

UNC Performance Assurance Committee Minutes
Tuesday 11 December 2018
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Billy Howitt	(BH)	PAFA
Emma Smith	(ES)	Observer, Xoserve
Fiona Cottam	(FC)	Observer, Xoserve
John Welch*	(JW)	Shipper Member
Louise Hellyer	(LH)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Neil Cole	(NC)	Observer, Xoserve
Sallyann Blackett	(SB)	Shipper Member
Sally Hardman*	(SH)	Transporter Member
Shanna Key*	(SK)	Transporter Member
Shelley Rouse	(SR)	PAFA

Apologies

Graham Wood	(GW)	Shipper Member
Lisa Saycell	(LS)	Shipper Member
Mark Bellman	(MB)	Shipper Member

* via teleconference

Copies of non-confidential papers are available at: <https://www.gasgovernance.co.uk/pac/111218>

1. Introduction and Status Review**1.1 Confirm Quorate Status**

BF welcomed everyone to the meeting and declared the meeting as being quorate.

1.2 Apologies for absence

Apologies were noted as above.

1.3 Note of Alternates

None.

1.4 Review of Minutes (20 November 2018)

The minutes of the previous meetings were approved.

2. Review of Outstanding Actions

PAC0803: PAFA (NV) to document and provide information on the process of moving a PAC Related Risk to an Issue and how it will be defined and monitored.

Update: When BF explained that the action had now been completed (see item 3.2 below), Committee Members agreed that the action could now be closed.

Closed

PAC0916: *Reference PAC09 – Data quality and issues with the submission of readings result in higher levels and fluctuations in (UIG) Unidentified Gas – Xoserve (FC) to ensure that an overview of the Ofgem letter is provided to PAC in due course.*

Update: When FC explained that to date Xoserve had not written to Ofgem on this matter and that in her opinion the work being undertaken by both the PAC and the PAFA has since overtaken this outstanding action, Committee Members agreed that the action could now be closed, especially as PAC has the option to escalate any concerns to Ofgem should it be required. **Closed**

PAC0919: *Reference Resolution of the Consumption Adjustment Issue – Ofgem (JD) to compose an industry letter / communication, outlining what remedial actions have been taken so far, in looking to resolve the consumption adjustment issue.*

Update: When BF explained that he had written to J Dixon (JD), and as a consequence had expected JD to join in today's meeting, some parties felt a lack of an Ofgem representative was disappointing as this matter should really be resolved sooner, rather than later.

As an alternative, Committee Members believed that perhaps it would be more beneficial if PAC write to parties in order to resolve the issues. FC pointed out that one of the challenges facing the PAC is that the information is not present within the existing PARR reports and as such, the PAC would be restricted to viewing a separate anonymised report version only.

New Action PAC1201: Reference Resolution of the Consumption Adjustment Issue – Xoserve (FC) to look to provide an anonymised report of Shippers based on consumption adjustments related to their sites in time for consideration at the 08 January 2019 meeting.

Concluding discussions, it was decided that BF should write to JD to outline the proposed approach and advise that the action was now closed.

Thereafter, Committee Members agreed that the action could now be closed. **Closed**

PAC0925: PAFA and Xoserve to consider the focus of future PAF Reviews to ensure it captures PACs requirements and provide a proposal/view on how this could be structured (i.e. should it be a review of the framework or a review of the PAFA role).

Update: When SR advised that work remains ongoing on the action, Committee Members agreed to defer consideration until the 08 January 2019 meeting. **Carried Forward**

PAC0927: *Reference Risk Register – PAFA (NV) and PAC (JW) to come up with an interim tool kit for PAC to follow.*

Update: When SR pointed out that her colleague N Vyas had already provided a presentation on this matter, JW proceeded to provide a brief overview of the progress they have made to date, advising that the principle aim is to develop a simple generic approach to be utilised until such a time that UNC Modification 0674 provisions come into effect (assuming the Modification is approved in due course).

Parties suggested that the Committee should start to utilise the interim tool kit as soon as practicably possible.

When SR confirmed that the presentation could be published on the Huddle system, it was requested that Committee Members review the document and provide feedback in order that the PAC can examine the various publication options (including the Joint Office web site) at the 08 January 2019 meeting.

Thereafter, Committee Members agreed that the action could now be closed. **Closed**

PAC0928: *Reference PARR Reports – PAFA (NV)* a review to be scheduled to ensure the reports meet PAFA requirements.

Update: When SR advised that work remains ongoing on the action, Committee Members agreed to defer consideration until the 08 January 2019 meeting. **Carried Forward**

PAC1103: *Reference ‘Performance Assurance Framework Function’ - npower (JW)* to provide an accessible format version of the document to the Joint Office for distribution to PAC Members for review.

Update: JW advised that whilst work remains ongoing on this action, he had already emailed Committee Members on this matter and would request that they look to review the information prior to consideration at the next meeting.

Thereafter, Committee Members agreed to defer consideration until the 08 January 2019 meeting. **Carried Forward**

PAC1108: *Reference PARR Reports - Xoserve (DT) and PAFA (SR)* to discuss the finer details with the PAFA offline after the meeting in order to assist them (the PAFA) to better understand the context and content of the various sources of Shipper related information.

Update: When FC advised that this action had been discussed by both Xoserve and the PAFA during their recent quarterly meeting, SR explained that work remains ongoing.

Thereafter, Committee Members agreed that the action could now be closed. **Closed**

PAC1109: *Reference ‘Shipper Performance Analysis’ presentation - PAFA (NV)* to carefully reword the corresponding ‘Shipper Performance Analysis’ presentation statement(s).

Update: When SR explained that she had made some subtle changes to the proposed wording and BH also pointed out that the papers and report content (and format) now align better, Committee Members agreed that the action could now be closed. **Closed**

PAC1110: *Reference ‘Shipper Performance Letters’ - PAFA (NV)* to look to add a new reference within the respective Shipper Performance communication letters to highlight to the recipient(s) where the information resides in the Huddle system and to also provide a list of Huddle users for PAC purposes.

Update: When SR advised that the PAFA had already received some positive (industry) responses in respect of this action, Committee Members agreed that the action could now be closed. **Closed**

PAC1111: *Reference draft SMART Meter Installations Potentially Impacting upon Settlement Risk – Xoserve (NC)* to examine Xoserve’s SMART exchange portfolio data and compare this with UNC Modification 0632S information.

Update: NC apologised for not being in a position to provide a specific update at this meeting before going on to advise that there are still some circa 600k differences – an update would now be provided at the 08 January 2019 meeting. **Carried Forward**

PAC1112: *Reference draft Post Implementation Issues with UK Link & Incorrect Attribution of Energy Risk – Xoserve (ES)* to look to provide a copy of the Issue Register to the PAC in time for consideration at the December 2018 meeting.

Update: When ES explained that this action had been completed with a provision of a link following the November 2018 PAC meeting, Committee Members agreed that the action could now be closed. **Closed**

PAC1113: *Reference DSC Change Proposal XRN4795 – Xoserve (ES)* to look to add a comment relating to the potential delivery of report date and PAC concerns.

Update: In noting the discussions undertaken elsewhere in the meeting (please refer to item 6.4 below) on Change Proposal XRN7495, Committee Members agreed that the action could now be closed. **Closed**

3. Monthly Review Items

3.1 Risk Register Review

When does a risk become an issue? presentation

SR provided a brief overview of the presentation during which she suggested that in linking a risk to the PARR report evidence, PAC would then be able to confidently support moving a risk to an issue – the consensus was that this is a sensible approach to adopt.

In examining the *'Moving a Risk to an issue – proposed process'* slide, FC enquired whether or not there would be a process available for moving an issue back to being a risk. Responding, SR indicated that it would be beneficial to include this into the process, especially where the 'original' risk was comprised of more than one element or the issue was part of a wider risk.

Standards of Service Liabilities presentation

During a quick onscreen review of the presentation there were no adverse comments voiced by Committee Members.

3.1.1. New Risks

None raised.

3.2 Issues Register

During a quick onscreen review of the draft issues log, SR explained that so far, the responses received by the PAFA have all been very positive. Additionally, there have been a significant increase in new requests for access to the Huddle system which again, is a positive step.

When SR went on to explain that the PAFA are aware that some of the information being requested can only be provided by Xoserve, NC pointed out that Xoserve have also been asked by impacted parties to provide lower levels of data following the issuing of the PAC Performance letters, which is a positive response.

A further update on the two existing issues will now be provided at the 08 January 2019 meeting.

3.2.1. New Issues

None raised.

3.3 Project Plan

SR explained that whilst nothing specific had changed within the Project Plan itself since the November 2018 meeting, work remains ongoing with the next update due at the 08 January 2019 meeting.

3.4 Ofgem Update

In the absence of an Ofgem representative, consideration of this item was deferred.

3.5 Review of Monthly PARR Reports (inc. Dashboard Update)

During consideration of the *'PARR Dashboards'* presentation attention focused on the smaller *'Shipper Performance Analysis'* presentation that contains commercially sensitive information extracted from the Huddle system.

As a consequence of the fact that the subsequent discussions related in the main, to sensitive information, only the key PAC decision items have been recorded within these minutes, as follows:

3.5.1. 2A.1 Estimated & Check Reads - Product Classes 1 & 2

The expectation is that this item will be considered in more detail at the 12 March 2019 meeting.

3.5.2. 2A.3 No Meter Recorded and data flows received

SR pointed out that the two poorest performers are identified within the righthand graph which begs the question as to whether the PAC want to focus attention on these two parties, or issue letters to all parties in Product Class 4.

Whilst it was noted that this matter relates to data cleanse issues, the consensus amongst PAC Members in attendance was to focus attention on these two parties in the first instance and see what improvements can be achieved.

SR wondered whether it would be preferable to request Shipper level reports going forwards.

3.5.3. 2A.5 Read Performance

BH pointed out that the issuing of the PAC Performance letters had sparked a lot of response from impacted parties, mostly in the form of a defence as to why they might be under performing.

3.5.4. 2A.9 Standard CF AQ> 732,000kWh

It was noted that following the issue of the PAC Performance letters, improvements have been witnessed especially in the case of Morecambe Central who have been very proactive in their response.

Concluding the discussions, SR advised that the next stage would be for the various industry parties involved to provide their respective Resolution Plans.

It is expected that a more detailed consideration of these performance analysis related matters / reports would now be undertaken at the 12 March 2019 meeting.

3.6 Review of PAC Related and New Modifications

Opening consideration of the item, BF pointed out that there had been no papers or materials submitted ahead of the meeting which was unexpected considering the fact that Modification 0674 is due for consideration at the December Panel.

3.6.1. UNC Modification 0674 - Performance Assurance Techniques and Controls

In referring to the modification, SR explained that her colleague A Jackson has been working closely with the Proposer M Bellman on developing the modification further in response to the November 2018 Panel questions and concerns.

3.6.2. Proposal to include 'Impact to Settlement performance assessment' in workgroup report

In referring to the late paper submitted by the PAFA (to be considered under a new AOB item 6.5 which has not been added to the agenda due to missing the formal submission date) entitled '*Proposal to include 'impact to Settlement performance assessment' in workgroup report*', SR provided an overview of the rationale behind the document.

BF outlined that in its current state, the proposed (yes / no / n/a) table for inclusion within the modification template would not be a mandatory item (as it would not be specified within the Modification Rules), and as a consequence, in the event that it is not filled in by a Proposer, the Joint Office would not reject the modification as this would not be an allowed function. Should PAC wish to make the completion of the table mandatory, then a UNC Modification would be needed to put this obligation into the Modification Rules. BF also pointed out that any proposed changes to the templates must conform to the current format(s) and that material changes would need to be approved by both Panel and CACoP as it is a standard cross code document.

BF then provided an explanation behind some of the Panel concerns such as the potential of these new proposals to delay development and delivery of a modification or modifications.

BF went on to explain that Panel has also voiced concerns relating to the PAFA's competence in fulfilling the proposed (settlement impact) assessment role and associated risk of liabilities the PAFA be subject to, as a consequence of their decisions / guidance. In short, Panel request more justification from the PAC as to why these proposed changes are needed, especially when bearing in mind that 'other' UNC Committees / Sub Committees do not seek the role or view in influencing proposers.

BF suggested that perhaps what the Panel might need is more time in which to absorb the information and better understand the drivers and consequences.

In referring to the previous AUGE and UIG exercise during which concerns had been voiced around the (mis)perception that the AUGE was taking sides, BF suggested that care would be needed in order to avoid criticism that it is the PAFA's view rather than the PAC's view.

In acknowledging that the 'driver' behind the proposed changes is to get industry parties to better consider the potential impacts of the raising of their modification on the other industry parties around them, it was noted that adoption of this new assessment process could / would potentially work towards reducing (settlement related) risks.

However, it was noted that getting a Proposer to provide an 'up front view' might be difficult, which begs the question as to what would be the actual benefit – it was suggested that perhaps the role is better placed (and utilised) at the Workgroup development stage of the process as previously suggested (i.e. within the Impacts assessment area where it could trigger industry consideration).

In noting the discussion points, SR indicated that she would discuss the matter in more detail with M Bellman with a view to providing an update at the 08 January 2019 meeting.

4. Annual Work Plan and Budget

4.1 Draft Work Plan and Budget Actions Update

In referring to the discussions and materials provided at the previous PAC meeting, JW explained that he had not had an opportunity to really progress the work and that he expects to provide an update at the 08 January 2019 meeting.

When asked whether PAC believe that it should publish a workplan for 2018 or wait until 2019 now, BF responded by suggesting that it would be beneficial to publish some information relating 2018 (i.e. what are PACs present and future objectives and areas of attention).

After providing a brief overview of the previous draft Work Plan, JW advised that he would liaise with the PAFA following the meeting with a view to refining the Work Plan further (including potential UNC Modification 0674 development aspects), ready for PAC to consider at the 08 January 2019 meeting.

New Action PAC1202: Reference Draft Work Plan and Budget Actions – Shipper Member (JW) and PAFA (SR) to look to refine the Work Plan in time for consideration at the 08 January 2019 meeting.

5. Communications Plan

Consideration deferred.

6. Any Other Business

6.1 PAFA Contract Status (Verbal only) Update – FC

Once the PAFA had left the meeting, Members discussed options for the contract extension in July 2019. Details of the agreed approach would be made available to all industry parties once the PAC/CDSP have confirmed the approach.

6.2 DSC Change Proposal XRN4752 Meter Read Performance – ES

In explaining that this Change Proposal had been raised previously by her former colleague R Hinsley, ES pointed out that it also overlaps with Change Proposal 'XRN4795 Amendments to the PARR reporting'.

ES then explained that whilst work will remain ongoing on Product Classes 2 and 3 elements within XRN4752, thereafter elements would also be incorporated within XRN4795 as deemed appropriate.

6.3 DSC Change Proposal XRN4790 Introduction of winter read/consumption reports and associated obligation (MOD0652) - ES

ES provided a brief overview of the Change Proposal explaining that it contains both User and PAC reporting elements.

When asked what the potential process for incorporating these elements / requirements into the PARR reporting schedule going forwards, ES agreed to liaise with the PAFA to establish how best to incorporate the requirements into the PARR schedule going forwards.

New Action PAC1203: Reference DSC Change Proposal XRN4790 Introduction of winter read/consumption reports and associated obligation (MOD0652) – Xoserve (ES) and PAFA (SR) to look to establish how best to incorporate the requirements into the PARR schedule going forwards.

6.4 DSC Change Proposal XRN4795 Amendments to the PARR reporting - ES

In noting the discussions already undertaken on item 6.2 above, ES advised that work remains ongoing on this Change Proposal.

6.5 Proposal to include 'Impact to Settlement performance assessment' in workgroup report (late submission) - PAFA

In noting that the bulk of discussions on this item had already been undertaken during consideration of item 3.6 above, LH requested that the PAC (PAFA) also look to identify positive aspects, rather than simply focusing on the negative points – a point noted by SR who advised that the PAFA would look to amend the document accordingly, especially the proposed table on page 1. BF suggested that perhaps looking at how the Workgroup Report Relevant Objectives section is presented might provide a good starting point.

6.6 PAC 08 January 2019 Meeting – PARR reporting tensions - PAFA

SR opened the discussions by explaining that due to the tight timescales involved the PAFA would not be able to provide the PARR reports in time for consideration at the meeting and suggested an additional PAC meeting to consider the PARR reports later in the month. When MJ noted that a second meeting scheduled to take place on Tuesday 29 January 2019, BF suggested that the PAFA could aim to provide an update at that meeting, rather than hold three meetings in a busy month, –. Members agreed that the reports would be reviewed at the 29 January meeting.

BF then undertook a brief onscreen review of the 2019 PAC meetings looking to identify where there are potential ‘tensions’ where the scheduled PAC meeting falls within the same week as the UNC Panel meetings.

It was noted that the Tuesday 14 May 2019 PAC meeting falls within the same week as the UNC Panel meeting (Thursday 16 May 2019), but could be relatively easy to move on the grounds that it is scheduled to take place at Radcliffe House, rather than Elexon (or other London venue). He also pointed out that whilst the 14 May meeting could potentially be rescheduled for 07 May, the Joint Office had previously been asked to avoid clashes with the iGT meetings, hence the current schedule – in the end it was agreed to leave the May 2019 meeting ‘as-is’ and review it closer to the date.

BF then highlighted that the Tuesday 13 August 2019 meeting also falls within the Panel week (Thursday 15 August 2019) and might be an issue, especially as it is scheduled to take place at Elexon and would need to be rescheduled by no later than June/July 2019 in order to avoid incurring any unnecessary cancellation costs.

New Action PAC1204: Reference PAC 2019 Meeting Schedule and PARR Reporting Tensions – PAFA (SR) to look to identify their ‘paper’ days for the 2019 meeting schedule in time for consideration at the 08 January 2019 PAC meeting.

6.7 Closed PAC Action0806 Update - Wales & West Utilities Offtake Metering Validation Record 2018 - BF

BF advised that whilst the action had already been closed, Wales & West Utilities have fulfilled their commitment and provided a copy of their Offtake Metering Validation Record for 2018, which has been published under today’s meeting papers.

6.8 Xoserve ‘Meet the Industry’ Update - FC

FC advised that at the recent Xoserve ‘meet the industry’ day, questions had been asked around the PAC Performance Letters.

7. Next Steps

7.1 Key Messages – PAFA

BH provided a brief verbal overview of the draft Key Points to be provided by the PAFA in due course and thereafter subject to formal approval at the next meeting, as follows:

- To be provided in due course (including enhanced Risk Management profile).

8. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Venue	Programme
10:30, Tuesday 08 January 2019	Elexon, 350 Euston Road, London NW1 3AW	Standard agenda
10:30, Tuesday 29 January 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard agenda

PAC Action Table (as at 11 December 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0803	06/08/18	2.2.2	To document and provide information on the process of moving a PAC Related Risk to an Issue and how it will be defined and monitored.	PAFA (NV)	Update provided. Closed
PAC 0916	11/09/18	2.2.1	<i>Reference PAC09 – Data quality and issues with the submission of readings result in higher levels and fluctuations in (UIG) Unidentified Gas – Xoserve (FC) to ensure that an overview of the Ofgem letter is provided to PAC in due course.</i>	Xoserve (FC)	Update provided. Closed
PAC 0919	11/09/18	6.	<i>Reference Resolution of the Consumption Adjustment Issue – Ofgem (JD) to compose an industry letter / communication, outlining what remedial actions have been taken so far, in looking to resolve the consumption adjustment issue.</i>	Ofgem (JD)	Update provided. Closed
PAC 0925	26/09/18	4.4	PAFA and Xoserve to consider the focus of future PAF Reviews to ensure it captures PACs requirements and provide a proposal/view on how this could be structured. (i.e. should it be a review of the framework or a review of the PAFA role)	PAFA / Xoserve	Carried Forward (Update due 08 January 2019)
PAC 0927	26/09/18	4.4	Risk Register - NV and JW to come up with an interim tool kit for PAC to follow.	PAFA (NV) / PAC (JW)	Update provided. Closed

PAC 0928	26/09/18	4.4	PARR Reports review to be scheduled to ensure the reports meet PAFA requirements.	PAFA (NV)	Carried Forward (Update due 08 January 2019)
PAC 1103	05/11/18	5.	<i>Reference 'Performance Assurance Framework Function'</i> - npower (JW) to provide an accessible format version of the document to the Joint Office for distribution to PAC Members for review.	Shipper Member (JW)	Carried Forward (Update due 08 January 2019)
PAC 1108	20/11/18	2.	<i>Reference PARR Reports</i> - Xoserve (DT) and PAFA (SR) to discuss the finer details with the PAFA offline after the meeting in order to assist them (the PAFA) to better understand the context and content of the various sources of Shipper related information.	Xoserve (DT) & PAFA (SR)	Update provided. Closed
PAC 1109	20/11/18	2.	<i>Reference 'Shipper Performance Analysis' presentation</i> - PAFA (NV) to carefully reword the corresponding 'Shipper Performance Analysis' presentation statement(s).	PAFA (NV)	Update provided. Closed
PAC 1110	20/11/18	2.	<i>Reference 'Shipper Performance Letters'</i> - PAFA (NV) to look to add a new reference within the respective Shipper Performance communication letters to highlight to the recipient(s) where the information resides in the Huddle system and to also provide a list of Huddle users for PAC purposes.	PAFA (NV)	Update provided. Closed
PAC 1111	20/11/18	3.1.1	<i>Reference draft SMART Meter Installations Potentially Impacting upon Settlement Risk</i> – Xoserve (NC) to examine Xoserve's SMART exchange portfolio data and compare this with UNC Modification 0632S information.	Xoserve (NC)	Carried Forward (Update due 08 January 2019)
PAC 1112	20/11/18	3.1.1	<i>Reference draft Post Implementation Issues with UK Link & Incorrect Attribution of Energy Risk</i> – Xoserve (ES) to look to provide a copy of the Issue Register to the PAC in time for consideration at the December 2018 meeting.	Xoserve (ES)	Update provided. Closed
PAC 1113	20/11/18	6.5	<i>Reference DSC Change Proposal XRN4795</i> – Xoserve (ES) to look to add a comment relating to the potential delivery of report date and PAC	Xoserve (ES)	Update provided. Closed

			concerns.		
PAC 1201	11/12/18	2.	<i>Reference Resolution of the Consumption Adjustment Issue – Xoserve (FC) to look to provide an anonymised report of Shippers based on consumption adjustments related to their sites in time for consideration at the 08 January 2019 meeting.</i>	Xoserve (FC)	Pending
PAC 1202	11/12/18	4.1	<i>Reference Draft Work Plan and Budget Actions – Shipper Member (JW) and PAFA (SR) to look to refine the Work Plan in time for consideration at the 08 January 2019 meeting.</i>	Shipper Member (JW) & PAFA (SR)	Pending
PAC 1203	11/12/18	6.3	<i>Reference DSC Change Proposal XRN4790 Introduction of winter read/consumption reports and associated obligation (MOD0652) – Xoserve (ES) and PAFA (SR) to look to establish how best to incorporate the requirements into the PARR schedule going forwards.</i>	Xoserve (ES) & PAFA (SR)	Pending
PAC 1204	11/12/18	6.6	<i>Reference PAC 2019 Meeting Schedule and PARR Reporting Tensions – PAFA (SR) to look to identify their 'paper' days for the 2019 meeting schedule in time for consideration at the 08 January 2019 PAC meeting.</i>	PAFA (SR)	Pending