

September 2023 Risk update

V0.1

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PAFA



Gemserve

SEPTEMBER OBSERVATIONS

- 5 scheduled risks to cover this month

AQ CORRECTIONS



- **6.26% decrease** in Value at Risk across 2022-23.

Est VAR – Jul 2022 (GWh)
Most Likely
~203

Est VAR – Jul 2023 (GWh)
Most Likely
~190



- The number of AQ corrections for reason code 3 (Commencement of new business activity) have increased over the reporting period, this is primarily driven by new connection (siteworks) activity and one particular Shipper utilising this code in volume
- The main factor in the slight reduction in VAR is driven by a decrease in the average AQ movement for reason code 3 corrections, in essence this means that the energy volume of AQ decreases has reduced over the reporting period



- Risk rating in register is 3 (Medium priority).

- **PAFA Recommendation;** PAFA is aware of the implementation of UNC MOD 816S (date TBC) and will continue to monitor AQ corrections on an ongoing basis. Review at next refresh point (December 2023)

DRIFT (CHECK READ PROVISION)



- **21% decrease** in Value at Risk across 2022-23.

Est VAR – Jul 2022 (GWh)
Most Likely
~50

Est VAR – Jul 2023 (GWh)
Most Likely
~39



- The count of Class 1 and 2 Check reads not received within the reporting period has decreased in tandem with a decrease in the associated average AQ
- One particular Shipper party has been pro-active in reducing its Class 2 outstanding check read volumes in recent months
- The count of Class 3 and 4 Check reads not received within the reporting period has increased, however there has been a decrease in the associated average AQ
- The net effect of the above is reflected in the decrease in energy impact of the risk



- Risk rating in register is 2 (Lower priority).

- **PAFA Recommendation;** No immediate action required at this juncture. Review at next refresh point (December 2023)

LINE IN THE SAND (LIS)



- **19% decrease** in Value at Risk across 2022-23.

Est VAR – Jul 2022 (GWh)
Most Likely
~949

Est VAR – Jul 2023 (GWh)
Most Likely
~767



- There has been an improvement and therefore a decrease in percentage of no reads submitted by 4 years across Classes 3 and 4 in the reporting period
- The average AQ of MPRNs in Class 3 and 4 with reads not submitted by year 4 has also decreased which is reflected in the decrease in energy impact of the risk



- Risk rating in register is 5 (Highest priority).

- **PAFA Recommendation;** PAFA is monitoring Line In the Sand performance on an ongoing basis as part of Holistic Performance Matrix activity. Review at next refresh point (December 2023)

TRANSFER READ PERFORMANCE



- **42% decrease** in Value at Risk across 2022-23.

Est VAR – Jul 2022 (GWh)
Most Likely
~32

Est VAR – Jul 2023 (GWh)
Most Likely
~18



- This difference is primarily impacted by the decrease in the average number of transfers occurring across the reporting period by 35% and an increase in transfer reads submitted by 6%.
- This combined net effect is reflected in the decrease in energy impact of the risk.



- Risk rating in register is 1 (Lowest priority).
- **PAFA Recommendation;** No immediate actions required due to substantial reduction in Value at Risk (VAR) level. Review at next refresh point (December 2023)

REPLACED READS



- **45% decrease** in Value at Risk across 2022-23.

Est VAR – Jul 2022 (GWh)
Most Likely
~2.4

Est VAR – Jul 2023 (GWh)
Most Likely
~1.3



- The average use of replacement readings has decreased by 38% which is reflected in the decrease in energy impact of the risk.



- Risk rating in register is 1 (Lowest priority).

- **PAFA Recommendation;** No immediate actions required at this juncture due to the substantial decrease in respect of the Value at Risk (VAR). Review at next refresh point (December 2023)

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