

Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme

Document 4 [CF1]

Performance Assurance Framework Administrator (PAFA) Scope

This is one of the Documents governed under the Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme. [CF2]

~~For Performance Assurance Framework Year 01 October 2016/17~~ [CF3]

Version	Status	Date
1.0	Final version from the PAC report	May 2016
1.1	Draft to support discussions of Mod 0674	February 2020

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Part 1 General

1. Introduction

This Performance Assurance Framework Administrator Scope (PAFA Scope) sets out the Services to be provided ~~for the relevant year.~~

2. Definitions and Interpretation

This PAFA Scope shall be interpreted in accordance with Schedule 1.

3. Services

The Services to be provided within the PAFA Scope are detailed in Schedule 2.

4. Change Control Procedure

To initiate a Change to the services a Change Control Procedure is set out in Schedule 3.[CF4]

5. Agreeing the PAFA Scope, cost estimates and cost reporting

The PAC shall submit a Draft PAFA Scope largely in the form of Schedule 2, setting out the scope of services for the forthcoming PAF Year to the Central Data Service Provider (CDSP) 4 months prior to the start of the PAF Year.

The CDSP and the PAC shall discuss the PAFA Scope and the CDSP shall provide a PAC Cost Estimate for the delivery of the PAFA Scope. The CDSP and the PAC shall agree the Final PAFA Scope 1 month prior to the start of the PAF Year.[CF5]

The CDSP shall monitor actual costs against forecast costs and provide a ~~monthly~~ quarterly Budget Tracking Report to the PAC.

Where the CDSP identifies that actual or forecast costs vary, or are expected to vary by 10% of the relevant PAC Cost Estimate the CDSP shall submit a Budget Exception Report to the PAC explaining the situation, its impacts and any mitigation that may be possible.[CF6]

6. Performance Assurance Scheme Party obligations to the CDSP

Each Performance Assurance Scheme Party is expected to use reasonable endeavours to support the CDSP in the performance of the services. For example, the CDSP may have a requirement to request data from a Performance Assurance Scheme Party as part of the provision of a service.[CF7]

7. Monitoring of Performance

The CDSP shall be responsible for reporting their performance of the services and any other obligations under this PAFA Scope to the PAC in accordance with Schedule 4, on a monthly basis. If the CDSP fails to provide the services in accordance with the Performance Indicators the CDSP shall:

- identify the cause of any failure to provide the services in accordance with a specific Service Standard or Performance Indicator;

- inform the PAC of such action necessary to correct such failure and prevent it from recurring;
and
- keep the PAC advised of the status of remedial efforts and any rectification being undertaken.

Schedule 1 Definitions

1. Interpretation and Definitions

1.1 Definitions

The following terms shall have the following meanings:

Budget Exception Report means the report described in Section 5 in a form largely as set out in Appendix 1

Budget Tracking Report means the report described in Section 5 in a form largely as set out in Appendix 1^[CF8]

Business Evaluation Order (“BEO”) means a form submitted to the CDSP by the PAC approving an Evaluation Quotation Report (EQR) and requesting a Business Evaluation Report (BER) in relation to a specific Change Order

Business Evaluation Report (“BER”) means a report issued by the CDSP in response to a BEO, setting out such matters as are referred to in Schedule 3^[CF9]

Change Order means a request for a service change

Draft PAFA Scope means the proposed scope of services for the forthcoming PAF Year^[CF10]

Evaluation Quotation Report (“EQR”) means a report issued by the CDSP in response to a Change Order, setting out such matters as are referred to in Schedule 3^[CF11]

~~**Final PAFA Scope** means the agreed-scope of services for the forthcoming PAF Year as set out in Schedule 2.~~

PAC Cost Estimate means the report described in Section Schedule? 5 in a form largely as set out in Appendix 1^[CF12]

PARR means the Performance Assurance Report Register as published by the Joint Office of Gas Transporters

Performance Indicators means the specific standards to which the CDSP must provide the services and which are set out in Schedule 4^[CF13]

Services means the service requirements described or referred to in Schedule 2.

1.2 Interpretation

Capitalised terms that are not defined above shall have the meanings given to them in the Uniform Network Code (UNC), Performance Assurance Committee Terms of Reference, or the Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Scheme.

Schedule 2 Services Schedule

~~A PAFA Services schedule shall be created.~~

~~Please see the separate document “Services Schedule Example”, which illustrates the information that is required.~~

The role of the PAFA is to provide the following services:

- Management of a Register of Risks to Gas Settlement
- Maintenance (including periodic updates) of an existing Gas Settlement Risk Model
- Collation, publication and interpretation of a suite of reports on Shipper Performance
- Provision of expert advice on Gas Settlement and associated risks
- Administration of the service
- Management of changes to the service[CF14]
- Liaison with UNC parties in relation to areas of Settlement performance
- Use of Performance Assurance Techniques (PATs) as requested by PAC
- Co-ordination of the Annual PAF Review[CF15]

1. Overview of the activities

<u>Activity</u>	<u>Timing/ Trigger</u>	<u>Inputs</u>	<u>Outputs</u>	<u>Recipients</u> [CF16]
<u>Management of a Register of Risks to Gas Settlement</u>	<u>Monthly</u>	<u>Risk templates from any UNC Party, scores, action updates from owners</u>	<u>Risk reports to PAC, including visual representations</u>	<u>PAC, other UNC Parties, Government and Regulatory Bodies</u>
<u>Maintenance (including periodic updates) of an existing Gas Settlement Risk Model</u>	<u>Quarterly</u>	<u>Existing risk model, updates on input parameters from The CDSP and other UNC parties</u>	<u>Updated Model and overview of changes, possibly a Dashboard</u>	<u>PAC, other UNC Parties, Government and Regulatory Bodies</u>

<u>Activity</u>	<u>Timing/Trigger</u>	<u>Inputs</u>	<u>Outputs</u>	<u>Recipients</u> ^[CF16]
<u>Collation, publication and interpretation of a suite of reports on Shipper Performance</u>	<u>Monthly</u>	<u>PARR requirements, Data from The CDSP (and others) Shipper Code Names (for anonymous view) Further report requirements as identified by PAC</u>	<u>Report publication via appropriate channels for each audience, balancing ease of access, efficiency and confidentiality</u>	<u>PAC, other UNC Parties, Government and Regulatory Bodies</u>
<u>Provision of expert advice on Gas Settlement and associated risks</u>	<u>As requested/as identified</u>	<u>Requests for advice on Settlement and/or Risks to Settlement</u> <u>Own identification of opportunities to provide expertise</u>	<u>Impartial advice and guidance, Impact Assessment</u> <u>Recommendations for additional risks/reports</u>	<u>PAC, other UNC Parties, Government and Regulatory Bodies, CDSP</u>
<u>Administration of the service</u>	<u>Monthly</u>	<u>Internal and external cost information</u> <u>Feedback from stakeholders</u>	<u>Timely and accurate periodic budgetary reports</u> <u>Reports on Scheme effectiveness and recommendations for improvement</u>	<u>PAC, other UNC Parties, Government and Regulatory Bodies, CDSP</u>
<u>Management of changes to the service</u>	<u>Adhoc</u>	<u>Requests from PAC or CDSP for assessment of possible changes</u>	<u>Impact assessment to current service, including financial implications</u>	<u>PAC, CDSP</u>
<u>Add a summary of additional lines once agreed for inclusion</u>				

Schedule 3 Change Control Procedure

1. Principles

A suggestion for a change may be made by any UNC party or statutory body and will be processed in accordance with this Change Control Procedure.

The supporting templates are shown in Appendix 1 of this Schedule 3.[CF17]

2. Procedure

2.1 Change Order

Any party wishing to make a Change to the PAFA Scope shall issue a written request to the PAC. A request for a Change shall be submitted by a Change Order, in the format shown in Appendix 1 of this Change Control Procedure, by email to the Joint Office of Gas Transporters (enquiries@gasgovernance.co.uk) for inclusion in the papers for the next PAC meeting.

The Joint Office shall provide an acknowledgement of receipt of the Change Order to the Originator.

2.2 Change Order Evaluation at Performance Assurance Committee

The PAC shall review the Change Order and where, in the view of the PAC, the service change cannot reasonably be implemented, the PAC shall reject the Change Order and inform the Originator of the reasons thereof. Any party may then, should it choose to do so, submit a new or revised Change Order pursuant to the provisions of paragraph 2.1 above and the services schedule change control procedure will recommence.

Where the PAC determines, in its initial view, that a service change can reasonably be implemented, it shall submit the Change Order to the CDSP for further assessment.

The CDSP shall return the Change Order to the PAC with an outline report of its assessment of the change (including a ROM), as soon as reasonably practical after receipt of the Change Order.

The CDSP and the PAC shall discuss the Change Order to determine the next actions to be undertaken.

The PAC shall provide a response to the Originator advising the outcome of the PAC review.

2.2.1 Performance Assurance Committee Review Outcomes

The PAC review outcomes are as follows:

- a) Reject Change Order; or
- b) Accept Change Order and proceed to the next stage; or
- c) Suspend Change Order. Request that the CDSP and the Originator discuss the Change Order further to enable the PAC to make an informed final decision.

2.3 Evaluation Quotation Report

Where the PAC accepts the Change Order, the CDSP shall prepare an Evaluation Quotation Report (EQR). Once it is complete, the CDSP shall submit the EQR to the PAC. The EQR will set out:

- the details of the service change (i.e. describe the new service requirements) and the expected beneficiaries, based on the CDSP's understanding of the Change Order;
- the CDSP's initial view of whether and (if relevant) how the service change can reasonably be implemented; and
- if the CDSP's initial view is that the service change could reasonably be implemented, the EQR will also set out:
 - the CDSP's impact assessment of what analysis work is required in order to develop the Business Evaluation Report (BER) which may include a Detailed Cost Analysis (DCA);
 - if the CDSP has determined that it needs to recover the costs of preparing the BER, a quotation for such costs; and
 - any initial view that the CDSP may have of potential likely changes to the Services Schedule and the PAFA costs.

2.4 Agreeing the Evaluation Quotation Report

- 2.4.1 If the EQR states that, in the CDSP's view, the service change cannot reasonably be implemented then the relevant Change Order will be referred back to the PAC for rejection.
- 2.4.2 If the EQR states that, in the CDSP's initial view, the service change may reasonably be implemented then the PAC will then consider the EQR. The Change Order will not progress until the PAC has agreed and approved the EQR (including any quotation for the funding required by the CDSP to complete the BER) in accordance with its then prevailing terms of reference. The PAC will notify the CDSP that it has approved the EQR by submitting, in accordance with its then prevailing terms of reference, a Business Evaluation Order (BEO) to the CDSP.

2.5 Preparation of Business Evaluation Report (BER)

Once the PAC has, in accordance with its then prevailing terms of reference, provided the CDSP with the BEO, the CDSP will prepare the Business Evaluation Report (BER), which may include a DCA. Once the BER is complete, the CDSP shall submit it to the PAC.

The BER will set out:

- whether, after further business analysis, the CDSP still considers that the change can reasonably be implemented;
- and if the CDSP still considers that the change can reasonably be implemented, the BER will also set out:
 - the various design options for how the service change may be delivered by the CDSP (including timescales) ("Design Options");
 - the estimated development and implementation costs of each Design Option (a ROM or DCA as required);
 - the estimated ongoing service costs/price of each Design Option (a ROM or DCA as required);

- any amendments which will be required to the wording of the Services Schedule; and
- any necessary changes to the Agency Charging Statement (ACS) which would need to be submitted to the Gas and Electricity Markets Authority (“Ofgem”) pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence.

2.6 Agreeing the Business Evaluation Report

If the BER states that in the CDSP’s view, after further business analysis, the service change cannot reasonably be implemented (and giving reasons therefor), then the relevant Change Order will be referred back to the PAC. Any party may then, should it choose to do so, submit a new or revised Change Order pursuant to the provisions of paragraph 2.1 above and the services schedule change control procedure will recommence.

If the BER states that in the CDSP’s view, after further business analysis, the service change may reasonably be implemented, the PAC will then consider the BER and shall either agree on one of the proposed Design Options and approve the BER on that basis, or elect to cancel the Change Order.

The Change Order or change control procedure? will not progress until the PAC has agreed and approved the BER in accordance with its then prevailing terms of reference.[CF18]

2.7 Development and Implementation

If the PAC agrees and approves the [BER Change](#), the CDSP will commence work to develop and implement the chosen Design Option.

If the PAC agrees and approves the [BER Change](#), but there are required changes to the ~~Agency Charging Statement~~[Data Services Agreement](#) then the ~~revised Agency Charging Statement will be submitted to Ofgem pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence.~~[DSC Service Changes process will be followed.](#)

Once (if required) the ~~Agency Charging Statement~~[Data Services Contract](#) has been ~~modified pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence~~[amended](#), the CDSP will proceed to implement the chosen Design Option and the changes to the Service Schedules as set out in the [BER Change](#) shall be made.

The CDSP will provide ongoing progress reports to the PAC as the development and implementation of the chosen Design Option progresses. This will include performance against planned timescales and budgets.

Change Order Template

**Performance Assurance Framework
Change Order Form
for {Title}**

Please send this completed form to [enquiries@gasgovernance.co.uk]

Admin Details	
Change Title	
Submission date	
Originator organisation	
Organisation representative	
Change reference number	[provided by PAFA]
<i>1.1.1.1.1.1 Change Details</i>	
Change description {Provide a full description of the change from a requirement perspective – where possible the solution should not be provided, the change is a description of the matter requiring resolution not a description of the solution. Where possible include: <ul style="list-style-type: none">- Issue that has led to the change requirement- Expected benefits of the change- Any other related topics relevant to the change- Any timescale or other critical drivers.}	

Performance Assurance Scheme? Services Evaluation Quotation Report (EQR) for Change Order [ref] [title]

Document Purpose and Summary

The purposes of this report are...

- To provide a quotation for the Gas Transporters to evaluate the business change outlined in the relevant Change Order, i.e. a quote to provide a Business Evaluation Report (BER).
- To identify the impacted areas that will be analysed during the evaluation.

Evaluation service offered:

Analysis of the change order to produce a Business Evaluation Report that will include estimated costs for delivery of the business change.

During business evaluation the Gas Transporters may provide other appropriate deliverables.

Quotation Dependencies

1. There are no changes in the scope or complexity of the change between provision of this EQR and delivery of the BER.
2. The BER delivery time scale quoted is elapsed time. Actual start date depends upon [a] when the BEO is received and [b] the relative priorities and availability of resource at that time.

Disclaimer

This Evaluation Quotation Report has been prepared pursuant to Schedule 3 of the PAFA Scope.

It has been prepared in good faith, and has been prepared using data and information provided by third parties, and whilst the Gas Transporters have used reasonable endeavours to ensure that it is accurate and appropriate, no representation or warranty is made as to its accuracy or completeness of the information contained herein, nor its fitness for purpose, even where any such purpose has been advised. By its very nature it is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to the Gas Transporters at the time of its preparation. Nothing in this document is intended to have any contractual or legal force.

Change type	Change Order PAF Services
Service Change details (describe new requirements and expected beneficiaries):	
Gas Transporters' initial view of if and how service Change can be reasonably be implemented:	
Gas Transporters' impact assessment of what analysis work is required in order to deliver BER:	
Estimated BER delivery cost and whether recoverable:	
Potential changes to any regulatory documents, e.g. Agency Charging Statement:	
Period for which EQR is valid:	
Lead Xoserve [CDSP?] operational manager name and contact details:	

Business Evaluation Order (BEO) for Performance Assurance Scheme?Services Change Order
[ref] [title]

The purposes of the Business Evaluation Order are...

- To approve an Evaluation Quotation Report for the Change Order.
- To inform the Gas Transporters of the next action the sponsor requires for the Change Order.

Change Order Reference:	
Change Order Title:	
Customer:	
Customer Representative:	
EQR version:	Version: n Date:
EQR approval: <i>Unless approved without comment, please provide reasons in the comment section below.</i>	<ol style="list-style-type: none"> 1. Approved 2. Approve with comments 3. Clarification required 4. Rejected
Next action required:	<ol style="list-style-type: none"> 1. Proceed with evaluation 2. Provide clarifications 3. Revise the EQR 4. Nothing – change being reassessed 5. Nothing – change suspended 6. Nothing – change cancelled
Date Change Order received:	
Date EQR received:	
Date BEO provided:	
Date BEO expires:	
Funding Approval	<i>Detail proposed funding methodology.</i>

No	Section Ref	Reviewer comment	Author response
1			
2			
etc			

Note: The Gas Transporters reserve the right to reject the BEO and provide a new EQR if the scope of the service requested or scope of the change differs from that specified in relevant version the EQR for the relevant Change Order.

Performance Assurance Scheme? Services - Business Evaluation Report (BER) for Change Order [ref] [title]

Disclaimer:

This Business Evaluation Report (BER) has been prepared in good faith by the Gas Transporters but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to the Gas Transporters at the time of its preparation. The Gas Transporters accordingly make no representations of accuracy or completeness and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

This BER does not, and is not intended to, create any contractual or other legal obligation on the Gas Transporters.

Details of Service Change	
Do the Gas Transporters consider the service Change can reasonably be implemented?	
Design Options (including timescales)	
Estimated development and implementation costs of each Design Option	
Estimated ongoing service costs/price (and cost recovery mechanisms) of each Design Option	
Any system constraints	
Any amendments which will be required to the wording of the PAFA scope document	
Any required changes to regulatory documents, e.g. Agency Charging Statement	
Period for which BER is valid	
Lead Xoserve (CDSP?) operational manager name and contact details	

Schedule 4 -Performance Indicators

1. [Performance Indicators](#)^[CF23]

- 1.1 The Performance Indicators and the Services to which they apply are set out in the following table.
- 1.2 The CDSP shall produce an exception report on a monthly basis, which provides relevant information relating to the non-achievement of the Performance Indicators in accordance with Part 1 paragraph 7.
- 1.3 The introduction, change or removal of Performance Indicators can only occur as a result of a Change Order. Any such introductions, changes or removals will come into force in the month immediately following their agreement unless otherwise agreed with the Performance Assurance Committee.
- 1.4 In the case of introduction or substitution of a Performance Indicator, where no historic performance and management information is available, a period of at least six months must elapse (or such other period as may be agreed between the CDSP and the Performance Assurance Committee) before a new performance standard can be set for the Performance Indicator.

Performance Indicators				
To be developed based upon Schedule 2 [Services] and, where required, Schedule 3 [Change Control]				