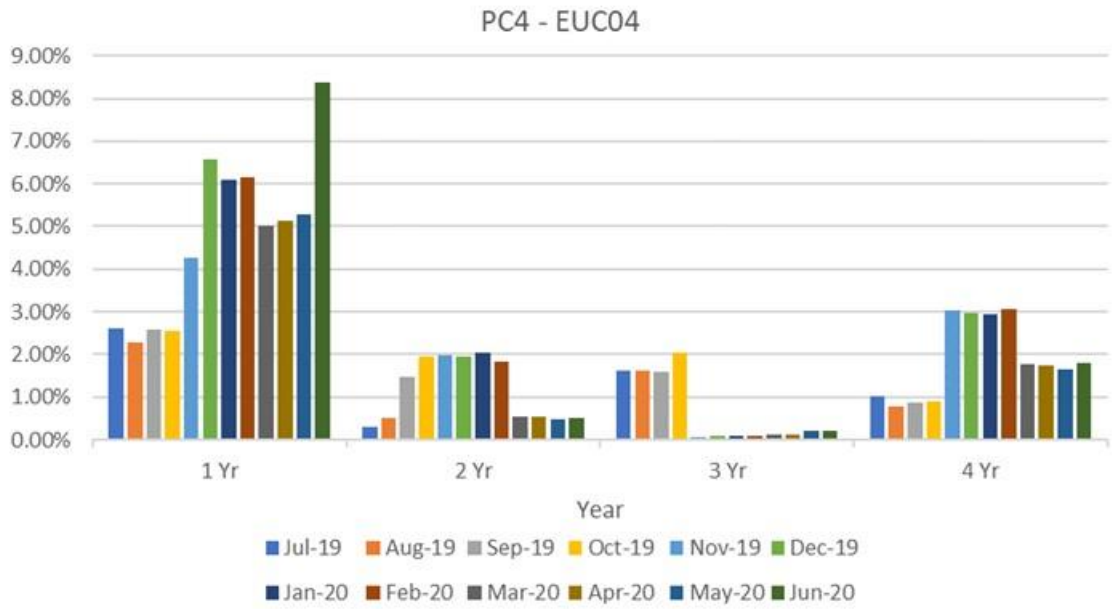


2A.7 No Reads Received for 1,2,3,4 years (PC4 EUC04)



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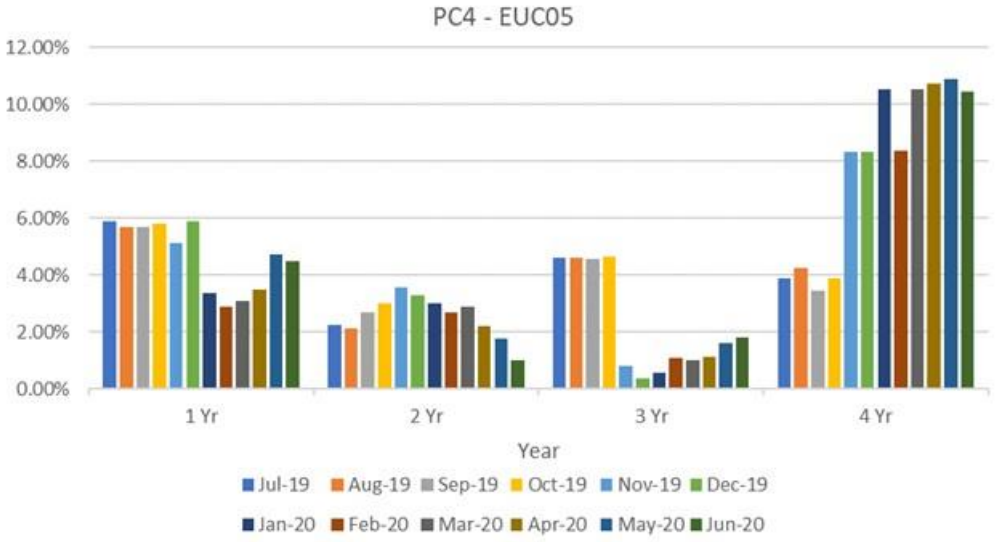

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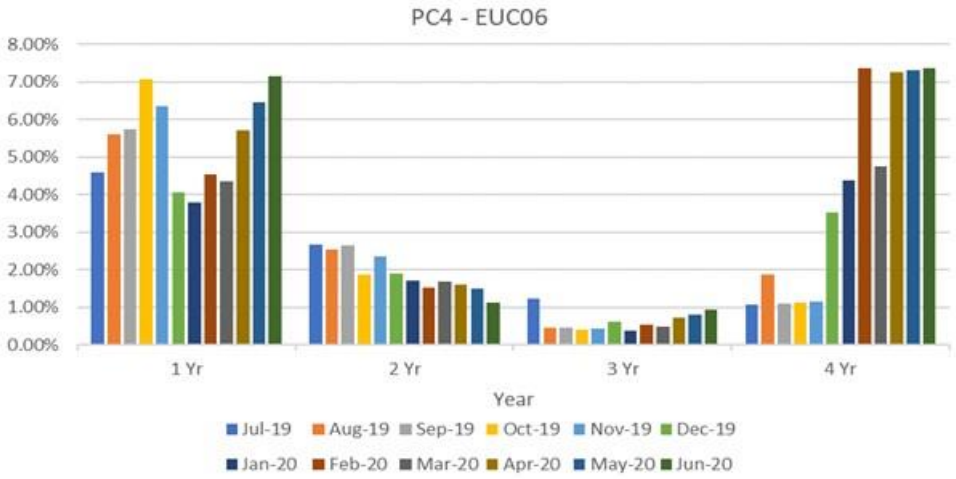

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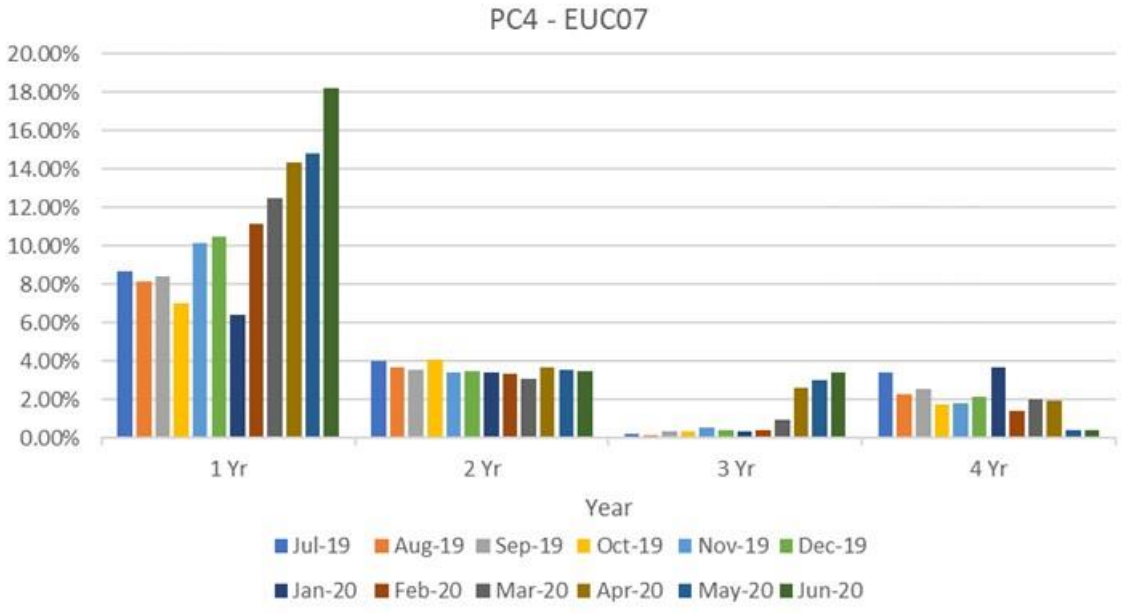
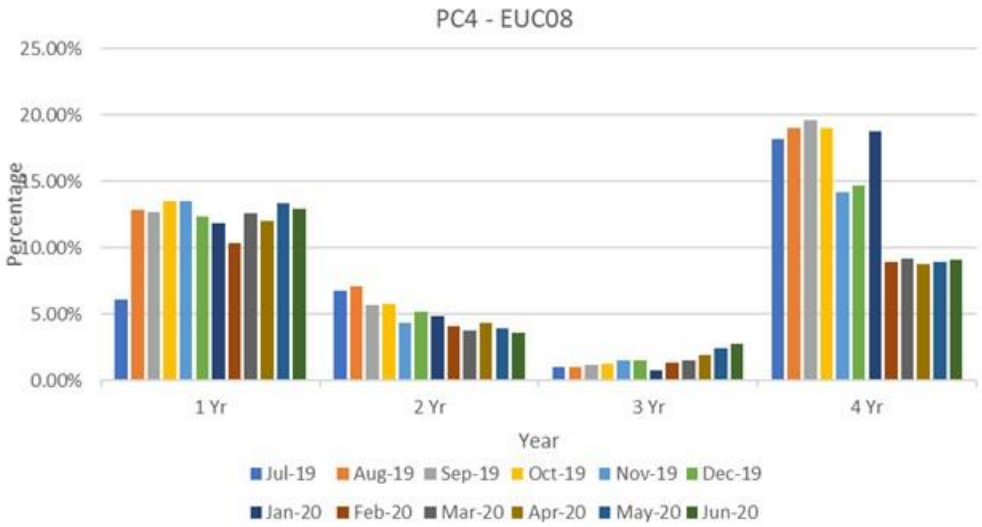
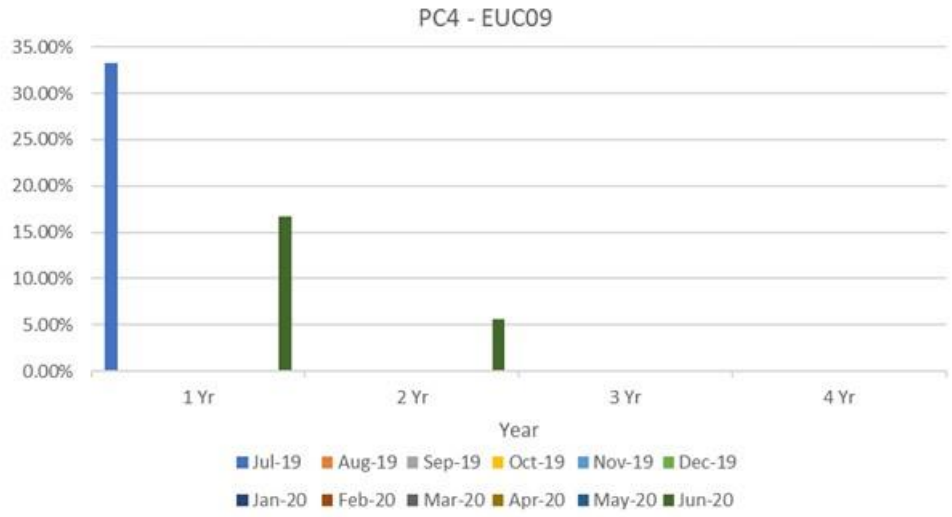


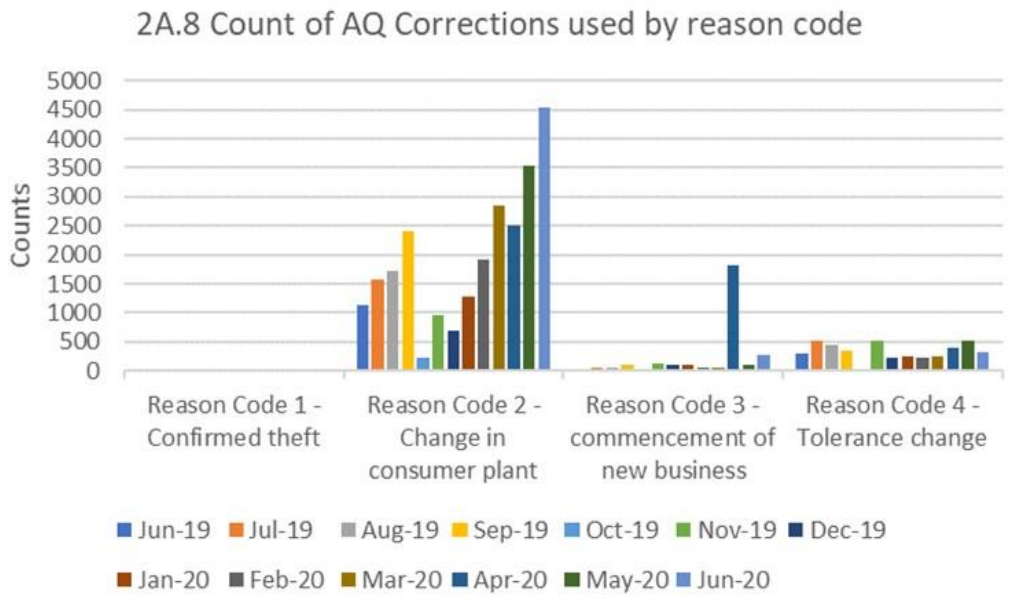
2A.7 No Reads Received for 1,2,3,4 years (PC4 EUC08)



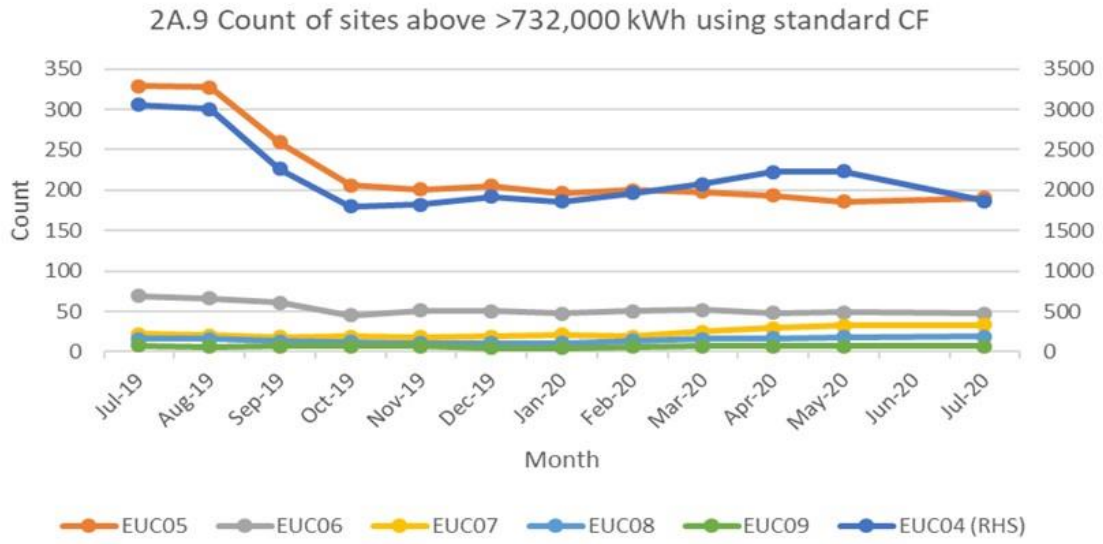
2A.7 No Reads Received for 1,2,3,4 years (PC4 EUC09)



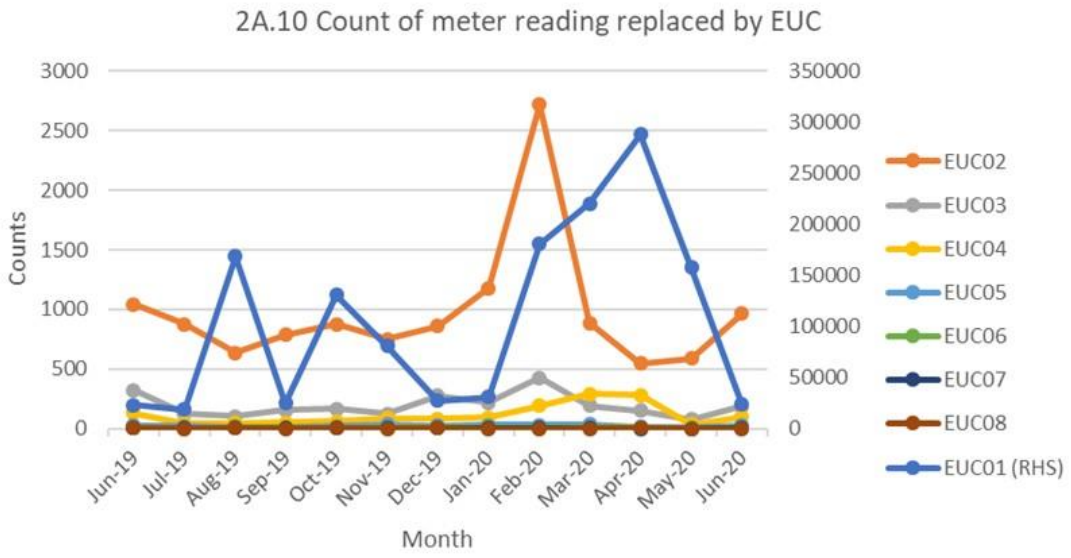
2A.8 AQ Correction by Reason Code



2A.9 Standard CF >732,000 kWh



2A.10 Replaced Meter Reads



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