**National Grid Gas Distribution - Briefing Note 21**

**Completion File Performance Policy and Management Process**

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| **Addendum 05/08/15** |
| ‘Major unauthorised connections’ will no longer be included as part of this completion files performance monitoring process. Instead, these will be included as part of the Customer Performance Data, sent by Network Strategy, which will resume week commencing 10/08/15. |

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| 1. **Introduction**
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| To facilitate competition in the gas industry, National Grid allows Utility Infrastructure Providers (UIPs) and Independent Gas Transporters (IGTs) to perform works on National Grid’s network, including the final connection on to National Grid’s parent main, if they are signatories of the ‘UIP Connection, Service Disconnection & Service Alteration Agreement’ or ‘Inter-Gas Transporter Connection Agreement’.As part of these agreements, signatories are required to submit Completion Files to National Grid within 10 working days of Substantial Completion (D+10) to confirm the works have been finished. It is important that these Completion Files are accurate and timely as these files are used to update National Grid’s asset records and meet regulatory obligations to update asset records within 42 days of substantial completion. Due to their importance, failure to provide Completion Files is a breach of clause 4.10.3 of both the ‘UIP Connection, Service Disconnection & Service Alteration Agreement’ and the ‘Inter-Gas Transporter Connection Agreement’. National Grid reserves the right under clause 3.10 of the ‘UIP Connection, Service Disconnection & Service Alteration Agreement’ and clause 3.2.10 of the ‘Inter-Gas Transporter Connection Agreement’ to refuse permission for works on National Grid’s network if clause 4.10.3 is not complied with. This briefing note sets out the expected performance levels from our UIP and IGT customers in relation to the timeliness of completion file submissions. |
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| 1. **Management Information & Expected Performance Level**
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| National Grid’s ambition is to be the best performing gas distribution network and to do this, we need to ensure all our asset records are accurate, updated in a timely manner and updated correctly first time. To support UIPs and IGTs with complying with the terms of the ‘UIP Connection, Service Disconnection & Service Alteration Agreement’ or ‘Inter-Gas Transporter Connection Agreement’ and to help meet National Grid’s ambition, the performance level National Grid deem appropriate (to comply with clause 4.10.3) in the long term is listed below;

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| **Metric** | **Large Firm** | **Small Firm** |
| Max no. completion files outstanding by D+10 | Greater of 10% or 1 | 1 |
| Max no. completion files outstanding by D+25 | None |
| ~~Max no. major unauthorised connections~~ | ~~None~~  *Removed 05/08/15* |

**Note: -** A*ny customer that has 10 or more completions in the calendar month will be classed as a “Large Firm” for that month. Any customer with fewer than 10 completions will be classed as a “Small Firm” for that month.*Failure to meet these performance levels will result in non-compliance with clause 4.10.3 and will result in National Grid enacting clause 3.10 (or 3.2.10 for IGT signatories) using the process described later in this document. National Grid appreciate and understand that these are tough performance levels and will require time for UIPs, IGTs and National Grid to change processes to meet these levels; therefore these performance levels will be gradually put into place using the ratchet mechanism described below.  |
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| 1. **Performance Ratchet Mechanism**
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| This section provides information on how the required performance level will be gradually raised over time so that all parties can adapt and change as needed to meet the expected performance levels. These performance levels will be applicable to all works planned on or after Monday 4th August 2014; for the avoidance of doubt these performance levels will not apply to any works planned before Monday 4th August 2014.

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| **Metric** | **Firm Size** | **Step 1** | **Step 2** | **Expected** |
| A | Max no. completion files outstanding by D+10 | Large | Greater of 25% or 3 | Greater of 15% or 2 | Greater of 10% or 1 |
| Small | 3 | 2 | 1 |
| B | Max no. completion files outstanding by D+25 | Large | None |
| Small | None |
| C | Max no. major unauthorised connections | Large | None |
| Small | None |
|  | Dates applicable | All | From 4th August 2014 to 30th November 2014 | 1st December 2014 to 31st March 2015 | From 1st April 2015 |

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| 1. **Performance Management Process**
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| To ensure that clause 3.10 (or 3.2.10 for IGT customers) is applied fairly and consistently, National Grid will apply the below process when the confirmed monthly data is sent to customers;

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| **Step** | **Action** |
| 3 | Clause 3.10 enacted and National Grid’s permission to work withdrawn for any works not accepted (new and existing requests). Permission will continue to be withdrawn until all outstanding completion files are returned to and accepted by National Grid. |
| 2 | Notice for improvement issued to the customer by formal letter. This letter will require the customer to acknowledge the under-performance and implement a plan for improvement. This acknowledgment and performance improvement plan is to be confirmed by counter-signing and returning the formal letter back to National Grid. Failure to return this letter within 10 working days will result in step 3 being enacted. |
| 1 | Reminder of obligations under the Agreement and regular interface to support performance improvement. |
| 0 | Customer meeting obligations, no corrective action required. |

For each month, if the customer is non-compliant against any of the metrics, they will be moved up the process one step until step 3 is reached. For every month the customer is compliant (i.e. meets all the metrics), they will be moved down a step until step 0 is reached. If step 3 is reached, the customer will be kept at step 3 until all outstanding completion files are returned to and accepted by National Grid.New signatories to the ‘UIP Connection, Service Disconnection & Service Alteration Agreement’ or ‘Inter-Gas Transporter Connection Agreement’ will be given a 3 month period of grace from the date of signing. During this period of grace, performance will be measured against the appropriate metrics but the above process will be capped to step 1. For the avoidance of doubt, after the grace period the process will be enacted fully as required. |
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| 1. **Process for querying National Grid MI**
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| To help support and manage the above process and performance levels, National Grid will send Management Information (MI) to customers by the 3rd working day of each calendar month with details of the Completion Files outstanding and an initial indication of if performance was satisfactory during the preceding month. The customer will then have 5 working days to provide additional information or query National Grid’s MI before confirmation of the months performance is provided by National Grid based upon information/queries received. This confirmed data will be used in the process described above for enacting clause 3.10. Acceptances that require re-plans or deferrals will be included in the outstanding completion file figures unless National Grid is notified in advance of the initial data being produced. |
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| 1. **Implementation and notification of future changes.**
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| This document is to be implemented with immediate effect with performance levels being implemented to the time scales listed in the ratchet mechanism. National Grid reserves the right to change the policy and the associated performance levels providing no less than 3 months’ notice of such changes.   |
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| 1. **Notes and further information**
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| * Further information about the requirements for Completion File submissions or the content of this document is available by contacting the team at networkdesign@nationalgrid.com.
* The Large/Small Firm determination will be dependent solely on the number of planned completions in that calendar month, so it is expected that firms will ‘switch’ between the ‘Large’ and ‘Small’ classifications.
* The metric to be applied in any given month will be determined by the customer’s classification (‘Large’ or ‘Small’ Firm Size) in that month only.
* All metrics will be calculated as follows;

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| **Metric** | **Firm Size** | **Calculation Methodology** |
| A | Max no. completion files outstanding by D+10 | Large | $$\left(\frac{Number of Completion Files expected to be received in Month that are outstanding}{Number of Completion Files received in Month}\right)×100$$ |
| Small | Absolute Value not to be exceeded |
| B & C | All other metrics | Both | Absolute Value not to be exceeded |

* For the avoidance of doubt, ‘outstanding’ in the above metrics includes Completion Files not received and not valid by the respective date.
* In instances where completion files are submitted to National Grid by an ‘agent’, the ‘requesting company’ (who the agent is working on behalf of) will be responsible for ensuring compliance with this policy. Any non-compliance will apply against the ‘requesting company'
* To support with the timely resolution of any rejected completion files, National Grid will use reasonable endeavours to validate each Completion File and confirm all rejection reasons by D+10 of receiving the file.
* In instances where the Completion Files is received but not validated by 3rd working day of the calendar month, the Completion File will be included in the following month’s performance data.
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