



Reference Future PAF Reviews-PAFA (PAC 0101)

14th May 2019

Annual Review Plan



- Industry engagement day held – 18 June 2019
- Annual review document and questionnaire published – by 21 June 2019
- Response deadline - 19 July 2019
- Collation of responses and draft report (using AUGE statement template) – 05 August 2019
- Publication of industry responses and PAC/PAFA response along with forward plan – 28 August 2019

Outline of Annual Review



- Executive Summary
- Performance improvement actions to date
- Responses received
- Huddle Usage
- Risk Model Overview
- Risk Register Overview
- Performance Metrics improvements
- CAMs Communication
- Modifications raised
- Forward Plan/ Engagement day
- Industry Questionnaire

Executive Summary



- Executive Summary
 - Overview of the PAC, PAF, PAFA and the CDSP
 - Overview of the past year
 - Achievements that the Committee has seen
 - Summary of performance metrics
 - Plans going forward

Performance improvement actions to date



| Performance improvement request | Month letter sent |
|--|-------------------|
| 2A.1 Estimated and check reads | Nov-18 |
| 2A.3 No meter recorded and data flows received | Dec-18 |
| 2A.9 Standard CF AQ>732,000 | Nov-18 |
| 2A.4 Shipper transfer read performance | Apr-19 |
| 2A.5 Meter read performance PC2 | Mar-19 |
| 2A.8 AQ correction by reason code | Dec-18 |
| 2A.9 Standard CF AQ>732,000 | Mar-19 |

| Performance observation | Month letter sent |
|--|-------------------|
| 2A.5 Meter read performance PC4 | Nov-18 |
| 2A.8 No meter recorded and data flows received | Dec-18 |
| 2A.5 Meter read performance PC2 and PC4 | Feb-19 |

Responses Received – issues and themes

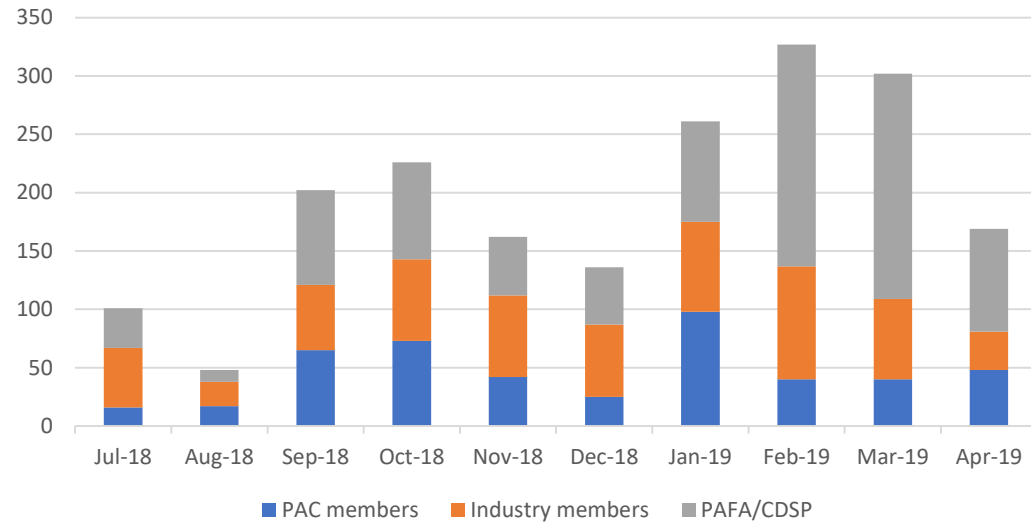


- Lack of awareness of UNC requirements
 - Queries around UNC navigation, interpretation for all product classes
- Confusion around meter read submission deadlines – particularly submission times and file types (especially for PC2)
- Internal systems issues post Nexus
- Internal systems issues
- Internal communications/staffing

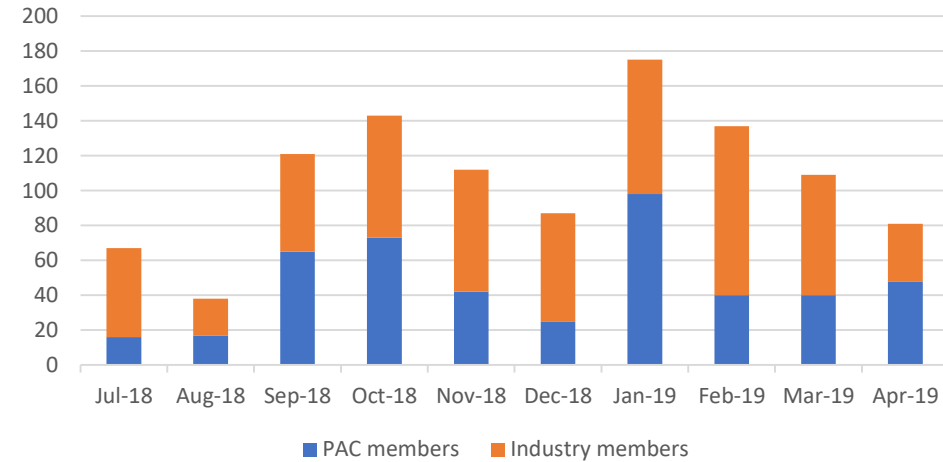
Huddle Usage



PAFA Huddle usage - July 2018 to April 2019



PAFA Huddle usage excl PAC - July 2018 to April 2019



June 2018

| User Type | Unique Users | Count of Active Logins |
|---------------|--------------|------------------------|
| PAC User | 5 | 20 |
| Industry User | 6 | 60 |
| Total | 11 | 80 |

March 2019

| User Type | Unique Users | Count of Active Logins |
|---------------|--------------|------------------------|
| PAC User | 10 | 37 |
| Industry User | 14 | 72 |
| Total | 24 | 109 |

Risk Model



- Risk model is under review
- Have identified some limitations with the existing model
- The majority of risks have been updated but with the changes in AQ/throughput some normalisation will be need to be made to the updated model to enable year on year comparison
- Model will be updated in time for the publication of the annual review

Risk Register – Currently 20 Risks on register (one potential additional in draft)



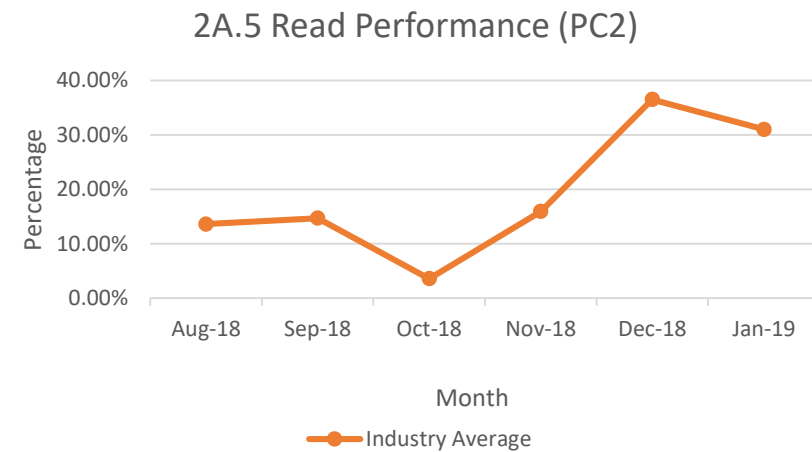
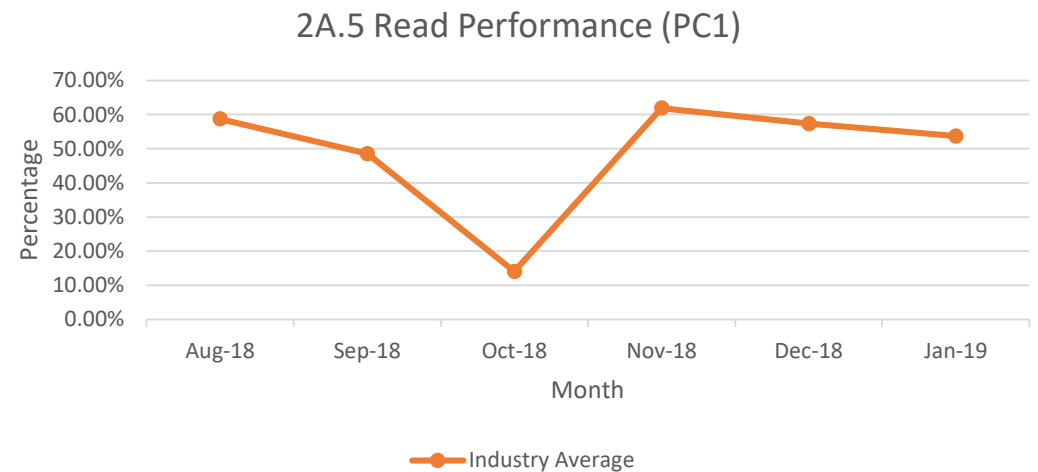
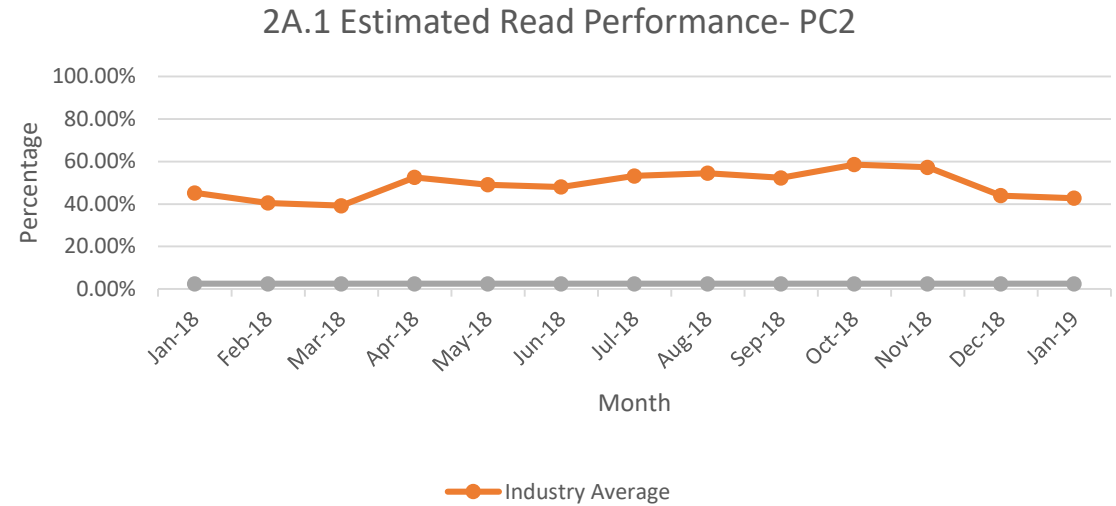
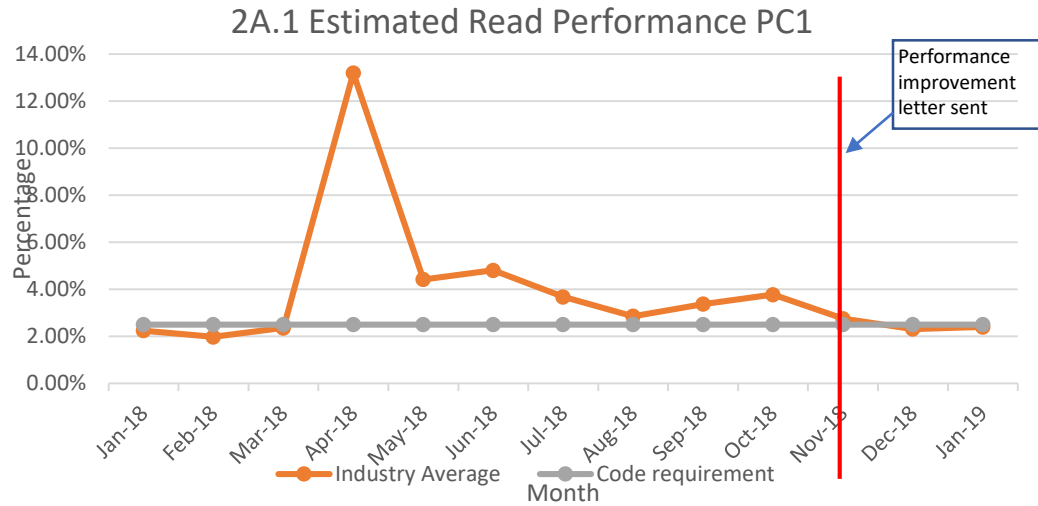
| Risk No. | Risk | Risk Description |
|----------|--|--|
| PACR001 | Theft of Gas: | The consumption recorded at and by the meter does not record the actual consumption at the premise because of theft of gas at that premise |
| PACR002 | AQ Correction Process: | The process to correct AQ's is not used correctly or appropriately thereby applying a bias to the AQ corrections which is not reflective of the AQ corrections needed in any shipper's portfolio |
| PACR003 | Use of estimated reads | Use of estimated reads for Daily Metered sites (Product Class 1 and 2) due to an actual daily reading not being loaded onto UK Link |
| PACR004 | Identified LDZ Offtake measurement errors | The gas measured into the network has been identified as being incorrect" |
| PACR005 | Incorrect or absent meter asset data | Consumptions are inaccurately derived from the meter billing attributes provided |
| PACR006 | Site-specific winter annual ratio (WAR) bands: | "Site-specific WAR bands are not available for End User Category (EUC) 03-08 sites |
| PACR007 | Undetected LDZ Offtake measurement errors: | The gas measured into the network is incorrect and remains undetected |
| PACR008 | Unregistered Supply Points | The supply point is not registered, but is consuming gas. |
| PACR0009 | Shipperless Supply Points | The supply point exists on the Supply Point Register with no registered Shipper whilst consuming gas |
| PACR010 | Meter readings fail validation (PC 3 and 4) | Insufficient reads are loading into UK Link eroding the accuracy of the AQ |

Risk Register



| Risk No. | Risk | Risk Description |
|----------|--|---|
| 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 |
| PACR012 | Required meter read frequency for PC 4 meters | The differing required frequency in meter read provision between product class 3 and 4 sites |
| PACR013 | Change of Shipper Reads | Estimated Change of Shipper reads are used and rather than actual reads, creating inaccurate reconciliation to the shippers involved |
| PACR014 | Meter reads not provided within the settlement window | Sites do not have any reads loaded in the settlement window |
| PACR015 | Retrospective updates | Application of an inconsistent approach by Shippers and the industry to retrospective updates |
| PACR016 | CF: incorrect use of standard CF above 732,000 kWh | Incorrectly using standard Correction Factor (1.02264) for sites consuming above 732,000 kWh" |
| PACR017 | CF: incorrect use of standard CF on or below 732,000 kWh | use of a standard CF for sites consuming on or below 73,200 kWh |
| PACR018 | CF: incorrect use of standard CF below 732,000 kWh | Incorrectly using standard Correction Factor (1.02264) for sites consuming above 73,200 kWh and below 732,000 kWh |
| PACR019 | Smart Meter exchanges | Smart Meter exchanges - Late meter exchanges involving smart meters |
| PACR020 | Issues with UK Link | Issues with UK Link post new UK Link implementation |

Performance Metrics Improvements example



CAMs Communication

- Improved communications between the PAFA and CAMs
- Bi-monthly meetings between both parties
- Dedicated CAMs/PAFA Huddle Space
- Live Shipper tracker between CAMs and PAFA (Shipper performance tracking)

The screenshot shows an Excel Online spreadsheet with the following structure:

| | A | B | C | D | E | F | G | H |
|----|--------------|--------|----------------------|---------------------|-----------------------------|-------------|------------------------|---------------|
| 1 | Shipper Name | Report | Reason for targeting | Date Raised by PAFA | PAC decision to send letter | Letter sent | PAC Meeting to discuss | PAFA Comments |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |

The spreadsheet is viewed in a browser window at the URL <https://my.huddle.net/workspace/38600279/files/#/69210412/edit/officeonline>. The title bar of the Excel window reads "Shipper Performance Tracker March 2019 - Saved" and the user name "Billy Howitt" is visible. The ribbon includes tabs for File, Home, Insert, Data, Review, and View. The Home tab is active, showing options for Clipboard, Font, Alignment, Number, Tables, Cells, and Editing. The status bar at the bottom indicates the current date is "2A.5 March 2019".

UNC Modifications Raised and implemented



- A number of PAC UNC modifications have been raised in the past 12 months:
 - 0660: Amendment to PARR permissions to allow PAC to update with UNCC approval - IMPLEMENTED
 - 0664: Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4
 - 0674: Performance Assurance Techniques
 - 0677: Shipper and Supplier Theft of Gas Reporting Arrangements

Joint Office of Gas Transporters

| UNC Modification | At what stage is this document in the process? |
|---|---|
| <p>UNC 0674: Performance Assurance Techniques and Controls</p> | <p>01 Modification</p> <p>02 Workgroup Report</p> <p>03 Draft Modification Report</p> <p>04 Final Modification Report</p> |
| <p>Purpose of Modification: To provide an effective framework for the governance of industry performance that gives industry participants mutual assurance in the accuracy of settlement volume allocation</p> | |

Joint Office of Gas Transporters

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|--|---|
| <p>UNC 0660S: Amendment to PARR permissions to allow PAC to update with UNCC approval</p> | <p>01 Modification</p> <p>02 Workgroup Report</p> <p>03 Draft Modification Report</p> <p>04 Final Modification Report</p> |
| <p>Purpose of Modification:</p> | |

Industry feedback – AUGE method



- The PAC and PAFA would like to request feedback on the events of the PAC year 2018/19.
- You may wish to review the Annual Review document to consider whether it has already addressed your comments
- Areas on which you may consider providing feedback include:
 - The PAF framework document eg timeline, clarity of scope and of responsibilities
 - The PAC for.....
 - The PAFA for areas such as: communication, industry engagement, query responses etc
 - The industry e.g. for support for the processes and timeliness/relevance of responses to consultations
 - Xoserve e.g for the provision of information
- The intention is to produce a short review report on the 2018/19 PAC year for presentation to the UNCC, including any recommendation for further improvement.

Engagement day proposal



1. Welcome
2. Ofgem address
3. Introduction/overview of PAC and PAFA
4. Annual highlights of the PAC/PAFA (based on annual review document)
5. Review of industry performance against the PARR
 - Evidence main areas of concern
 - Meter reading across all product classes
 - Transfer read performance
 - Meter asset data
6. Performance improvement actions
 - Actions to date
 - Improvements seen
 - Future focus – issue of 3 months notice to Shippers
7. Common themes from Shipper responses
8. Ask the experts – Shipper Q&A
 - Opportunity for Xoserve to present meter read submission process including submission times and file formats
9. The future
 - Mods
 - Market changes
 - Issues?

