

**UNC Performance Assurance Committee Minutes**  
**Tuesday 13 June 2023**  
**via Microsoft Teams & In Person**

**Attendees**

Kate Elleman (Chair)	(KE)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office

**Shipper Members (Voting)**

Alison Wiggett	(AW)	Corona Energy
Andy Knowles	(AK)	Utilita Energy
Claire Louise Roberts	(CLR)	ScottishPower
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	Totalenergies Gas & Power
Paul Murphy	(PM)	ESB Generation & Trading (Alternate)
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Ltd

**Transporter Members (Voting)**

Jenny Rawlinson	(JR)	BU UK
Sally Hardman	(SH)	SGN

**Observers (Non-Voting)**

Anne Jackson	(AJ)	PAFA/Gemserv
Deborah Sherlock	(DS)	CDSP – <i>for item 3.3 only</i>
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HB)	PAFA/Gemserv
James Hill	(JH)	Engage – <i>for item 3.2 only</i>
Martin Attwood	(MA)	CDSP
Michele Downes	(MD)	CDSP
Peter Ratledge	(PR)	PAFA/Gemserv
Rachel Clarke	(RC)	PAFA/Gemserv
Sophie Dooley	(SD)	Engage – <i>for item 3.2 only</i>

*PAC meetings will be quorate where there are at least four Shipper User PAC Members and two Transporters (DNO and/or IGT) PAC Members with a minimum of six PAC Members in attendance.*

*Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/PAC/130623>*

**1. Introduction**

Kate Elleman (KE) welcomed all parties to the meeting noting that Deborah Sherlock from the CDSP would be in attendance (*to cover off item 3.3*), as per previous PAC agreement and that James Hill from Engage would be providing his update for item 3.2 earlier in the meeting.

**1.1 Apologies for absence**

Anthony Diccico, Shipper Member

Neil Cole, CDSP

Tracey Saunders, Transporter Member

## 1.2 Note of Alternates

Paul Murphy for Anthony Dicicco

## 1.3 Quoracy Status

The Committee meeting was confirmed as being quorate.

## 1.4 Approval of Minutes (16 May 2023)

PAC Members in attendance reviewed the change marked set of minutes (dated 02 June 2023) and thereafter, the minutes from the previous meetings were approved.

## 1.5 Approval of Late Papers

KE advised that whilst there are several late papers for the meeting, all of them are submitted in accordance with prior PAC agreement.

## 1.6 Review of Outstanding Actions

**PAC0401:** Performance Assurance Techniques (PAT) - Joint Office (KE) to update the document following Committee discussions.

**Update:** KE advised that she had added some additional comments to the (draft) Performance Assurance Techniques document which would be covered as an agenda item during the meeting (*Please refer to the discussions under item 3.4 below for more detail*)

**Closed**

**PAC0403:** CDSP (FC/MD) to feedback on the approach for proactively engaging with customers for No Meter Recorded and provide PAC feedback (June 2023).

**Update:** Referring to the 'CDSP-PAFA Action Update' paper, F Cottam (FC) provided the update to PAC Members during which it was noted that there are sites recorded that genuinely do not have a meter installed. FC summarised the action plan for highlighting these sites to Shippers individually and in constituency forums. Thereafter, PAC Members agreed to close the action. **Closed**

**PAC0501:** *Reference Revoked Shipper Licences & 'Stranded' Supply Points* – CDSP (FC) to liaise with the Customer Care Team in order to provide a background update and a view on any potential 'hidden' cost aspects.

**Update:** When FC provided the update, a short discussion was undertaken as to whether the matter of the 800 MPRs should be highlighted to REC, S Mulinganie (SM) pointed out that at present as these do not have an assigned Shipper (the Supplier needs to ensure one is put in place), this is not really a matter for REC. When asked whether the expectation is that the 800 MPRs would be put against an existing Shipper Short Code (SSC) or a new one, SM confirmed that they would be assigned a new SSC. PAC Members agreed to close the action on the understanding that this would be monitored via a standard agenda item 'Stranded Meter points'. **Closed**

**PAC0502:** To identify Shipper parties with low read performance and low meter read validity performance as well as those with just low meter read validity to bring back to June 2023 meeting to discuss the next approach.

**Update:** Following consideration under item 2.1 below, PAC Members agreed to close the action. **Closed**

**PAC0503:** *Reference Transporter Performance Monitoring MER Biomethane Issues* – Joint Office (KE) liaise with her colleague E Fowler to ensure that the Offtake Arrangements Workgroup/Committee consider MER biomethane reporting concerns (inc. HSE Gas Quality Regulation aspects etc.) and provide an update at the June 2023 meeting

**Update:** KE explained that she has been liaising with the Chair of the Offtake Arrangements Workgroup (E Fowler) who is going to progress matters via that forum, PAC Members agreed to close the action. **Closed**

## 2. Monthly Performance Assurance Review Items

### 2.1 PARR Report Review – Shipper Performance Analysis

Pete Ratledge (PR) referred to the PAFA Dashboard, which is made available ahead of the meeting, and then provided an overview of the ‘*Shipper Performance Analysis*’ presentation. PAFA supplied the following observations for this section:

#### SHIPPER PERFORMANCE ANALYSIS

- **PARR Workbook Observations:**

PAFA presented general observations with regards to Industry Performance based upon the output of the latest PARR activity round:

MOD520A\_\_PAF\_Reports\_May23\_Anonymised

MOD520A\_\_PAF\_Reports\_May23\_Non-Anonymised

PARR Dashboard 20230613

These documents can be found on the GPAP website.

- **2A.6/2B.6 Meter Read Validity:**

Meter Read Validity performance in respect of % of submitted readings that fail initial logic checks is of concern for a number of Shipper parties having consistently registered a failure rate of >20% over the observed period (October 2022 – April 2023).

At the May 2023 PAC meeting PAFA were tasked with reviewing the correlation between high meter read validity failure volumes and low read performance statistics within Product Class 3 and Product Class 4 categories and highlighted 12 Shippers whereby there is this correlation. PAFA recommended a Request for Information (RFI) be sent to these 12 Shipper parties.

<b>Vote: Issue RFIs to Shipper parties within the PC3 &amp; PC4 Markets to determine reasons behind high MRV Failure Volumes &amp; Low Read Performance</b>		
<b>Shipper Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Alison Wiggett	1	For
Andy Knowles	1	For
Claire Louise Roberts	1	For
Louise Hellyer	1	For
Paul Murphy	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
<b>Total</b>	<b>7</b>	<b>For</b>
<b>Transporters Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Jenny Rawlinson	1	For
Sally Hardman	1	For
<b>Total</b>	<b>2</b>	<b>For</b>
<b>Voting Outcome: Unanimous to issue RFIs to Shipper parties within the PC3 &amp; PC4 Markets to determine reasons behind high MRV Failure Volumes &amp; Low Read Performance</b>		

The PAC voted in favour of issuing an RFI to the highlighted Shipper parties to ask for the top five issues they were experiencing in meeting UNC obligations in these areas.

CDSP confirmed that there has been a Change Proposal (XRN5651) raised to look at Inner Tolerance Ranges used in the Meter Read validation process for Product Classes 3 and 4. There is currently a disproportionate volume of read rejections during periods of increased consumption (Winter). CDSP intend to discuss this to understand more appropriate Inner Tolerance Ranges at Distribution Workgroup and confirmed that feedback received from Shippers was that a change to the Inner Tolerance Range should be implemented ahead of the next Winter period.

- **Holistic Performance Assurance Matrix (HPM):**

PAFA provided an update in terms of the output of the HPM in the four Product Class categories and provided an update in respect of Performance Improvement Plans (PIPs).

- **PC1 Read Performance** – No Shippers currently falling below the agreed HPM score of 15 and below.
- **PC2 Read Performance** - One plan request has been issued to Shipper Rome (April 2023).
- **PC3 Read Performance** - Four plan requests issued to Shippers Nuuk, Gitega, Roseau and Brazzaville (April 2023) had been suspended.

Three Shippers (Nuuk, Roseau and Brazzaville) remain under the score of 15 and a vote was undertaken and approved by PAC for the suspension for these requests to be lifted.

<b>Vote: Lift the Suspensions for the three (3) Shipper Parties (Nuuk, Roseau &amp; Brazzaville)</b>		
<b>Shipper Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Alison Wiggett	1	For
Andy Knowles	1	For
Claire Louise Roberts	1	For
Louise Hellyer	1	For
Paul Murphy	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
<b>Total</b>	<b>7</b>	<b>For</b>
<b>Transporters Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Jenny Rawlinson	1	For
Sally Hardman	1	For
<b>Total</b>	<b>2</b>	<b>For</b>
<b>Voting Outcome: Unanimous to Lift the Suspensions for the three (3) Shipper Parties</b>		

One Shipper (Gitega) is now recording a score of 17 in the HPM, which is above the agreed threshold of 15 or below. A vote was undertaken and approved by PAC for the suspension of this plan request for this Shipper to be lifted.

<b>Vote: To Lift the Suspension for Shipper (Gitega)</b>		
<b>Shipper Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Alison Wiggett	1	For
Andy Knowles	1	For
Claire Louise Roberts	1	For
Louise Hellyer	1	For
Paul Murphy	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
<b>Total</b>	<b>7</b>	<b>For</b>
<b>Transporters Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Jenny Rawlinson	1	For
Sally Hardman	1	For
<b>Total</b>	<b>2</b>	<b>For</b>
<b>Voting Outcome: Unanimous to Lift the Suspension for Shipper (Gitega)</b>		

The plan requests will therefore continue for all four parties.

Shipper Rome fell under the PAC approved HPM score of 15 last month and PAFA recommended for PAC's approval that a new plan request be issued to them. As they have also been sent a request for a PC2 plan, it was discussed whether Parties might combine plans if they receive multiple plan requests. A vote was undertaken and approved by PAC for a new plan request to be issued for PC3.

<b>Vote: Issue a PC3 Performance Plan Request to Shipper (Rome)</b>		
<b>Shipper Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Alison Wiggett	1	For
Andy Knowles	1	For
Claire Louise Roberts	1	For
Louise Hellyer	1	Abstained
Paul Murphy	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
<b>Total</b>	<b>7</b>	<b>For</b>
<b>Transporters Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Jenny Rawlinson	1	For
Sally Hardman	1	For
<b>Total</b>	<b>2</b>	<b>For</b>
<b>Voting Outcome: Majority to issue a PC3 Performance Plan Request to Shipper (Rome)</b>		

It was also noted that Parties may combine plans if they choose as the PAC are ultimately interested in what the plan will be delivering.

- **PC4 Read Performance** - One plan has been issued to Shipper Brazzaville (April 2023).
- PAFA presented an update on the RFI for Product Classes 3 and 4 Meter Read Submission which was issued to Shippers in April/May 2023. Responses are still required from 12 Shippers. Discussions were undertaken by PAC on the best way to present the RFI responses when all had been returned. A visual presentation was agreed to be the best way forward along with looking to identify the rankings from the Shipper responses and any potential risks. A suggestion was also put forward to communicate final findings back to the parties that provided RFI responses.

When SM enquired whether each slide in the presentation implied that Shippers are doing something positive (i.e. their activities have led to improvements), KE suggested that it is really more about 'The News Story'.

When AJ advised that where the PAFA observes significant 'swings' in the data, it tries to ascertain the background as to why the swings are happening, PR added that the PAFA could always look to enhance the information being provided.

When AJ pointed out that the various performance plans had clearly resulted in improvements to the AQ at Risk aspects, FC advised that consumption at unregistered/Shipperless sites remains awkward to assess and that the AUGE has a methodology which treats the current AQ with caution.

## 2.2 Request for Information (RFI) Analysis – PC3 & PC4 Meter Reading Submission

H Bevan (HB) provided an overview of the '*Request for Information (RFI) Analysis – PC3 & PC4 Meter Reading Submission*' presentation.

When S Blackett (SB) suggested that it might be useful to look at how many responses focus on the same, or similar issues, AJ advised that the PAFA could look to provide more granular analysis possibly in the form of a full or abridged report. One PAC Member indicated that they would be keen to see more granular information splits that include system, industry and Authority elements etc. – possibly focusing on a Top 5 based approach.

When asked whether response based volumetric aligned values could be provided to support the reports, AJ responded by advising that this could be very difficult to provide.

SB suggested that perhaps some form of 'ranking mechanism' based on approach could identify quick wins supported by an opportunity to address matters via various available training mechanisms – however, alignment remains a potential concern.

SM explained that his company had received multiple Ofgem RFIs whereby they have responded to the requests but received little by way of feedback from Ofgem which is disappointing.

When asked, PAC Members in attendance agreed that the presentation should be published on the Joint Office web site under today's meeting papers and that any future report could utilise some form of pseudo rankings.

An update communication will be issued to respondents in due course.

**New Action PAC0601:** Reference *Request for Information (RFI) Analysis – PC3 & PC4 Meter Reading Submission* – CDSP (FC) and PAFA (AJ) to consider refining the provided information and how best to incorporate this into suitable training materials.

### 2.3 Ceasing Performance Improvement Plans (PIPS)

PAC Members in attendance agreed that this item would be considered in more detail under consideration of Entry / Exit discussions at the 18 July 2023 meeting.

### 2.4 Risk & Issues Register Update

Peter Ratledge (PR) provided a brief overview of the June 2023 Risk update.

PAFA supplied the following observations for this section:

- Performance Assurance Committee (PAC) Members were presented with an update in respect of seven risks relating to AQ corrections, Drift (Check Read Provision), Line in the Sand (LIS), Transfer Read Performance, Replaced Reads and Unregistered/Shipperless Supply Points. The Performance Assurance Framework Administrator (PAFA) presented the following, for their attention:

- **AQ Corrections:** PR reported a decrease in Value at Risk (VAR) by 0.54% across 2022-2023. The number of AQ Corrections for Reason Codes 02 (Change in Consumer Plant) and 03 (Commencement of New Business) have remained relatively static over the reporting period. A factor for the slight reduction in VAR is that amended AQ values for the previous reporting period for Reason Code 02 saw overall amended AQ values reduce in 10 out of the 13-month period. In the current reporting period AQ values have reduced in only 2 out of the latest 6 calendar months. Spikes seen in relation to large reductions in AQ values for Reason Code 03 for the previous reporting period have also lowered substantially within the latest reporting window.

The risk rating remains 3 (Medium priority). PAFA will continue to monitor AQ Corrections monthly and the risk will be reviewed at the next refresh point (September 2023).

- **Drift (Check Read Provision):** PR reported a decrease in Value at Risk (VAR) by 13% across 2022-2023. This difference is primarily impacted by the number and size of issues identified in the past 12 months. The count of Class 1 and 2 / Class 3 and 4 Check Reads not received within the last year has increased by 6% / 21%, alongside a decrease in the average AQ of 21% / 11%. The net effect of the above is reflected in the decrease in energy impact of the risk.

The risk rating remains 2 (lower priority). PAFA recommended that no immediate action required at this juncture. The risk is to be reviewed at the next refresh point (September 2023).

- **Line in the Sand (LIS):** PR reported a decrease in Value at Risk (VAR) by 2% across 2022-2023. There has been a 0.17% increase in the percentage of 'no reads over 4 years' across Classes 3 and 4 in the reporting period. The average AQ of MPRNs in Classes 3 and 4 with reads not submitted by year 4 has decreased by 10% which is reflected in the slight decrease in energy impact of the risk.

The risk rating remains 5 (highest priority). PAFA is monitoring Line in the Sand performance on an ongoing basis as part of the Holistic Performance Matrix activity. Risk to be reviewed at next refresh point (September 2023).



- **Transfer Read Performance:** PR reported a decrease in Value at Risk (VAR) by 52% across 2022-2023. This difference is primarily impacted by the decrease in transfers occurring across the past 12 months of 53% and an increase in transfer reads submitted by 27%. This combined net effect is reflected in the decrease in energy impact of the risk.

The risk rating remains 1 (lowest priority). PAFA recommended that no immediate actions are required at this juncture due to a substantial reduction in the Value at Risk (VAR) level. Risk to be reviewed at the next refresh point (September 2023).

- **Replaced Reads:** PR reported a decrease in Value at Risk (VAR) by 35% across 2022-2023. The average use of replacement readings has decreased by 51% which is reflected in the decrease in the energy impact of the risk.

The risk rating remains 1 (lowest priority). PAFA recommended that no immediate actions were required at this juncture due to the decrease in respect of the Value at Risk (VAR). Risk to be reviewed at next the refresh point (September 2023).

- **Unregistered Supply Points:** PR reported a decrease in Value at Risk (VAR) by 3% across 2022-2023. The number of Unregistered Supply Points continues to decrease month on month with a 5% decrease seen in the period April '22 to April '23. The site average AQ volume across the period has increased by a figure of 2%. The net effect of these factors is an overall decrease in VAR calculated.

The risk rating remains 3 (medium priority). PAFA recommended that no immediate actions were required at this juncture. Risk to be reviewed at the next refresh point (December 2023).

- **Shipperless Supply Points:** PR reported a decrease in Value at Risk (VAR) by 10% across 2022-2023. There has been a 5% decrease in the number of Shipperless Supply Points in the period April '22 to April '23. The site average AQ volume across the period has also decreased by a figure of 7%. The net effect of these factors is an overall decrease in VAR calculated.

The risk rating remains 2 (lower priority). PAFA recommended that no immediate actions were required at this juncture. Risk to be reviewed at next refresh point (December 2023).

- PAFA to highlight in future Risk Update reports whereby a risk has been materially impacted by positive Shipper performance behaviour or otherwise, this could be achieved via a new visual indicator or alternatively captured within the risk update text itself.
- Any questions/feedback on the content of the slides presented, please email: [PAFA@gemserv.com](mailto:PAFA@gemserv.com).

## 2.5 Transporter Performance Monitoring

KE provided a verbal update on the background to this agenda item noting that it is retained as a 'holding' item as it links into concerns around DNs management of MER biomethane related issues.

## 3. Matters for Committee Attention

### 3.1 Review Open Meter Bypass – Annual Report

M Attwood (MA) provided an overview of the *'Meter By-Pass Annual Update'* presentation during which several key items were noted (by exception), as follows:

#### Meter By-Pass Trend (Meters with By-Pass fitted) (slide 4)

When asked whether PAC are comfortable that new installations with a by-pass are being captured accurately, ER responded by confirming that during the UNC Review Group (0763R), the CDSP undertook an exercise to proactively consider and investigate by-passes, prompting relevant Users to take action where required.

MA advised that various training materials are available for parties to utilise whilst FC asked parties to note that the CDSP has not visited all of the circa 400k I&C sites to double check the by-pass status.

#### Analysis of Meters with Open By-Pass (slide 6)

When asked whether records exist that indicate that any of the 16 meters with a by-pass status indication of 'closed' once were 'open', MA advised this is not necessarily available.

In referring to the 3 meters displaying static meter readings which could support the assumption that their by-passes might be 'open', SM reminded parties that there is a theoretical minimum by-pass flow rate, so the potential impact upon settlement should be relatively low.

AJ advised that from the PAFA's perspective, they would require reassurance that the by-pass procedures are being correctly followed by Shippers.

ER pointed out that this is a predominately Supplier related matter and therefore should perhaps be highlighted to REC, AJ suggested that maybe an obligation on them (the REC) to clarify meter by-pass statuses would prove beneficial.

### 3.2 AUGE Issues Review

J Hill (JH) provided an overview of the *'PAC – AUGE issues reporting'* presentation (as provided by Engage) during which several key items were noted (by exception), as follows:

#### AUGE 01/03: Theft Data (slide 8)

When asked about the impacts associated with implementation of UNC Modification 0734S, E Rogers (ER) explained that the Modification had an effective implementation date of 01 April 2023, and as a consequence, the first file from RECCO is due to be sent shortly (currently anticipated to be end of June). Whilst at the moment nothing is really visible as it is early days, it might be prudent to re-examine matters in 6 months' time to better assess any progress. ER suggested the Modification 0734S and new theft process being utilised could improve misalignments between theft recorded by TRAS and central TOGs raised.

#### AUGE 04/05: No Read at Line in the Sand (slide 9)

When asked whether the circa 2k larger / AMR sites are the same ones as last year or different, JH responded by advising that whilst he does not know the answer: he will investigate and provide feedback in due course.

JH then pointed out that energy reconciliation had improved over the two year period being presented.

#### AUGE 11: Isolated Sites with Advancing Reads (slide 10)

JH observed that numbers appear to be rising again.

When asked whether there is any 'link' between the information and previous Covid-19 related Modifications, FC advised that whilst it is not possible to identify which sites had Covid-19 Isolations, but that Shippers reported very low usage of that facility. FC added that her colleague N Cole had great success last year in customer engagements to reduce the number of incorrect/reconnected Isolations and perhaps there would be value in revisiting the (analysis) work he had done previously.

#### AUGE 16: Prepayment Numbers (slide 11)

Focusing attention on the two sets of 'Total' values JH suggested that the significant gap between the two numbers for meters in prepayment mode (CDSP 1.69m v. industry 3.13m) would suggest that we have under-reporting to CDSP. When asked, JH confirmed that the information is collated from several industry sources.

In debating whether there is a potential piece of work to involve the DSC, FC noted that this is really a potential settlement related issue (i.e. allocation of apportionment).

It was suggested that it might be in the best interests for Shippers to record SMART meters in a particular way, SM suggested that this area reflects Ofgem's position around being careful to avoid targeting pre-payment meters.

FC went on to explain that if there are over 1.5m sites with a flatter (prepayment) profile, which would suggest that there are potential settlement elements involved, especially when bearing in mind that UNC Modification 0840 (Urgent) removed one of the UIG differentiators.

A Jackson (AJ) then pointed out that the data reflects the fact that settlement proportionality varies across the year, SM added that should either UNC Modification 0831 or 0831A be implemented, some of these historical issues will be removed, and FC pointed out that regardless there would still be some differentiation due in part to site profiles.

KE suggested that Engage are invited back to provide a further update towards the end of 2023, PAC Members present settled on the 14 November 2023 meeting.

### **3.3 PAFA Contract Extension Discussion**

Opening discussions, FC explained that she would be happy for the PAFA Representatives to sit in on the majority of the discussions as many of the discussion points have already been discussed between the CDSP and PAFA outside the PAC meetings.

After FC provided an overview of the current contractual position, AJ provided a brief presentation outlining the positive and negative aspects the PAFA has achieved and/or observed during its tenure.

Thanking the PAFA for their presentation, SM enquired whether they (the PAFA) have any items that they believe need addressing and are there any that prevent them from doing a better job. Responding, AJ explained that a lack of apparent industry performance improvements frustrates the PAFA, especially bearing in mind other market energy sectors (i.e. electricity) appear to witness greater improvement.

When asked whether the PAFA believes that the gas sector performance obligations are unachievable, especially when it would appear that the circa £25m invested in the theft area has delivered very little in the way of benefits, AJ responded by advising that the PAFA is not 100% certain that the issues are simply down to the financial incentives in the gas sector, as the equivalent electricity side performance for read provisions is superior. However, accurate justification is hard to assess. Perhaps one principal cause could be the fact that the gas industry performance regime was retro-fitted which has led to a lack of availability of true incentives.

J Rawlinson (JR) indicated that she believes that the PAFA has performed well, even during a tumultuous time for the energy sector in recent years, and continues to provide a good level of support to the gas sector, especially where recent Workshops are concerned – in short, she would support renewing the PAFA contract.

When asked, AJ confirmed that the PAFA finds the AUGE (Meter Point) level data very beneficial, and if granted (direct) access, would be able to improve their overall service provision. SM observed that there is potentially real value in opening up the PAFA's scope and role (especially UIG related information), especially bearing in mind that it is feasible that the UNC and IGT could be combined at some point in the future.

*\* PAFA Representatives left the room \**

In acknowledging the clear indication of what the PAFA has achieved over the last few years, KE wondered about what enhancements could be forthcoming and what value would be available should the current PAFA contract be renewed.

In advising that she would be more than happy to take any contractual related questions from PAC Members, D Sherlock (DS) highlighted that the PAFA had achieved what they had been asked to do, although in terms of UNC Modification 0674V provisions, it remains unclear what the PAFA has delivered. KE also pointed out that the PAC Members had previously noted the uncertainty around what the PAFA has, or has not, delivered in terms of 0674V aspects.

DS advised that she is currently awaiting more detailed information from the PAFA in relation to their potential costings for any 0674V work, and as yet, she is unsure of the cost v's benefit aspects.

When asked for clarification as to whether PAC are trying to ascertain whether the current PAFA have delivered what has been asked of them, DS responded by once again confirming that the PAFA have performed as expected before adding that it is how we assess the value of post 0674V aspects, especially where potential costs are concerned, that remains of paramount importance. FC provided a brief example of some potential costs associated with the PAFA managing the PAFD going forward.

When asked whether PAC Members would be happy to 'take up' the current PAFA contract extension option (inc. full 0674V funding considerations) enabling the PAFA to continue supporting the industry into the 0674V era, SM responded by advising that in his opinion the value to date seems comfortable, although having said that, he would require more information around potential costs associated with both the first year of contract extension (inc. 0674V) and the subsequent second year before making a decision – in essence, PAC need more certainty around future costs.

When DS pointed out that discussing the 0674V variation aspects is potentially 'time constrained', SM suggested that perhaps it might be beneficial to look to extend the current contract for one year and inform the PAFA we would be tendering for services thereafter.

PAC Members then debated whether a cost cap element applied to the contract extension (via an addendum to the existing contract) would be necessary as this would potentially avoid complications later on.

In looking at the extension options, PAC Members considered whether they would be in a position to make a decision in the absence of clearer 0674V costing information concluding that at present they could not make an informed decision. ER reminded PAC that if they wished to invoke a new procurement process (in order to appoint an alternative to Gemserv), then it would need to commence next month at the latest, FC advised that work is already underway with the PAFA on investigating the additional 0674V costing elements.

In noting that the CDSP would need to tender for PAFA services (a potential sunk cost) next year anyway, SM suggested it is about 'balancing' tender costs against PAFA contract variance costs.

Summarising the discussion so far, KE suggested that the message to the PAFA is that PAC are unable to make an informed decision on a potential contract extension without the provision of clearer information relating to the 'ballpark costs' for the PAFA providing the additional 0674V services – in short, there is no major objection to Gemserv continuing to fulfil the role of the PAFA and it is the concerns around the additional 0674V costs that are preventing a decision today.

Acknowledging that this might be a contentious statement, A Knowles (AK) wondered whether, if PAC fails to deliver clear improvements over the next few years, it should consider the value of continuing in the direction of this current regime. Responding, SM suggested that a UNC Modification could be raised if there are any concerns, and not to forget that 0674V is a relatively new regime and needs time to bed in properly.

FC supported the proposal suggested previously by JR for the PAFA to host another Workshop event to drill down on some of the key strategic matters as previous Workshops had been successful.

*\* PAFA Representatives re-entered the room \**

In summarising the position to the PAFA Representatives, DS explained that:

- PAC would not be undertaking a decision in relation to the extension of the PAFA contract (for a final year) at this meeting;
- PAC request that the PAFA provides the additional 0674V costings as soon as possible after their meeting with the CDSP on Wednesday 21 June 2023;
- The CDSP will report back to PAC on the outcomes of any contractual discussions / negotiations in due course; and
- PAC will then make a decision on any Contract extension options at the July 2023 meeting.

Acknowledging the points being presented before the PAFA, AJ indicated that she was under the impression that the PAFA had been asked to provide a time and materials based quote for the 0674V delivery aspects. This was to be discussed in more detail at the forthcoming contract meeting between the two parties concerned.

When R Clarke (RC) enquired as to whether there is a 'drop dead' date that PAC is working to, KE responded by clarifying that whilst this is more to do with CDSP contract timelines any procurement process must commence in July.

### **3.4 Performance Assurance Techniques**

KE provided an overview of the '*Performance Assurance Techniques (PATs)*' document during which she focused attention on the enhanced blue bullet point items.

In reviewing '*20.9 Audit*' points, FC suggested that an additional bullet point to cover a cross reference to the Appeals Process would be beneficial.

Reviewing '*20.10 Referral to Authority*', FC suggested that perhaps a 'right to appeal' element is missing, AJ made reference to paragraph 16.8.7 at which point ER also suggested that we would need a better understanding around what Ofgem's expectations might be.

Noting the reference to a potential UNCC role, ER reminded parties that the 0674V provisions have made PAC a more autonomous body so perhaps this UNCC link is no longer needed.

**New Action PAC0602:** *Reference Performance Assurance Techniques (PATs)* – Joint Office (KE) to investigate potential Code and PAFD interactions along with potential UNCC referral requirements.

In considering the ‘*UNC GTA – Dispute Resolution definition*’, when FC questioned whether this strictly applies to PAC or the PAFA, KE suggested that it would cover off any dispute related aspects/requirements.

SM noted that the right to include disputes applies across all Code aspects.

As far as the ‘*UNC TPD Section V – costs and expenses associated with the PATs*’ statement is concerned, KE suggested that this ‘links’ into bespoke training aspects.

Concluding discussions, KE advised that she would continue to refine and develop the document.

*\* Please note: a post meeting email relating to ‘The Role of the Improvement Plan as a PAT’ was circulated to PAC Members for further consideration ahead of the July 2023 meeting.*

#### 4. Update on Potential Changes to Performance Assurance Reporting and PARR

##### 4.1 Revised PARR Report Appendix 1 Version 5.1 (Appendix to PAFD v5.0)

Introducing this item, ER advised that the document had been updated to now include 0734S and 0674V elements plus numbering correction and that she is now seeking PAC approval for the latest round of changes.

PAC Members remaining in attendance were then requested to undertake a vote to approve the latest iteration of the PAFD v5.1, dated 16 May 2023.

<b>Vote: Approval of PAFD v5.1</b>		
<b>Shipper Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Andy Knowles	1	For
Claire Louise Roberts	1	For
Louise Hellyer	1	For
Paul Murphy	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
<b>Total</b>	<b>6</b>	<b>For</b>
<b>Transporters Representatives</b>	<b>Voting Count</b>	<b>For/Against</b>
Jenny Rawlinson	1	For
Sally Hardman	1	For
<b>Total</b>	<b>2</b>	<b>For</b>
<b>Voting Outcome: Unanimous to approve the latest iteration of the PAFD v5.1, dated 16 May 2023</b>		

AJ enquired when PAC Members would like the changes applied (i.e. via a periodic or ad-hoc release) as there is a 3 month timeline involved.

**New Action PAC0603:** *Reference the PAFD v5.1 changes* – CDSP (ER) and PAFA (AJ) to consider when to implement the changes and provide an update at the July 2023 meeting.

##### 4.2 Review of New Modifications

KE provided an onscreen review of the Modification Register focusing attention on the four newer Modifications/Requests (0846, 0847, 0848S & 0849R), noting that at present none appear to have any direct settlement implications.

#### 4.3 Consider Requirements for Modifications

E Rogers (ER) provided an overview of the *'Proposed PARR reports for review and approval'* presentation during which she drew attention to the fact that in respect of IGT Modification 159V, a high-level impact assessment has been issued and would be considered at an Extraordinary DSC Change Management Committee meeting scheduled for Friday 16 June 2023.

ER then moved on to provide an overview of the *'Proposed Format of PARR Reports to support IGT UNC Modification (Amendments to the must read process)'* document, during which discussions mainly focused on the three tables on page 3 (Report Example).

ER explained that care is needed when interpreting figures, as these can include aspects beyond parties control, such as is the case with inherited sites etc.

When asked what PAC are being asked to make a judgement on, ER responded by asking whether PAC want to include all three tables, or just the top two. FC pointed out that this is still a 'working' document at this point in time.

When asked whether any PAC Member present had an issue with removing the final table on page 3, no adverse comments were forthcoming.

KE pointed out that following the disappearance of several PAC Members, the meeting was no longer quorate and as a consequence a vote, if required, would not be possible at this meeting.

#### 4.4 Shrinkage Model Questions

Referencing UNCC agenda item 236.7a) *'Mains Replacement / Shrinkage Model'*, KE advised that she has been engaged in various discussions with D Morley on this matter and would now look to provide an update to PAC post the 15 June 2023 UNCC meeting.

When asked if this is focused on just shrinkage aspects, KE replied by advising that it is multi-faceted. SB indicated that she believes that D Morley is right to formally raise this matter.

When FC suggested that it is a leap of faith to say that analysing the underlying shrinkage data is undertaken correctly, AJ reminded those present that this is a Transporter Licence matter and as a consequence only becomes an issue when they get it wrong, impacting PAC settlement aspects.

Acknowledging the point, Sallyann Blackett (SB) pointed out that it has been circa 20 years since the process was last reviewed.

AJ advised that based on D Morley's presentation material presented previously at both IGT Workgroups and Panel meetings, the matter involves a limited UIG element that PAC may need to consider in due course.

Whilst sympathetic to D Morley's Modification, SM suggested that it remains unclear where we go next with this matter at which point KE suggested we await the outcome of Panel/UNCC deliberations before PAC considers the next step which could perhaps involve inviting D Morley to attend a future PAC meeting.

Concluding, AJ observed that PAC may need to consider the shrinkage implications at some point in the future.

## 5. Any Other Business

## 5.1 PAC Attendance Requests

KE requested that when PAC Members / participants receive their meeting notifications / invitations they refrain from forwarding them on to colleagues – if you wish to invite someone to a PAC meeting, please ensure the request is sent to the Joint Office (Chair and Secretary) and thereby ensure good governance practices are followed.

## 5.2 David Morley’s Pre-Modification Discussion Request

KE advised that D Morley has raised a draft Modification relating to extending the annual read PC4 SMP read submissions window from 25 Supply Point Systems Business Days to 14 months.

During a brief onscreen review of the draft Modification, the following points were noted:

- D Morley has requested an airing (pre-Modification discussion) at the 22 June 2023 Distribution Workgroup meeting;
  - Historically, the Distribution Workgroup are known to seek a view from PAC on matters such as these;
  - It might be prudent for PAC to start considering a suitable response statement;
- SB advised that she has already provided feedback to D Morley suggesting that the 14 month period is unreasonable;
  - FC suggested that this is about getting a read today and then having 14 months to send it in;
  - It was recognised that transfer reads would / could become a potential headache under the proposed provisions; and

Concluding discussions, KE advised that she would now liaise with the Distribution Workgroup Chair regarding progression of the Modification, pointing out that Panel could decide to make it a ‘standalone’ Workgroup.

## 5.3 Draft Ofgem Active Interests Communications Letter

When AJ raised the matter of a draft Ofgem Active Interests Communications letter, SM requested that the PAFA drafts the letter for consideration in due course.

## 6. Key Messages

Published at: <http://www.gasgovernance.co.uk/pac/summarykeymessages>

## 7. Diary Planning

During a brief discussion, PAC Members noted that the 18 July meeting potentially ‘clashes’ with the Request 0849R ‘Commercial Framework Review to Enable Hydrogen Blending’ Workgroup meeting before concluding that an earlier start time of 09:00 might be prudent supported by a ‘tailored’ agenda. PAC Members in attendance agreed.

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time/Date	Paper Publication Deadline	Venue	Programme
09:00, Tuesday 18 July 2023	17:00 Monday 10 July 2023	Teleconference / Face-to-Face	Standard Agenda
10:00, Tuesday	17:00 Monday	Teleconference /	Standard Agenda



15 August 2023	07 August 2023	Face-to-Face	
10:00, Tuesday 12 September 2023	17:00 Monday 04 September 2023	Teleconference / Face-to-Face	Standard Agenda
10:00, Tuesday 17 October 2023	17:00 Monday 09 October 2023	Teleconference / Face-to-Face	Standard Agenda
10:00, Tuesday 14 November 2023	17:00 Monday 06 November 2023	Teleconference / Face-to-Face	Standard Agenda
10:00, Tuesday 12 December 2023	17:00 Monday 04 December 2023	Teleconference / Face-to-Face	Standard Agenda

**PAC Action Table (as of 13 June 2023)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC0401	18/04/23	3.5	Performance Assurance Techniques (PAT) - Joint Office (KE) to update the document following Committee discussions.	Joint Office (KE)	Update provided. <b>Closed</b>
PAC0403	18/04/23	4.1	CDSP (FC/MD) to feedback on the approach for proactively engaging with customers for No Meter Recorded and provide PAC feedback (June 2023).	CDSP (FC/MD)	Update provided. <b>Closed</b>
PAC0501	16/05/23	4.1	<i>Reference Revoked Shipper Licences &amp; 'Stranded' Supply Points</i> – CDSP (FC) to liaise with the Customer Care Team in order to provide a background update and a view on any potential 'hidden' cost aspects.	CDSP (FC)	Update provided. <b>Closed</b>
PAC0502	16/05/23	4.1	To identify Shipper parties with low read performance and low meter read validity performance as well as those with just low meter read validity to bring back to June 2023 meeting to discuss the next approach.	PAFA (PR)	Update provided. <b>Closed</b>
PAC0503	16/05/23	4.3	<i>Reference Transporter Performance Monitoring MER Biomethane Issues</i> – Joint Office (KE) liaise with her colleague E Fowler to ensure that the Offtake Arrangements Workgroup/Committee consider MER biomethane reporting concerns (inc. HSE Gas Quality Regulation aspects etc.) and provide an update at the June 2023 meeting.	Joint Office (KE)	Update provided. <b>Closed</b>
PAC0601	13/06/23	2.2	<i>Reference Request for Information (RFI) Analysis – PC3 &amp; PC4 Meter Reading Submission</i> – CDSP (FC) and PAFA (AJ) to consider refining the provided information and how best to incorporate this into suitable training materials	CDSP (FC) & PAFA (AJ)	<b>Pending</b>
PAC0602	13/06/23	3.4	<i>Reference Performance Assurance Techniques (PATs)</i> – Joint Office (KE) to investigate potential Code and PAFD interactions along with potential UNCC referral requirements	Joint Office (KE)	<b>Pending</b>
PAC0603	13/06/23	4.1	<i>Reference the PAFD v5.1 changes</i> – CDSP (ER) and PAFA (AJ) to consider when to implement the changes and provide an update at the July 2023 meeting	CDSP (ER) & PAFA (AJ)	<b>Pending</b>