

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

**Document 4**

**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.

<b>Version</b>	<b>Status</b>	<b>Date</b>
1.0	Final version from the PAC report	May 2016
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## **Part 1 General**

### **1. Introduction**

This Performance Assurance Framework Administrator Scope (PAFA Scope) sets out the Services to be provided by the Performance Assurance Framework Administrator to Gas Industry parties.

### **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.

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

The CDSP shall monitor actual costs against forecast costs and provide a 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 provide a commentary to the PAC explaining the situation, its impacts and any mitigation that may be possible.

### **6. Monitoring of Performance**

The CDSP shall be responsible for reporting the PAFA's performance of the services and any other obligations under this PAFA Scope to the PAC in accordance with Schedule 4, on a quarterly basis. If the PAFA 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 Tracking Report** means the report described in Section 5 in a form largely as set out in Schedule 5

**Change Order** means a request for a service change

**PAFA Scope** means the scope of services as set out in Schedule 2.

**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 will monitor the services and which are set out in Schedule 4

**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

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

- Management of a Register of Risks to Gas Settlement
- Development/maintenance (including periodic updates) of a Gas Settlement Risk Model
- Collation, validation, publication and interpretation of a suite of reports on Shipper Performance, with appropriate versions for each channel
- Provision of expert advice on Gas Settlement and associated risks
- Administration of the service
- Management of changes to the service
- 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

On request from PAC the PAFA will provide the role of sponsor to UNC Modifications that are relevant to Settlement and/or Performance Assurance, where the Modification Proposer is unable to do so.

### 1. Overview of the activities

Activity	Timing/ Trigger	Inputs	Outputs	Recipients
Management of a Register of Risks to Gas Settlement	Monthly	Risk templates from any UNC Party, scores, action updates from owners	Risk reports to PAC, including visual representations	PAC, other UNC Parties, Government and Regulatory Bodies
Maintenance Development/ maintenance (including periodic updates) of a Gas Settlement Risk Model	Quarterly	Risk Register, data from the CDSP and other UNC parties	Model (and overview of subsequent changes), possibly a Dashboard	PAC, other UNC Parties, Government and Regulatory Bodies
Collation, validation, publication and interpretation of a suite of reports on Shipper Performance	Monthly	PARR requirements, Data from The CDSP (and others) Shipper Code Names (for anonymous view) Further report requirements as identified by PAC	Report publication via appropriate channels for each audience, balancing ease of access, efficiency and confidentiality, including fully anonymised dashboards for wider industry use	PAC, other UNC Parties, Government and Regulatory Bodies

<b>Activity</b>	<b>Timing/ Trigger</b>	<b>Inputs</b>	<b>Outputs</b>	<b>Recipients</b>
Provision of expert advice on Gas Settlement and associated risks	As requested/as identified	Requests for advice on Settlement and/or Risks to Settlement  Own identification of opportunities to provide expertise	Impartial advice and guidance, Impact Assessment  Recommendations for additional risks/reports	PAC, other UNC Parties, Government and Regulatory Bodies, CDSP
Administration of the service	Monthly	Internal and external cost information  Feedback from stakeholders	Timely and accurate periodic budgetary reports  Reports on Scheme effectiveness and recommendations for improvement	PAC, other UNC Parties, Government and Regulatory Bodies, CDSP
Management of changes to the service	Adhoc	Requests from PAC or CDSP for assessment of possible changes	Impact assessment to current service, including financial implications	PAC, CDSP
Liaison with UNC parties in relation to areas of Settlement performance	As requested by PAC	Request by PAC, based on PAFA's analysis of individual party's performance	Contact with parties, e.g. Shippers, Transporters, to highlight current performance levels, UNC obligations and areas of concern raised by PAC (including but not limited to email, letter, telephone, face-to-face meeting)	PAC, other UNC Parties

## Schedule 3 Change Control Procedure

### 1. Principles

A change to the PAFA Scope should be triggered by a change to the Performance Assurance Framework Document and should be requested by the Performance Assurance Committee via the PAFA Scope Change Request Form. Any additions to the scope of the PAFA should be relevant to the overarching objectives of the Performance Assurance Framework.

### 2. Process Overview

- 2.1 PAC should approve each change request to the PAFA Scope in accordance with its voting arrangements prior to submission to the CDSP.
- 2.2 The CDSP will liaise with the PAFA as required and update the Request Form with a response. Wherever possible the CDSP should respond within 15 working days.
- 2.3 PAC will consider the CDSP's response and decide whether or not to progress with the change in accordance with its voting arrangements. If PAC cannot reach a decision, the change will not be progressed.

Requests should be submitted in the following format, wherever possible.

<b>Performance Assurance Framework PAFA Scope Change Request Form</b>	
Request Date	
Request Prepared By	
Service Change details (specify whether addition, removal or amendment to existing):	
When is the changed service required (from/to)	
Beneficiaries of the change, and overview of the expected benefits	
Any dependencies, e.g. Legislation/Licence changes, UNC Modifications, updates to Framework Document	
Date Request approved at PAC	
<b>CDSP Response</b>	
Date response prepared (Target within 3 working weeks of receipt of Request)	
Any implementation options (if appropriate)	
Estimated cost of the change, including timeframe (e.g. one-off/annual) [increase/(decrease)]	

Estimated lead time – how soon/when could the change be implemented	
Other consequences, e.g. impacts on other PAFA/CDSP deliverables	
Any likely system impacts, including PAFA, CDSP, Shippers (if known)	
Period for which this Response is valid	
Confidence level in the accuracy of the response, e.g. costs, lead times, other impacts	
<b>PAC Decision</b>	
Date Response considered at PAC	
Outcome of PAC consideration: Accept/Decline/Pause/Re-Submit Request with Amendment/Other	
Selected implementation option (if appropriate)	

## 2.4 Development and Implementation

If the PAC agrees and approves the Change, the CDSP will commence work to develop and implement the chosen implementation Option.

If the PAC agrees and approves the Change, but changes are required to the Data Services Contract then the DSC Service Changes process will be followed.

Once (if required) the Data Services Contract has been amended, the CDSP will proceed to implement the chosen implementation Option (if applicable) and the changes to the service as set out in the Change shall be made.

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



## Schedule 4 Performance Indicators

### 1. Performance Indicators

- 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 quarterly 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 implementation 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.

<b>Performance Indicators</b>			
Based upon Schedule 2 [Services] and to be updated where required, in line with Schedule 3 [Change Control]			
Service Line	Timing/ Trigger	Outputs	Performance Measure
Management of a Register of Risks to Gas Settlement	Monthly	Risk reports to PAC, including visual representations	Provision of Updated Risk Register to PAC in line with Joint Office publication deadlines
Development/ maintenance (including periodic updates) of a Gas Settlement Risk Model	Quarterly	Model (and overview of subsequent changes), possibly a Dashboard	Provision of Risk Model to PAC in line with Joint Office publication deadlines
Collation, validation, publication and interpretation of a suite of reports on Shipper Performance, including fully anonymised dashboards for wider industry use	Monthly	Report publication via appropriate channels for each audience, balancing ease of access, efficiency and confidentiality	Publication of Reports and Dashboards in line with Joint Office publication deadlines

Provision of expert advice on Gas Settlement and associated risks	As requested/as identified	Impartial advice and guidance, Impact Assessment  Recommendations for additional risks/reports	Provision of advice in a timely manner, customer satisfaction with the advice provided
Administration of the service	Monthly	Timely and accurate periodic budgetary reports  Reports on Scheme effectiveness and recommendations for improvement	Provision of reports in a timely manner
Management of changes to the service	Adhoc	Impact assessment to current service, including financial implications	Responding to requests from the CDSP within 10 working days
Liaison with UNC parties in relation to areas of Settlement performance	As requested by PAC	Contact with parties, e.g. Shippers, Transporters, to highlight current performance levels, UNC obligations and areas of concern raised by PAC	Contacting parties in a timely manner, level of response and engagement from parties, proportion of parties demonstrating an improvement following contact

## Schedule 5 Budget Tracking Report

### 1. Principles

- 1.1 The CDSP will provide a **quarterly confidential report** to PAC detailing the expected and actual costs to date of the PAFA service in the Financial Year in question.
- 1.2 The CDSP will provide a quarterly report to PAC on the usage of the PAC's budget for additional reporting.
- 1.3 If the PAC requests any other third party costs in connection with the PAFA service, the CDSP will monitor those in the same format.

### 2. Format

<b>PAC Quarterly Budget Tracking Report</b>				
<b>Quarter: XX/YYYY</b>	Original Cost Estimate	Latest Cost Estimate	Actual Costs for Quarter	Commentary on Variances
<b>£000s</b>				
PAFA Costs				
CDSP Report Development				
Any other (Third Party) costs				