

**UNC Workgroup 0674 Minutes
Performance Assurance Techniques and Controls
Monday 29 July 2019**

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Alan Raper / Bob Fletcher (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	Gemserv
Fiona Cottam	(FC)	Xoserve
Karen Kennedy	(KK)	British Gas
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Louise Hellyar	(LH)	Total Gas & Power
Mark Bellman	(MB)	ScottishPower
Mark Jones*	(MJ)	SSE
James Rigby	(JR)	Xoserve
Stephanie Clements	(SC)	ScottishPower

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0674/290719

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 September 2019.

1.0 Introduction and Status

1.1. Approval of minutes (26 June 2019)

The minutes from the previous meeting were approved.

1.2. Review of Outstanding Actions

Action 0601: Reference PAC Annual Budget Planning – ScottishPower (MB) and PAFA (AJ) to consider incorporating a PAFA Annual Budget and Planning requirement within UNC Modification 0674.

Update: Reference to the Annual Budget is included in the Annual Review Ancillary Document. **Closed**

Action 0602: Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to investigate what if any PAC prioritisation mechanism exists; how PAC requests are made visible and whether a PAC self-service provision (including access for the PAFA) could be developed / provided.

Update: LJ advised there is no specific consideration given for changes requests originating with PAC. There is no separate category for these requests. **Closed**

Action 0603: Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.

Update: LJ advised this has been raised internally within Xoserve and explained that MPRN is classed as personal information. The current contract is being looked at to see if the data protection provisions are strong enough under GDPR and questioning what the UNC should prescribe. Xoserve are also looking to ensure Users understand the data that they are providing is protected. It is understood that there is a similar action outstanding from a recent PAC meeting. **Carried Forward**

Action 0604: *Reference CAMs Information Provision* – Xoserve (LJ) to consider how best to share the CAM information that could assist & influence PAC considerations.

Update: LJ advised that going forward, there will always be Xoserve/CAM representation at PAC meetings. LJ has discussed with CAM and has been advised that they are not keen to have a template per Shipper per Month as their interaction with customers is not on a monthly basis. The referenced document was discussed at the last PAC meeting, and a template was shared with Xoserve to capture issues. It was mentioned that there should be something in place that records the CAM / customer conversations, where the discussions relate to performance under the Code. **Closed**

2.0 Consideration of Amended Modification

Although there was no amended Modification to discuss, Anne Jackson (AJ) took the opportunity to share with Workgroup the updated slides on the development of the Business Rules and invited feedback.

AJ explained that the slide element titled 'UNCC – V12' lists the 5 Ancillary documents (which are now being referred to as UNC Related Documents) which are all in draft format at the moment and are subject to change.

The slide element titled 'UNCC V16' is a list of catch-all items for insertion in the Code; this list is not yet finalised, and they may not all end up in V16

The presentation continued and included the following discussion items:

Overriding Principles/Objectives in UNC (Slide 3)

AJ advised the two basic principles have been updated following discussions at the last meeting as they were previously thought to be quite severe, the wording has now been softened.

The Workgroup considered each of the principles. Some of the wording used was discussed the main points from the discussions are detailed below:

- 1. Parties must not distort settlement accuracy even when such acts and omissions have not specifically been precluded through prescription within the UNC*
- 2. Parties will manage and monitor their own performance as they strive to meet the requirements specified in the UNC*

It was clarified that Statement 2 is for when parties respond to letters etc, and is a way of stating it is the responsibility of parties to manage their own performance.

Kirsty Dudley (KD) asked what the progress would be if a party is monitoring their own performance and genuinely believes they are not distorting settlement. Louise Hellyar (LH) suggested that would be down to the PAC and what they see as material impacts.

MB agreed to redraft the wording for the two principles and resubmit for Workgroup to consider.

FC asked Workgroup to consider how Statement 2 would be measured or be proved.

AJ said that the objectives are intended to instil the importance of proactive management of settlement related performance as opposed to reactive management of discovered issues.

New Action 0701: MB will consider the wording for both principles and provide back to Workgroup.

UNC Business Requirements – PAC (Slide 4)

The Workgroup considered each of the Business Requirements that PAC would be empowered to undertake.

Workgroup generally agreed with each of the statements. Some of the points were discussed & further clarified, the main points from the discussions are detailed below:

AJ advised the focus for this set of requirements is how best to get visibility of PAC's authority in a way that is reasonable.

Statement 2: AJ advised this is as they are at PAC's discretion to be used as they see fit or appropriate.

Statement 5: It was agreed that this statement requires a caveat along the lines; 'Such reports that are reasonably required in order to manage performance. Removal of the word 'standard'.

Statement 8: Clarification given that this implies PAC need something before they consider any other metrics.

UNC Business Requirements – UNC Parties (Slide 5)

The Workgroup considered each of the Business Requirements that UNC Parties would be required to do.

It was confirmed that CDSP obligations cannot be included in the listing.

Workgroup generally agreed with each of the statements. Some of the wording used was discussed the main points from the discussions are detailed below:

Statement 2: Legal advice is required in terms of the wording used in this statement given the Code provisions relating to release of Protected Information and the interaction with GDPR provisions.

Statement 3: There was discussion from Workgroup as to the timescales that CDSP might adhere to. There is no standard SLA at the moment and there is a need to understand what that means in terms of the prioritisation of PAC requests. James Rigby advised that there was an agreed prioritisation protocol at DSC Change Management Committee some time ago but nothing specific relates to PAC requests.

FC confirmed there are a number service lines in the Data Service Contract that covers timescales etc.

New Action 0702 Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3.

It was agreed there should be a new requirement added to this list which will be for the creation of a contact list for performance related enquiries and keep it updated. Maybe the creation of a Single Point of Contact (SPoC) list for all performance related matters.

UNC Business Requirements – Protections (Slides 6 & 7)

The Workgroup considered each of the Business Requirements – Protections.

Workgroup generally agreed with each of the statements. Some of the wording used was discussed the main points from the discussions are detailed below:

Statement 3: MB clarified this statement refers to individuals.

Statement 5: the 4 bullet points were agreed, and AJ confirmed that the list is not exhaustive.

Statement 5: FC suggested maybe the scale of a company may need to be considered within the statistical performance measures bullet – for instances small companies may have considerable swings in performance but that does not necessarily translate in a significant effect on settlement.

New Action 0703: Joint Office to check if there is any indemnity on the confidentiality signed letters that are signed. AJ will also check this with Lawyers.

Inside the UNC – Suggestions (Slide 8)

The Workgroup considered the suggestions.

Workgroup generally agreed with each of the statements. Some of the wording used was discussed and the main points from the discussions are detailed below:

Responsibility for PAF document preparation and maintenance sits with DNO currently.

It was agreed that the DNO would instruct the Joint Office to update the UNC Related Document although modifications may be proposed by any Code party and content is controlled by PAC. This is documented in UNC TPD V12.

Inside the Data Service Contract – Suggestions (Slide 9)

It was agreed that CDSP performance is not in scope of this Modification, CDSP performance may need to be the subject of a further Modification.

Outside the UNC – UNC Related Documents (Slide 10)

The Workgroup agreed that one document that amalgamates all of the 5 separate (for now) documents would be would aid accessibility in due course.

1. Performance Assurance Framework (amended)
2. PATS (Performance Assurance Techniques)
3. PAC appointment and requirements
4. Appeal Procedure
5. Annual PAF Review and Consultation

3.0 Consideration of Ancillary Documents

DRAFT Ancillary Document - Annual PAF Delivery Plan, Review and Consultation

AJ talked through the document and sought feedback from the Workgroup.

The Workgroup considered each of the sections in the document with AJ providing clarification when asked.

A summary of the main points of discussion is set out below:

Purpose:

3.3 It was mentioned it would be useful to see what the current plan is and review what has been done against this plan.

Annual PAF Delivery Plan

It was mentioned that some of the some of the PAF deliverables might be hard to achieve, for example:

The plan is intended to communicate what the PAF will deliver over the coming year and what benefit to Settlement accuracy is anticipated in doing so. It shall include:

- *The PAC's view of the gas Settlement risk profile for the subsequent year*

- *The consequent mitigation approach and planned activities under the PAF*
- *The budget needed for those activities*

FC advised that the budget last year was an estimated figure and included an element for the provision of reports by CDSP. The inherent problem is, the cost of reports from CDSP is unknown. FC suggested this could include the PAFA costs, however, there would be some commercially sensitive information within that which would reduce the value of such information.

- *An estimated measure of the quantity of Settlement inaccuracy being targeted.*

The Workgroup discussed how best to measure this deliverable and suggested Performance Indicators would be a better measure rather than trying to quantify 'inaccuracy'. FC said that at the moment Industry is unsure as to how inaccurate the Settlement quantity is a difficult metric to base improvement on. LH suggested there could be a caveat with 'where possible' 'best endeavours'. MB suggested to leave the challenge to PAC; PAFA and Xoserve to come up with a solution. Leanne Jackson suggested there could be a measure applied as and when an issue identified, to quantify improvements at an issue level. As such, each issue could have individual measures of improvement. There was a view that measuring may be difficult, and it may be better simply to seek indicators of whether initiatives were improving performance. There was a suggestion of using the Risk Register and monitoring deliverables as a means of measuring improvements.

Annual PAF Review

It was clarified that the review year should run from October to September.

Workgroup agreed this section requires some timescales, and for the review to be updated whenever an item is completed so that the latest position can be seen at throughout the year.

AJ will redraft the document based on the discussions held and submit to Workgroup for comments.

DRAFT Ancillary Document - Performance Assurance Techniques

AJ talked through the document and sought feedback from the Workgroup.

The Workgroup considered each of the sections in the document with AJ providing clarification when asked.

A summary of the main points of discussion is set out below:

FC suggested listing the PATs and then go into more detail on an individual basis.

8.0 Publication

Considerable discussions took place regarding the confidentiality of individual Shipper reports, publication of performance within the industry and what information relating Performance Assurance, (if any) should be made public.

A question was raised as to whether there is a clause in UNC that stops publication of shipper specific data and information; there have been previous Modifications raised to allow specific release so PAC reports could be released, if permitted by Code.

8.3

It was mentioned there could be act as an incentive to other parties, if PAC has advised widely that there is a particular party that is not conforming.

9.0 Training

Workgroup asked if this would be off-the-shelf training or training that Xoserve had previously provided, if there was a new training requirement there would be a lead time to provide the new training and issues relating as to how costs are recovered.

10. Audit

In terms of the audit capability, Workgroup considered where the resources would come from and whether this would be internal to Xoserve or an external auditor.

The Workgroup debated the advantages and disadvantages of utilising Xoserve or an external auditor and how any external auditor would be funded: centrally or by the auditee.

New Action 0704: Xoserve to consider and feedback to Workgroup their ability to undertake technical reviews.

DRAFT Ancillary Document - Appeals Procedure

AJ talked through the document and sought feedback from the Workgroup.

The Workgroup considered each of the sections in the document with AJ providing clarification when asked.

A summary of the main points of discussion is set out below:

It was clarified that this only relates to an organisation's right to Appeal a UNCC decision to refer it to Ofgem only and the purpose of the document is to reduce the risk of such a referral.

Procedure

AJ confirmed Ofgem have been informed of the existence of and intention behind this procedure.

AJ will rewrite the appeals procedure and make it clear that this is for appeals against Ofgem referral decisions only.

DRAFT Ancillary Document – PAC Appointments and Requirements

As this document was quite late being published ahead of the meeting, AJ briefly talked through the document and requested that all Workgroup participants review the document ahead of the next meeting.

New Action 0705: *Reference PAC Appointments and Requirements:* All Workgroup participants to review the document ahead of the next meeting.

New Action 0706: *Reference PAC Appointments and Requirements:* Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters

4.0 Development of Workgroup Report

The Workgroup Report will be considered at the next Workgroup meeting.

5.0 Next Steps

AR outlined the next steps as being:

- Business Requirements should be drafted as Business Rules and inserted into the Modification;
- Provision of an amended Modification (in line with the above discussions);

- Joint Office to request a 3-month extension at UNC Panel on 15 August 2019, and
- Development of the Workgroup Report.

6.0 Any Other Business

None.

7.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

NB: The next meeting date has changed to 28 August 2019.

Time / Date	Venue	Workgroup Programme
10:30 Wednesday 28 August 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda, plus: <ul style="list-style-type: none"> • Consideration of amended modification • Consideration of ancillary documents • Development of Workgroup Report

Action Table (as at 29 July 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0601	26/06/19	5.0	<i>Reference PAC Annual Budget Planning – ScottishPower (MB) and PAFA (AJ) to consider incorporating a PAFA Annual Budget and Planning requirement within UNC Modification 0674.</i>	ScottishPower (MB)	Closed
0602	26/06/19	5.0	<i>Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to investigate what if any PAC prioritisation mechanism exists; how PAC requests are made visible and whether a PAC self-service provision (including access for the PAFA) could be developed / provided.</i>	Xoserve (LJ)	Closed
0603	26/06/19	5.0	<i>Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.</i>	Xoserve (LJ)	Carried Forward

0604	26/06/19	5.0	<i>Reference CAMs Information Provision</i> – Xoserve (LJ) to consider how best to share the CAM information that could assist & influence PAC considerations.	Xoserve (LJ)	Closed
0701	29/07/19	2.0	<i>Reference: UNC Business Requirements – UNC Parties</i> MB will consider the wording for both principles and provide back to Workgroup	Proposer (MB)	Pending
0702	29/07/19	2.0	<i>Reference: UNC Business Requirements – UNC Parties</i> Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3	Xoserve/DSC Change Committee	Pending
0703	29/07/19	2.0	<i>Reference: UNC Business Requirements – Protections</i> Joint Office to check if there is any indemnity on the confidentiality signed letters that are signed. AJ will also check this with Lawyers	Joint Office	Pending
0704	29/07/19	3.0	<i>Reference: Performance Assurance Techniques:</i> Xoserve to consider and feedback to Workgroup their ability to undergo technical reviews	Xoserve (LJ/FC)	Pending
0705	29/07/19	3.0	<i>Reference PAC Appointments and Requirements:</i> All Workgroup participants to review the document ahead of the next meeting.	All Workgroup Participants	Pending
0706	29/07/19	3.0	<i>Reference PAC Appointments and Requirements :</i> Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters,	Joint Office	Pending