UNC Performance Assurance Committee Minutes Tuesday 14 May 2019

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

Attendees

| Bob Fletcher (Chair) | (BF) | Joint Office | | |
|-----------------------------|-------|--------------------|--|--|
| Mike Berrisford (Secretary) | (MiB) | Joint Office | | |
| Alex Travell | (AT) | Transporter Member | | |
| Amelia Gallini | (AG) | Observer, Xoserve | | |
| Billy Howitt* | (BH) | PAFA | | |
| Carl Whitehouse* | (CW) | Shipper Member | | |
| Emma Smith | (ESm) | Observer, Xoserve | | |
| Fiona Cottam | (FC) | Observer, Xoserve | | |
| John Welch | (JW) | Shipper Member | | |
| Karen Kennedy | (KK) | Shipper Alternate | | |
| Lisa Saycell | (LS) | Shipper Member | | |
| Louise Hellyer | (LH) | Shipper Member | | |
| Mark Bellman | (MB) | Shipper Member | | |
| Mark Jones | (MJ) | Shipper Member | | |
| Neil Cole | (NC) | Observer, Xoserve | | |
| Sally Hardman* | (SH) | Transporter Member | | |
| Sallyann Blackett | (SB) | Shipper Member | | |
| Sara Usmani* | (SU) | PAFA | | |
| Shelley Rouse | (SR) | PAFA | | |
| Apologies | | | | |
| Graham Wood | (GW) | Shipper Member | | |
| Shanna Barr | (SB) | Transporter Member | | |
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^{*} via teleconference

Copies of non-confidential papers are available at: https://www.gasgovernance.co.uk/pac/140519

1. Introduction and Status Review

1.1 Confirm Quorate Status

Bob Fletcher (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

Karen Kennedy for Graham Wood

1.4 Review of Minutes (09 April 2019)

The minutes of the previous meeting were approved.

2. Review of Outstanding Actions

PAC0101: Reference Future PAF Reviews - PAFA (SR) to look to provide a separate document with questions around Industry performance requirements whilst also providing an outline of how many Industry Performance related letters have been issued, and how these and any responses received to date are reflected in the metrics, with an outline plan of action to be provided by early May for consideration at the May 2019 meeting.

Update: SR provided a brief overview of the presentation provided ahead of the meeting, during which she noted that the Huddle usage is currently low level – it was suggested that there might be an advantage in seeking feedback at the forthcoming workshop.

In quickly reviewing the 'Risk Register' slide, SR pointed out that they are currently evaluating a proposed risk for inclusion on the register.

Focusing attention on the 'Engagement day proposal' slide, SR pointed out that not only have Ofgem indicated that they are very keen to attend the meeting at Gemserv on 16 June 2019, they would also be looking to provide a feedback presentation at the same time.

Thereafter, Committee Members agreed to close the action. Closed

PAC0103: Reference the Count of Outstanding Consumption Adjustments as at 21/12/2018 (Pot 1 only) - Xoserve (FC) to look to identify what contact has been made with Shippers and what if any, corrective actions have been put in place.

Update: When FC once again explained that work was ongoing on this matter and that they had been struggling to resource the completion of the action, several Committee Members voiced their frustrations at the ongoing delay. In acknowledging the feedback, FC added that day to day business matters had also impacted upon Xoserve's ability to progress the matter.

When it was suggested that perhaps resurrecting the Analytica contract might be one option, FC responded by explaining that the issue also stems from waiting for the extraction of data in order to resolve outstanding action 0104. When asked, FC confirmed that data had been available earlier in the year but was now out of date for the purposes of this exercise.

Responding to a request on how best to resolve these data access related issues (not just for PAC but for all interested parties), FC advised that whilst there are 'tactical fix' aspects involved that she would be looking to investigate in more detail after this meeting, there is also a holistic whole industry view being delivered over the coming months as well.

Members briefly debated whether a view on what Xoserve are planning might be beneficial, FC explained how industry engagement and education pieces on the Huddle system might bring benefits, especially bearing in mind that the wider industry performance issues are 'linked' into industry communication mechanism as well – FC promised to look to expedite this matter with her colleague Dave Turpin after the meeting.

When MJ enquired whether there are sufficient funding provisions in place that would allow the employment (engagement) of additional resources in order to look to resolve these two outstanding actions (i.e. 0103 and 0104), ESm responded by explaining the current (SME) resourcing constraints experienced by Xoserve before also advising that she would be happy to escalate the issue to her Xoserve colleague Ranjit Patel. It was noted that there are potentially three options to help progress these matters, as follows:

- PAC Member personal escalation to Ranjit Patel, Chief Customer Offices;
- Chair of PAC to formally raise concerns, and
- Gemsery to escalate.

At the same time that FC indicated that she would now look to provide a view on frictionless data provisions going forwards, MB undertook an action to formally raise the concerns being voiced by the PAC regarding the delayed resolution of actions 0103 and 0104.

New Action PAC0501: Reference the delayed resolution of actions 0103 and 0104 – ScottishPower (MB) to formally raise the PAC concerns to Xoserve Chief Customer Officer regarding the delayed resolution of actions 0103 and 0104.

Committee Members agreed the action should be carried forwards with an update to be provided at the June 2019 meeting. **Carried Forward**

PAC0104: Reference the Pot 2 sites not loading actuals as at 21/12/18 by Anonymous Shipper, Average Age (days) and Action Owner - Xoserve (FC) to look to undertake an assessment of the Pot 2 nominations compared to allocations in Gemini in order to look to identify any discrepancies with these sites and whether the issues have been flagged up to the respective Shippers, including whether or not, any site visits would be required.

Update: As per outstanding action PAC0103 update above. Carried Forward

PAC0110: Reference the Xoserve / PAFA Contract – Xoserve (DT) to confirm what the current contract terms allow the PAFA to view in terms of Shipper pack related information and whether if needed, any contract changes could be progressed via the DSC Change Management Committee route.

Update: SR explained since the meeting in January, the PAFA and Xoserve now meet twice a month and there is a shared area on Huddle for specific information exchange. She added that MP also provides information on top of the PARR Reporting, together with updates prior to and post the PAC meetings. She said this action could now be closed. **Closed.**

PAC0401: PAFA to request a meeting with Harwich regarding continued poor performance in order to obtain a view on the status of their resolution plans.

Update: SR explained that a meeting (at the Gemserv offices) with Harwich representatives has been arranged for Thursday 16 May 2019 and that Xoserve has also been involved with both the PARR listed performance and Product Class 2 concerns.

To date, during previous discussions Harwich have also been warned about the potential escalation process (i.e. attending a PAC meeting to answer questions relating to their poor performance) and in response, have indicated that they intend to adhere to their previously stated resolution plans.

When asked whether Harwich appeared happy to attend a PAC meeting should they be requested to do so, SR explained that whilst Harwich did not offer any resistance to the suggestion, they did look to challenge on the grounds of a lack of evidence at which point they were politely reminded that all the information is present on the Huddle system to which they have access.

In quickly outlining the background to the process and escalation mechanisms, MB welcomed the PAFA's approach, and advised that he is optimistic that the 'engagement process' seems to be working.

When it was suggested that there is still room for improvement in the clear link to the quality of data and how the PARR reports pull the information together, SR responded by advising that changes are underway to improve the PARR reports and data assessments going forwards.

Thereafter, Committee Members agreed to close the action. **Closed**

PAC0402: Xoserve (FC) to support JW in the development of Modification 0664 – Transfer of Site and Low Read Submission Performance from Class 2 and 3 into Class 4.

Update: FC explained that productive offline discussions with JW had been undertaken concerning the further development of the Modification.

When JW explained that a volunteer would be needed soon to take over when he leaves his current role, Committee Members agreed to close the action. **Closed**

PAC0403: PAFA (SR) and Xoserve (FC) to produce a draft proposal/contract change to enable the PAFA to support PAC members in the Modification development process.

Update: When SR explained that work remains ongoing on the matter, the Committee Members agreed the action should be carried forwards with an update to be provided at the June 2019 meeting. **Carried Forward**

PAC0404: All PAC members to provide feedback directly to the PAFA (SR) in relation to any issues they have observed with AMR by 01 May 2019.

Update: Opening discussions, SR advised that to date no responses had been received from PAC members.

SR went on to explain that during discussions between the PAFA and industry parties it has come to light that some industry parties believe that there is a PAC bias towards I&C parties.

When JW made reference to the SMART risk, SR wondered whether PAC would still like the PAFA to issue an AMR related industry letter / questionnaire, especially bearing in mind that some AMR installation and read ability issues have recently surfaced that might benefit from some further investigations. Responding, MB suggested that perhaps obtaining an initial (PAC) view on the scale of the issue before issuing out letters / questionnaires might be beneficial.

Discussions then centred on how and why the industry might perceive that the PAC has an I&C bias (i.e. a lack of understanding and what PAC focuses on) were undertaken during which SB provided a brief explanation to some of the post Project Nexus background to why billing does not always address settlement related issues. It was suggested that there are possibly two options for PAC to consider, namely:

- Issue a letter to industry to change the current arrangements and therefore improve settlement, and/or
- Look to measure the problem and identify potential timescales (especially any AMR related elements) in order to obtain a better 'baseline' understanding of the underlying issues, even if care is needed in fully assessing any potential associated risks.

When LH enquired what happens with flagging broken sites on the system, FC explained that the option does not exist for AMR sites in Product Classes 1 and 2 – furthermore, it should be noted that fault flags do not remove a parties' obligations.

It was suggested that in that case, care would be needed to ensure that broken sites are excluded from read performance assessments and that we do not inadvertently create a 'get out of jail' option going forwards.

When it was suggested that perhaps one option could be to look to enhance the read performance reports to highlight faulty meters, SR pointed out that the current approach assumes that Shippers notify the PAFA in instances where meters are known to be broken. It was then suggested that in recognising that 'faults' are an allowable exception, these should not be allowed to continue over extended periods – a view supported by the majority of those present.

New Action PAC0502: Reference Broken / Faulty Meter Flags Information Provision – PAFA (SR) to investigate whether the associated information (split by AMR and SMART) can be teased out of the system and reported to the PAC (accepting that there may also be some commercial sensitivity issues involved).

Thereafter, the Committee Members agreed to close the current action. Closed

PAC0405: Xoserve (FC) to provide an overview of the reports produced for Meter Reading Performance of Smart and AMR sites.

Update: FC provided an overview of the presentation provided ahead of the meeting explaining that it is based on a wider industry perspective.

Discussions focused around the 'AQ at Risk – overdue meter readings' slide during which FC suggested that the information goes hand in hand with read performance management.

It was noted that UNC Modification 0692S 'Automatic updates to Meter Read Frequency' would be focusing attention on the Class 4 aspects.

When FC pointed out that there are circa 600k sites that since Project Nexus (PN) implementation (go-live) had not had a valid read submitted which is a major concern, PAC members acknowledged the value of the information being provided to them as a valuable tool for better understanding the scale of the problems involved.

When MJ questioned whether there is perhaps an industry wide misconception over SMART meter reading requirements. When KK also wondered whether there was also an additional risk relating to rejected reads that occurred across the PN implementation date. Responding, FC explained that it is an automated system process covered by suitable read and AQ calculation related tolerances.

When asked whether there is also a potential aged reads issue that might be impacting upon the AQ calculations, FC explained how the AQ tolerance caps (restricts) the potential for SSP's to move to LSP's in this respect. Some PAC members believe that the volume of read rejections are probably a more pressing issue than the AQ's not calculating.

When asked whether members have a view on the scale and volumes/values involved (i.e. are there any potential 'gaps' that need to be considered), FC advised that the CAMs would be considering the matter more closely and could even be invited to participate in the PAFA engagement day.

When asked for a view on the top 10 Shippers involved, FC agreed to undertake an action to provide the information in time for consideration at the next PAC meeting, subject to addressing any potential commercial sensitivity issues – SB suggested looking to utilise a percentage view of parties (Shippers) portfolios might address any sensitivity issues.

New Action PAC0503: Reference AQ at Risk and Read Rejection Considerations – Xoserve (FC) to look to provide a view/information (based on the percentage of portfolio size) on the Top 10 Shippers in time for consideration at the next PAC meeting, subject to addressing any potential commercial sensitivity issues.

Thereafter, the Committee Members agreed to close the current action. Closed

PAC0406: PAFA (SR) and Xoserve (FC) to investigate if there are any Datalogger issues regarding the 28 poor performing sites for South Sea Clarence.

Update: When SR explained that work remains ongoing on the matter, the Committee Members agreed the action should be carried forwards with an update to be provided at the June 2019 meeting. **Carried Forward**

3. Committee Matters

3.1 For Attention

3.1.1. Modification 0654S - Mandating the provision of NDM sample data

NC provided a quick overview of both the 'MOD0654S – NDM Sample Data' presentation and accompanying 'NDM Sample Data Provision (MOD0654S) Performance Report (as at 1st May 2019)' spreadsheet.

When asked, NC advised that the next report would be provided in October 2019.

Attention then moved on to the supporting spreadsheet during which FC suggested that April remains the priority period and October a secondary consideration. It was noted that feedback could be provided via the CAMs.

When asked, NC explained that issues with interpretation of 'the Gas Flow Day' and actual reads rather than the volumes provided had clearly caused some issues – as a consequence, an educational piece of work would now be undertaken with the aim being to deliver this ahead of October 2019.

3.1.2. Modification 0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4 (JW)

It was agreed that this matter had been covered already under the discussions under item 2. above.

3.1.3. Modification 0674 – Performance Assurance Techniques and Controls (MB)

When BF advised that the next Workgroup meeting is scheduled to take place on 20 May 2019 as part of day 1 of the 2 day UIG Workgroup meeting, MB followed up with a brief update on the first Workgroup meeting undertaken on 29 April 2019.

MB explained that the expectation is that further industry feedback would take place towards the end of the Workgroup Report development phase.

It was also noted that the modification is also being considered at the 26 June Governance Workgroup meeting and focuses in the main on the further development of the performance assurance framework.

3.1.4. Modification 0677R – Shipper and Supplier Theft of Gas Reporting Arrangements (CW)

When CW explained that he did not have an update to share at the meeting on the grounds that he missed the last Workgroup meeting, parties noted that the next Workgroup meeting is scheduled to take place on 03 June 2019 – this is believed to be a 'key' meeting for this Request Workgroup and as a consequence CW would be happy to provide an update PAC on any potential modification that may arise at the 11 June PAC meeting.

3.1.5. Standards of Service Liabilities Reporting (BF)

BF advised that the report had been published ahead of the meeting.

3.1.6. PAC Reporting Change Proposals (ESm)

Apologising for the lack of a supporting presentation (due to only receiving the information earlier in the day), ESm provided a verbal update on the Change Proposals.¹

3.1.7. Risk Register – Moving to an Outcome based Approach (SR)

In providing a verbal only update on the Risk Register, ESm advised that the Change Proposal associated with Modification 0651 had been approved at the April DSC Change Management Committee meeting which included a recommendation to highlight the potential PAC role in the data cleanse exercise.

Whilst the data cleanse exercise is still in the embryonic stage, the question remains as to how PAC would be involved if parties do not provide the requested information, as required under the modifications' obligations. In further noting that there remain question marks over the modification obligating parties to provide the requested data, what should happen should their data issues (i.e. misalignment issues etc.) cause problems and what should happen should parties simply ignore a request for information – BF suggested that this is actually a Uniform Network Code Committee (UNCC) issue that is related to none participation in a modification's delivery and implementation.

¹ Post meeting note: a summary presentation was provided by Xoserve after the meeting which has been published on the Joint Office web site meeting page.

When asked whether there were any specific PAC reporting elements included within the solution for the modification, ESm advised that there were not, although she does believe that there may be a potential PAC reporting impacts.

When it was suggested that there might be a benefit in Xoserve closely monitoring the situation in the first instance and thereby providing a view on any concerns they may uncover, SR enquired whether or not a new UNC Modification would also be required should it be decided that PAC needed to enhance the current PARR reporting provisions.

New Action PAC0504: Reference UNC Modification 0651 Provisions / Obligations and Data Cleanse Exercise requirements – Xoserve (ESm) to investigate how best to accommodate the potential reporting requirements and potential impact on the PARR Reports.

ESm went on to explain that Xoserve does not yet have a clear view on either the associated timings (i.e. when to deliver the enduring solution etc.) for the modification, or the potential take up rate – currently Xoserve are working closely with the DSG on developing a suitable approach strategy.

When BF undertook a quick onscreen review of UNC TDIIC paragraph 23 provisions included within the modification, ESm pointed out that there are several reconciliation related exercises already underway and perhaps a consolidated approach might be preferable – parties are requested to provide any feedback direct to ESm outside of the meeting.

3.2 For Decision

3.2.1. Shipper Responses to the PAC Performance Observation Letters Update (SR/)

During an onscreen review of the commercially *sensitive 'Shipper Performance Letter response'* presentation, only new assigned actions are to be recorded for the purposes of the minutes – there were none assigned at the meeting.

4. Monthly Review Items

4.1 Risk & Issues Register Review

During a brief discussion, SR pointed out that a new meter bypass risk is currently undergoing development, explaining that:

- It potentially relates to a Theft of Gas matter:
- Work with the PAFA and Xoserve around the reporting aspects remains ongoing;
- Could potentially be 'triggered' by an annual re-sync;
- Where a meter is at fault (i.e. fails), the bypass would only be opened for an agreed period:
- Consideration of Meter By-pass Notifications to Xoserve (i.e. opened versus closed dates status) is needed, and
- Should existing gas usage formula be reconsidered.

4.2 Review of Monthly PARR Reports (inc. Dashboard update)

The Committee agreed that this agenda item had been covered during consideration of item 3.2.1 above.

5. Best Practices (News Bulletin) Update

During a brief discussion around meter reading flags, SR reminded those present that the PAFA have been including a 'hot tips' item within their Key Messages statements, which could be utilised to address the meter reading flags requirements – a view supported by the PAC Members in attendance.

When asked, the Committee agreed that this standing agenda item could be removed for the forceable future.

6. Any Other Business

6.1 Observers attending PAC

When asked, PAC Members present indicated that subject to the sensitive nature of some potential discussion matters, they would in principle, be happy for anyone from Xoserve to attend PAC meetings as 'an observer'. When asked whether this view extends to Shippers and Joint Office and other interested parties, the Members once again supported the proposals (subject to sensitivity matters).

When BF pointed out that the Joint Office consider it as being a 'closed' agenda unless instructed otherwise by the PAC, FC provided a brief justification behind her colleague Amelia Gallini's participation in this meeting. AG kindly explained how her education role within Xoserve had benefited by attendance at todays PAC meeting.

It was noted that this is a matter that could be revisited should various anonymity requirements change, and we could always look to have a split open/closed style of meeting as previously employed in the early days of the PAC.

When asked, PAC Members indicated that they are happy to consider the PAFA to be an organisation rather than an individual.

It was also noted that inviting certain interested (industry) parties to the 'open' PAC meetings might go some way to addressing the misconception that the PAC has a bias, one way or another – in short, whilst care is needed, a more 'open' approach to the PAC is felt to be a positive move.

In noting the move to a more 'open' nature for future meetings, SR requested that where industry parties are due to attend the meetings, the PAFA is given as much notice as possible in order to ensure nothing sensitive slips through the net accidentally via the PAFA reports.

6.2 Engagement Day / Annual Review

When JW pointed out that the Framework Agreement statement might need tweaking followed by UNCC sub-committee approval, SR acknowledged the point.

6.3 UNCC PAC Election Timeframe and Consequential Terms of Reference Changes

MB explained that whilst he would not be attending the UNCC meeting, he does believe there would be value in one of the PAC Members dialling in to the meeting in his absence – SR agreed to consider standing in for MB.

6.4 Panel Membership and PAC Resignation

BF explained that as of 01 May 2019 Graham Wood had formally resigned from both the UNC Modification Panel and PAC, and as a consequence, the Joint Office has written out seeking nominations.

When asked, BF confirmed that Graham's actual PAC Membership ceases as on 31 May 2019.

7. Next Steps

7.1 Key Messages - PAFA

SR said she would develop an overview of the Key Points from the meeting and this will be provided by the PAFA in due course.

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 11 June 2019 | Elexon, 350 Euston Road, London NW1 3AW | Standard Agenda |

PAC Action Table (as at 14 May 2019)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|---------------|-----------------|---------------|--|-----------------|---|
| PAC 0101 | 08/01/19 | 2. | Reference Future PAF Reviews - PAFA (SR) to look to provide a separate document with questions around Industry performance requirements whilst also providing an outline of how many Industry Performance related letters have been issued, and how these and any responses received to date are reflected in the metrics, with an outline plan of action to be provided by early May for consideration at the May 2019 meeting. | PAFA (SR) | Update provided. Closed |
| PAC 0103 | 08/01/19 | 2. | Reference the Count of Outstanding Consumption Adjustments as at 21/12/2018 (Pot 1 only) - Xoserve (FC) to look to identify what contact has been made with Shippers and what if any, corrective actions have been put in place. | Xoserve (FC) | Carried Forward (Update due 11 June 2019) |
| PAC 0104 | 08/01/19 | 2. | Reference the Pot 2 sites not loading actuals as at 21/12/18 by Anonymous Shipper, Average Age (days) and Action Owner - Xoserve (FC) to look to undertake an assessment of the Pot 2 nominations compared to allocations in Gemini in order to look to identify any discrepancies with these sites and whether the issues have been flagged up to the respective Shippers, including whether or not, any site visits would be required. | Xoserve (FC) | Carried Forward (Update due 11 June 2019) |
| PAC 0401 | 09/04/19 | 2.0 | PAFA to request a meeting with Harwich regarding continuing poor performance in order to obtain a view on the status of their resolution plans. | PAFA (SR) | Update provided. Closed |

PAC 09/04/19 3.1.1. Xoserve (FC) to support JW in the Xoserve Update development of Modification 0664 provided. 0402 (FC) Transfer of Site and Low Read Closed Submission Performance from Class 2 and 3 into Class 4 PAC 09/04/19 3.1.1. PAFA (SR) and Xoserve (FC) to produce PAFA Carried 0403 a draft proposal/contract change to (SR) and **Forward** enable the PAFA to support PAC Xoserve (Update due members in the Modification development (FC) 11 June process. 2019) PAC 09/04/19 ALL PAC 3.1.6. All PAC members to provide feedback Update 0404 directly to the PAFA (SR) in relation to provided. Members any issues they have observed with AMR Closed by 01 May 2019. **PAC** 09/04/19 3.1.6 Xoserve (FC) to provide an overview of Xoserve Update 0405 the reports produced for Meter Reading provided. (FC) Performance of Smart and AMR sites. Closed PAC 09/04/19 3.2.1. PAFA (SR) and Xoserve (FC) to **PAFA** Carried 0406 investigate if there are any Datalogger (SR) and **Forward** issues regarding the 28 poor performing Xoserve (Update due sites for South Clarence. (FC) 11 June 2019) PAC 11/05/19 2. Scottish Reference the delayed resolution of Pendina 0501 actions 0103 and 0104 - ScottishPower Power (MB) to formally raise the PAC concerns (MB) to Xoserve Chief Customer Office regarding the delayed resolution of actions 0103 and 0104. PAC 11/05/19 2. Reference Broken / Faulty Meter Flags **PAFA Pending** 0502 Information Provision – PAFA (SR) to (SR) investigate whether the associated information (split by AMR and SMART) can be teased out of the system and reported to the PAC (accepting that there may also be some commercial sensitivity issues involved). PAC 11/05/19 2. Reference AQ at Risk and Read Xoserve Pending 0503 Rejection Considerations – Xoserve (FC) (FC) to look to provide a view/information (based on the percentage of portfolio size) on the Top 10 Shippers in time for consideration at the next PAC meeting, subject to addressing any potential commercial sensitivity issues. **PAC** 11/05/19 3.1.7 Reference UNC Modification 0651 Xoserve Pending 0504 Provisions / Obligations and Data (ESm) Cleanse Exercise requirements -Xoserve (ESm) to investigate how best to

Joint Office of Gas Transporters

| | accommodate the potential reporting requirements and potential impact on the PARR Reports. | | |
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