

**UNC Performance Assurance Committee Minutes**  
**Tuesday 14 July 2020**  
**Via Microsoft Teams**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office

**Shipper Members (Voting)**

Alison Wiggett	(AW)	Corona Energy
Carl Whitehouse	(CW)	Shell
Karen Kennedy	(KK)	British Gas
Lisa Saycell	(LS)	Gazprom
Louise Hellyer	(LH)	Total Gas
Mark Bellman	(MB)	Scottish Power
Mark Jones	(MJ)	SSE
Sallyann Blackett	(SB)	E.ON
Sean Cooper	(SC)	Npower

**Transporter Members (Voting)**

Leteria Beccano	(LB)	Wales & West Utilities
Sally Hardman	(SH)	SGN

**Observers/Presenters (Non-Voting)**

Anne Jackson	(AJ)	PAFA
Fiona Cottam	(FC)	Xoserve/CDSP
Helen Field	(HF)	Xoserve/CDSP
Neil Cole	(NC)	Xoserve/CDSP
Sara Usmani	(SU)	PAFA
Shelley Rouse	(SR)	PAFA

**Apologies**

None

Copies of non-confidential papers are available at: [www.gasgovernance.co.uk/pac/140720](http://www.gasgovernance.co.uk/pac/140720)

**1. Introduction and Status Review**

Rebecca Hailes (RH) welcomed all parties to the meeting.

**1.1 Apologies for absence**

Alex Travell, Transporter member.

**1.2 Note of Alternates**

None advised.

**1.3 Quoracy Status**

The Committee meeting was confirmed quorate.

#### **1.4 Approval of Minutes (09 June 2020)**

RH advised of a request from Leteria Beccano (LB) to amend Section 4.3 - Modification 0674 - Performance Assurance Techniques and Controls (page 8), of the minutes as follows:

Following MB's overview of the changes proposed, MB asked if PAC supported the Modification and if this could be recorded within the Workgroup Report. A number of members provided positive support for the Modification and no other members provided comments in support of the Modification.

RH explained that the intent of the conversations last month was to capture PAC's support for the Modification within the Workgroup Report. RH confirmed that the Modification was still under review/assessment and the 0674 Workgroup Report had not yet been finalised.

Mark Bellman (MB) wished to understand what the suggested amendment was trying to convey. LB explained that the original minutes seemed to second guess responses that were not provided and she believed the minutes should not speculate members support for those that did not respond.

MB wanted to be clear that what he wanted to achieve was a set of arrangements PAC can use to discharge its duties, and wished to record within the Workgroup Report that the Modification was raised with the support of PAC. He did not want to give anybody the impression within the PAC minutes that the Modification is not supported. MB stressed he wanted a clear steer from the PAC on its support (or otherwise) and if this was unanimous support or support by majority.

PAC considered the original statement within the minutes and whether it should be condensed to "a number of members provided positive support". LB stressed as the Modification is still subject to change and views of PAC members could also change, it was difficult at this point in time to confirm support for the Modification. LB suggested the minutes should not speculate an opinion when the Modification is changing.

MB wished to understand if there were any specifics/elements/concerns within the Modification, so these could be addressed. LB wanted to time to consider the changes and wished to make it clear that silence was neither a positive nor a negative.

RH recognised that some PAC members may wish to reserve judgement at this stage. Sean Cooper (SC) asked if it would be better for PAC to consider and provide a general endorsement for the scope/intent of the Modification.

Carl Whitehouse (CW) recollecting discussions at last month's meeting, believed where PAC members were silent, by this it was deemed they supported the intent of the Modification and he supported the comments made by SC. CW suggested that the wording should state the majority of members provided support on the intent of the Modification.

Following further discussion, it was agreed that the amendment to the minutes should be:

Following MB's overview of the changes proposed, MB asked if PAC supported the Modification and if this could be recorded within the Workgroup Report. A number of members provided positive support for the Modification and no other members provided comments in support of the Modification or otherwise.

The minutes from the previous meeting were approved.

RH wished to note that there is no formal mechanism for PAC members to vote in support of a Modification and expressed it was vital that PAC members attend the 0674 Workgroup to provide input. MB did not believe it was vital for PAC members to attend the Workgroup meetings but very much welcomed the participation of PAC members and encouraged PAC's feedback, engagement and support.

In response to the formal voting process within PAC MB believed it was perfectly legitimate to ask PAC members for their views on the Modification and to encourage ideas from PAC members for discussion and encouraged the Joint Office to actively seek a vote in order to establish a view from PAC.

RH believed that a vote was not necessarily the right course of action as voting would not capture/ recognise any difficulty for members providing support without more context around the reason for support with the Modification changing. RH understood that some PAC members wished to reserve judgement at this stage.

On the subject of voting Shelley Rouse (SR) wished to understand from recent challenges being made to the Uniform Network Code Committee (UNCC) what the way forward was going to be for PAC voting. SR sought clarity on PAC voting and on what basis.

The Committee considered the current voting arrangements and that an issue had not arisen whereby PAC could not reach a unanimous decision, or where a majority decision has been challenged between PAC members and PAC should continue to operate on that basis. It was recognised that the rules have been in place for 18 months, stand as they are now, and PAC should proceed on that basis.

MB expressed that there can't be any uncertainty on how to proceed in light of challenges against the Terms of Reference and UNC. He believed if the voting is challenged, PAC need to find the right basis.

RH explained that the UNC rules are open to interpretation and couldn't recall a time where PAC have not been in a position to provide a unanimous decision.

SR asked if everybody was aware of the issues that have been raised. Lisa Saycell (LS) confirmed that she was not fully aware of the issues. SC understood the voting for PAC was being considered but whilst this is being undertaken PAC should proceed under the current arrangements / understanding, until there is further clarity.

Sally Hardman (SH) explained the considerations being undertaken by the UNCC and understood that a Modification would be required to make an amendment to the UNC rules. SH explained that the main concern raised was in relation to the intent of the voting when the PAC membership constitution changed from 6 Shippers and 6 Transporters to 9 Shippers and 3 Transporters. It was clarified Modification 0674 was not proposing a change to the voting, however Modification 0674 does propose that votes undertaken by PAC cannot be overruled by the UNCC and that PAC would be an autonomous Committee with the UNCC having a role for the escalation/challenge of any decisions to manage potential appeals. A discipline will be in place for PAC to review its decisions if there is a dispute to either consider changing the decision or justifying the original decision made.

It was understood by PAC members that when moving from 6 Shippers and 6 Transporters to 9 Shippers and 3 Transporters that the majority voting would be considered for each constituency, and not an overall majority that could quash Transporter views.

MB believed that when the original voting was amended in the PAC Terms of Reference there was an oversight with the UNC and that the original 6:6 to 9:3 concept of majority was not reflected in the UNC to amend the reference to a simple majority.

The Committee recognised that the concept of a simple majority where a Transporter's view could have been ignored had not become an issue with previous voting and in most cases a unanimous vote had been reached.

MB clarified that Modification 0674 is not seeking to change the PAC voting mechanism but he expressed the constituency (Shipper:Transporter) voting is not consistent with the concept of independent voting for the Committee. MB reminded members that PAC members should be acting independently and not representing the companies they are appointed by, members are voting collectively in the interest of the GB market. He did not agree that parties should be voting on the basis of their constituency, as this could give a power of veto of one party over another.

It was agreed that as this issue was being considered within Panel/UNCC, PAC should defer further discussions on the topic of voting to allow further consideration of the points raised.

### **1.5 Approval of Later Papers**

RH advised of the pre-advised late papers. All late papers were accepted.

## **2. Monthly Performance Assurance Review Items**

### **2.1 Risk & Issues Register Review (PAFA)**

SR confirmed that an updated Risk Register had been provided and formally published on the Huddle Platform, with updated rankings in response to the previous PAC meeting discussions and the need to update/amend the ranking used within the risk register. In response PAFA have looked at the risk model and the model has been updated to provide a ranking based on the monthly volume at risk, however this approach was heavily caveated.

SR explained that as part of the assessment although the ranking has changed there has not been a significant change in the priority of topics. SR clarified that, AQ at Risk, Correction Factors, Theft, Read Performance (use of estimates) all still remain high on the list of risks, which provides reassurance that PAC's focus appears to have been in the right place.

MB enquired what the next steps should be. SC asked whether PAC needed to form sub-groups, to consider and address the risk areas, to get a better understanding, consider how to measure these, how to analyse these, understand mitigation and what communication/education is required for Shippers. SC suggested the use of additional workshops/sub-groups was the way forward as there was not enough time within the standard PAC meetings to undertake this.

MB explained the model used within the Electricity market, how the Performance Board go through each risk, assess the weak points, and look at the corrective and preventative actions required. He reported that the whole process in the Electricity Market is around mitigation. MB believed that each risk needed to be considered in more detail.

Karen Kennedy (KK) agreed that PAC needed to go into the details of each risk/issue to better understand the issues, data concerns and activity. Sallyann Blackett (SB) was also conscious that there needs to be more focus and more effort was required.

The Committee was collectively in support of a greater focus being placed on the risk register and considering what the priorities are with PAFA support and having separate workshop/sub-group meetings.

SC expressed support in looking at the risk register and that this should include looking at the lower level of the PARR reports as he felt PAC are still not getting into enough substantive detail.

PAC supported some developmental sessions, as a sub-group and continue with business as usual for standard PAC meetings. Louise Hellyer (LH) suggested in support of the sub-group it would be advisable to have a core number of PAC members who should regularly attend the sub-group meetings for continuity.

Karen Kennedy, Sean Copper, Lisa Saycell and Sally Hardman, provided a commitment to attend the sub-group meetings.

It was agreed that Action 0602 could be closed.

#### **2.1.1. UIG (Risk and Issues Tracking)**

MB explained he had previously expressed concern about the Unidentified Gas (UIG) risks not being tracked and he wished to understand with the closure of the UIG Taskforce what assurances there are that the risk and issues will continue to be monitored. MB wished to ensure that the UIG risks were matched against items within the PAC risk register and to ensure corrective action are effective. It was stressed that as these items are likely to have an impact on settlement the industry should not lose sight of them or lose momentum. The Committee agreed that PAC should monitor the UIG risks.

FC supported not losing sight of the issues and reassured PAC that the list of UIG risks/issues are documented, that this is on Xoserve's radar to dust this off and update the assessments, and that Xoserve will provide an update on how these have evolved.

## 2.2 PARR Report Review - Dashboard update (PAFA)

Sara Usmani (SU) provided the Shipper Performance Analysis 'PARR Dashboards' update. PAFA supplied the following observations for this section:

### July Industry Performance Observations:

#### **COVID-19 MODIFICATION: PARR REPORTING**

- PAC members were informed of the impacts the Modification were having on each product class.
  - PC3 read performance shows half a month of data where the modification has been implemented. Read performance remains broadly unchanged (c.57%) whilst the number of sites has increased.
  - PC4 read performance has increased though the statistics are only until April 2020 which does not cover the period of the modification. Meanwhile, the number of sites have declined in April 2020.
  - PC1 and PC2 were provided for completeness. As expected, PC1 and PC2 read performance remains unchanged whilst the AQ for both markets have seen large declines. The largest declines in AQ have been seen in PC1 (c. -40% between February and March 2020) compared to PC2 which saw a c. -2% m/m decline for the same period.

#### **SHIPPER PERFORMANCE IMPROVEMENT PLANS**

- The PAFA sought guidance from the PAC on resuming performance improvement activity following the suspension of performance targeting due to COVID-19.
  - PAFA informed the PAC that 14 Shipper improvement plans had been suspended and given the latest guidance from Ofgem, whereby normal regulatory rules apply from the 1st July 2020, the PAC should look at reactivating the plans
  - PAC members agreed with the proposal put forward by the PAFA.

**Action PARR July 01:** PAFA to draft and issue an industry wide communication informing Shippers of the change to performance improvement plans. Shippers with plans suspended should work with their CAMs to provide revised timeframes.

#### **SHIPPER PERFORMANCE: READ PERFORMANCE**

- The Committee were presented with the latest read performance statistics for PC3 for the period between January and May 2020.
  - The PAFA informed members that in PC3, 92% of AQ is being read with meter reads being in line with code requirements. The industry average displayed is poor due to a high volume of Shippers with smaller portfolios being below 60% read performance.
  - PAC members discussed industry performance and recommended that the PAFA only issue two performance improvement plans as these Shippers have had previous communication from PAC. The remaining Shippers should be issued with a performance observation letter.

**Action PARR July 02:** PAFA to issue a performance improvement letter to Seoul and Phillipsburg. Shippers who have exhibited less than 60% average read performance between January and May 2020 should be issued with a performance observation letter.

### SHIPPER PERFORMANCE: NO READS FOR 1,2,3 OR 4 YEARS (PC4)

- PAFA informed PAC members of the growing concern of no reads being submitted for 1,2,3 or 4 years for PC4. Committee members discussed the report and agreed that this is an area where PAC need to turn their attention towards.
  - PAC members discussed that the existing PARR report would need to be considered in further detail at the sub-group and the best approach to tackle performance improvement.

**Action PARR July 03:** PAC members have requested the PAFA to issue performance observation letters to those Shippers with no reads for 1,2,3 or 4 years and write an improvement letter to Bratislava

### SHIPPER PERFORMANCE: AQ Calculation Failure

- PAC members were informed of the high volume of AQ calculation failure, with an average of 120,000 failures over the past 12 months. Of these failures, 80% lie within two reason codes – application of backstop date, insufficient consumption to calculate AQ
  - PAC members discussed the negative consumption impacts due to the COVID-19 modifications and whether this would increase failures in this area. The CDSP informed members that the training provided to Shippers would avoid this if they follow the guidance given.
    - PAC members have requested PAFA to continue to monitor this and overlay this with the read performance reports.

### NDM Sample data

- Following the previous update and the communication between Shippers and CAMs, the PAFA had provided the Committee with an update on NDM Sample data submission.
  - Of the 11 Shippers who had previously not submitted their NDM sample data, only four Shippers had proactively been working to submit.
  - 7 Shippers remain with no NDM sample data submission following communication with their CAMs

**Action PARR July 04:** PAFA to issue letters to the 7 Shippers who have not submitted their NDM sample data reminding them of the requirements of the Mod and requesting them to submit as part of the October window.

### 2.2.1. Review of Performance

Further to the PAFA Dashboard update MB welcomed the focus provided today and wished to re-enforce the need to look at performance at a reasonable level and more time is required in this area in due course.

MB believed further consideration need to be given to PAFA's constraints and how these can be managed within the procurement process and outlined within Document 4. It was agreed this should be discussed further under item 6.1.

### 2.3 Review of Outstanding PARR Actions

**PARR May 01b:** Xoserve/CDSP to examine the changing read performance statistics on the DDP with a fix to be deployed immediately.

**Update:** FC believed this action was related to a timing issue with the statistics being available. SU believed a fix was put place but that further clarity was required on what the original issue was. FC confirmed a Shipper communication had been issued in April for certain transactions which were missing. FC believed a detailed set of slides was produced and previously presented to explain the design and build logic. SU believed the fix changed the PC1 and PC2 figures and PAC

wanted more visibility. MB expressed concern about the update provided and the need for clear updates. MB suggested that going forward PAFA and Xoserve should review all outstanding actions ahead of the PAC meetings to ensure information action updates can be provided. It was also suggested that PAFA and Xoserve should review actions and provide feedback if they are not clearly articulated. It was also suggested that PAFA/Xoserve should provide PAC with a pre-meeting action update. FC acknowledged the need to ensure actions are responded to in a timely manner and agreed take a new action to ensure this going forward. **Closed**

**New Action 0701:** Xoserve (FC) and PAFA (SU) to undertake a monthly review of all actions ahead of PAC meetings and provide a pre-meeting update.

**PARR May 05:** CAMs to liaise with the nine Shippers who have not submitted their NDM Sample data to encourage submission and assist where necessary.

**Update:** SU confirmed that the 9 Shippers had been contacted by CAMs. **Closed**

**PARR June 01:** PAFA to liaise with Bern through the Xoserve Customer Advocate Managers (CAMs) relating to PC4 monthly read submission and bring feedback to the PAC.

**Update:** SU CAM contacted Shipper bi-annual site moved from July. **Closed**

## 2.4 Covid-19 Reporting Update (short notice papers)

FC wished to note that that the utilisation of the Covid-19 Modifications is proving difficult to quantify in certain areas as none of the transactions are flagged.

FC provided the high-level Dashboard reporting for each of the Modifications, which included an overview of the Modifications, the details of the settlement impacts and reported volumes:

### Modification 0723 - Use of the Isolation Flag

FC reported that the highest daily number since lockdown was still 110 and that over 50% of recent volume relates to pre-lockdown physical isolations. Usage of this facility is pretty low.

SR asked if pre-lockdown isolations are still filtering through. FC clarified that there is no Covid-19 flag to identify Covid-19 isolation transactions. FC noted there have been around 2,500 isolations processed since implementation of Modification 0723, and that there has been a reduction in the count of sites due to previously Isolated sites progressing to a Withdrawal.

FC provided a breakdown of the isolated sites for June and July:

	June	July
<b>Count of Isolated sites</b>	15,247	14,042
<b>% of total live sites</b>	0.06%	0.06%
<b>AQ of Isolated sites</b>	390m kWh	450m kWh
<b>% of total live AQ</b>	0.08%	0/09%

### Modification 0722 - Submit Estimated Meter Readings as Actuals

FC reported a count of Class 4 meter reads providing a 7 day rolling average and a breakdown of reads by type. FC reported that there had been some spikes for Class 4, with an upturn for readings in July, however it is not known if these are real or estimate readings.

FC provided a breakdown of the proportion of sites being submitted with end user reads (consumer reads) being the largest portion.

MB noted that the total number of reads had declined slightly, however it was not known if this was a decline in actual readings. MB expressed concern about being in a position where there is an unknown quantity. LH did remind PAC that as part of this Modification, parties had been asked to keep records of how any estimated meter readings were derived for a period of 2 years, it was understood that this information should be made available upon request.

It was understood that this information may provide an indication of the number of estimated reads being submitted as an alternative to not having a flag.

SR enquired when it would be an appropriate time to request this information from Shippers. LH suggested this data should be provided monthly going forward. FC confirmed Xoserve will consider the appropriate actions with DNs and CAMs for requesting the information Shippers were asked to record as part of this Modification.

**New Action 0702:** DNs / Xoserve (FC) to request the provision of how estimated meter readings have been derived and submitted from Shippers under Modification 0722.

The Committee considered the granularity of data that should be provided to PAFA and PAC.

MB expressed that some Shippers maybe overusing this process and PAC may want PAFA to undertake some analysis to understand the extent of use.

The Committee considered that some Shippers may have a simple advance meter read process which simply moves on a customer's meter read by x units, rather than estimating a read based on past usage.

LH wished to table an observation which had been noticed on the number of sites moving WAR bands within EUCs resulting in peakier profiles and may have an impact on settlement. FC believed this would have an allocation and settlement impact rather than a charging impact. It was noted that if the AQ is incorrect the allocation will be incorrect. The Committee considered the impact of peakier demand profiles, with lower summer allocation and sites becoming more temperature sensitive (not seasonal normal) and how this could skew data. FC explained that DESC are looking at a new set of profiles and have deliberately agreed to exclude the last two weeks of March from the profile process for setting WAR band thresholds.

PAC members agreed to look out for key observation/changes in this area.

**Other Urgent COVID-19 Modifications:**

0724 Amendment to Ratchet charges – no settlement impacts envisaged.

0726 Liquidity Relief Scheme for Shippers – Modification approved.

0730 Capacity Retention Process – Urgent status not granted.

**2.5 AQ at Risk Update (FC)**

FC provided the AQ as risk breakdown as at 10 July 2020., reporting the total AQ at risk was 60 tWh of AQ, around 11.7% of the LDZ portfolio. FC confirmed that the Class 2 and Class 3 sites were fractionally lower than last month, the remainder Classes are noticeably getting worse.

The overall position was around 11.7% of national LDZ AQ overdue for a meter reading 60bn kWh the equivalent of over 4.5m typical domestic properties.

FC went on to provide a breakdown of the top 3 Shippers for each category of AQ at risk, reporting that 11 Shippers now have 59% of the total AQ at risk. In each case there was a clear top 2/3 Shippers in AQ terms except in Class 4.

FC explained that the longer the site is not read the more volatile the AQ will be.

SR asked if Xoserve could identify the Shippers to co-ordinate and relate the performance and the approach for writing to all Shippers for Class 4 Shipper Performance.

The Committee considered the naming convention and ability to cross align performance. The Committee considered the Modification that allowed the replication of reporting data in DDP and PAFA to access to data. It was agreed to take this offline.

**2.6 EUC09 Count by Class Update (FC)**

FC provided an update on the EUC09 sites not in Class 1, confirming as PARR Reports have not been developed, the update had been anonymised with "Moon" codes and the statistics included Class 2, 3 and 4 sites. There were:

- 10 Class 2 sites, with a total AQ of 1.2 tWh, a decrease of 1 site.
- 13 Class 3 and 4 sites, with a total AQ of 0.9 tWh, an increase of 2 sites.
- 4 sites which were over the threshold, close to qualifying criteria, with a total AQ of 0.3 tWh),
- 10 sites over the threshold, not close to qualifying, with a total AQ of 0.7 tWh.

FC provided some additional observations, these were:

- 8 Shippers with Red sites in July (same eight as in June)
- 13 of the Red sites had a meter reading loaded in May, which is good news for reconciliation and AQ accuracy. However, 7 of these had not had an AQ calculation in the last three months
- Of the 23 Red sites in July, 14 were present in the last update, and 9 were new

PAC considered again the naming conventions and alignment of performance in other areas. RH asked if Xoserve are able to undertake any cross checking of information.

FC believed Modification 0691S - CDSP to convert Class 2, 3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met, looks at some of the reporting. FC explained that a paper has been written looking at the reporting and the benefits which will overcome some of the weaknesses identified under Modification 0690S - Reduce qualifying period for Class 1.

## **2.7 AQ Calculation Error Update**

SC noted that James Rigby and Fiona Cottam were looking into why 1m reads had been rejected and it was believed this was related to Action 0304.

Neil Cole (NC) provided an update in relation to Action 0304 and the read rejection analysis from the Shipper Performance Packs. NC confirmed that the rejection types MRE01027 - Reading Breached the upper Outer Tolerance (Market Breaker) had been analysed between January and May 2020 and the output compared against MRE01030 - Override tolerance passed and override flag provided and the AQ Corrections Reporting.

NC provided an overview of the rejections reporting that 4,926 MPRs had a MRE01027 Rejection in each of the reported months and the top 10 rejections by Shipper accounted for >90% of the total number of rejections each month.

It was noted that Market Breakers suggest that the AQs are significantly lower than the submitted reads, as the tolerance levels cause the reads to be rejected. RH suggested the Shippers within this report need to be identified and performance addressed.

KK was concerned that the provided statistics created more questions than answers. KK and SC expressed that the volume being reported was particularly concerning. SC was keen to understand if there was more context on any rectifying actions, such as subsequent correction reads.

NC provided a further slide reporting the corrective actions and a high-level summary of the AQ corrections.

The Committee agreed further analysis was required in this area. It was suggested that the CAMs could provide more context. Helen Field (HF) agreed to share the findings with the CAMs.

SC wished to understand what the issue was, if there were fundamental issues with Shippers not performing certain functions, if the tolerance levels needed to be reviewed, and if seasonality causes an issue.

Mark Jones (MJ) provided the background to market breakers, suggesting that the tolerances maybe too restrictive, and the tolerance were going to be reviewed. FC confirmed some changes were made to the tolerance levels but not to the lower levels.

It was suggested this may be a topic for the developmental sub-group.

SC enquired if Xoserve had a view. FC believed the CAMs should be reaching out to customers and customer conversations taking place, with possible supporting training material for customers to refer to. HF agreed to share finding with CAMs and NC agreed to look at identifying Shippers and providing more context.

**New Action 0703:** Xoserve (HF) to liaise with the Customer Advocate Managers (CAMs) in regard to market breaker meter read rejections, to identify Shippers and provide further context on any subsequent corrective actions.

The Committee recognised this issue will impact settlement and will become visible in the July/August AQ Correction PAR Reports. SU confirmed that this had been captured in July.

It was agreed that AQ corrections needed more focus in August.

SC suggested that PAC / PAFA need to consider what is normal and what is not normal.

SR explained that PAC need to consider if peaks are related to other peaks seen, and if Shippers are operating within the boundaries in the code, he also suggested PAC need to consider if this is a one-off peak in a month, or an ongoing issue and what corrective work is being done.

MB wished to emphasise that there needs to be a jointly driven process for identifying poor performance driven by PAFA and Xoserve to ensure PAC are alerted to areas that need focus. MB stressed that Xoserve / PAFA need to be alerting PAC to areas which are raising alarm bells. MB recognised the progress PAC have made but believed greater scrutiny was still required.

**New Action 0704:** Xoserve (FC) and PAFA (SR) to consider the joint approach for alerting PAC to performance areas that need greater focus.

## **2.8 NDN Sample Data Update**

SU confirmed this had been covered within the PARR Dashboard update. See item 2.2.

## **2.9 Open Meter by-pass Update**

NC provided a breakdown on the total number of meters with an open bypass. The total number of meters with a bypass was 13,681, across 55 Shippers. NC also reported that 31 Shippers have meters with bypass equipment fitted but the status of the bypass was not recorded as open. The number of open bypasses was 153.

The average number of days a bypass was open was also summarised, NC noted that 1 meter had an open bypass status since February 2020 and the remaining 152 meters have all been opened since at least 2004.

FC explained that this indicated there are sites using gas which is not being recorded. However, this could be a case of poor record keeping for sites and may need a data cleansing exercise rather than being an actual settlement risk. FC explained that this can't be investigated at the moment due to Covid-19 access restrictions.

NC provided a breakdown on the AQ position for the by-passed meters and it was noted the same Shipper identification are occurring on a number of different performance reports.

LH believed a meter by-pass tends to be on a larger site to qualify for the by-pass. Recognising this needs to be sorted, LH suggested PAC need to consider how significant this issue is in comparison to other areas of performance.

Anne Jackson (AJ) wished to note that the flag indicates Shippers are undertaking correct action to record an open bypass and normally a by-pass is in place for a reason. From a safety perspective there needs to be inspections to ensure the seals remain in place and safe, it would be worthwhile understanding when the by-pass was last inspected.

FC explained for a meter by-pass Shippers must send in meter readings and consumption adjustments for gas not metered.

The Committee agreed to have a standing agenda item, for visibility / transparency, and monitoring on a bi-monthly basis. It was agreed to flag the number of sites to CAMs to ensure awareness with Shippers.

FC confirmed the CAMs are already speaking to Shippers and already, and there are plans to visit sites in some cases.

**New Action 0705:** Xoserve (FC/HF) to ensure CAMs contact Shippers to build awareness of Open Meter By-Pass and provide a PAFA/Xoserve coordinated update.

### 2.10 Theft of Gas Monthly Update

FC confirmed that the monthly Theft of Gas Reports are provided on the Joint Office website at: <https://www.gasgovernance.co.uk/theft>.

PAC agreed to closed action 0605 and keep this as a standing agenda item to consider the monthly updates.

## 3. Matters for Committee Attention

### 3.1 PARR Modification 0690S – Reduce qualifying period for Class 1 (Decision)

Discussion deferred. FC confirmed a paper had been provided for the proposed changes for Modification 0690S reporting. It was agreed to consider this next month.

### 3.2 PAC Budget Spend Update

Update deferred.

### 3.3 Standards of Service Liabilities Report (information only)

The Standards of Service Liabilities report was provided for information. No questions raised.

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

### 4.1 Modification 0664 - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4.

Mark Jones (MJ) provided a brief update on progress, reporting that a one issue remains in relation to the change of supplier which is being addressed and will result in an amendment to the Modification. A further meeting is being held to finalise the Supplemental Workgroup Report at the end of July for presentation to the August UNC Panel Meeting.

### 4.2 Modification 0674 - Performance Assurance Techniques and Controls (MB)

Further to the discussions under item 1.4, RH confirmed that further consideration is being undertaken with regards to PAC voting by the UNCC and urged parties to review UNCC minutes to keep abreast of discussions.

### 4.3 Modification 0691S - CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met

RH confirmed that the Workgroup Report is due to be presented to the July UNC Modification Panel.

### 4.4 Any Other changes

No further changes discussed.

## 5. Review of PAC Outstanding Actions

**0302:** PAFA (SR) to arrange a workshop to review the 'User Stories' and establish next steps  
**Update:** SR confirmed a workshop was being planned for 03 August. **Closed.**

**0304:** Xoserve/CDSP (JR) to provide PAC with some additional industry performance read rejection analysis from the Shipper Performance Packs  
**Update:** See Item 2.7. **Carried Forward.**

**0601:** Joint Office (HC) to publish the updated Risk Register (once received from PAFA) on the main PAC webpage: <https://www.gasgovernance.co.uk/pac>.  
**Update:** Published. **Closed.**

**0602:** PAFA / CDSP to update the Risk Register, by classifying entries into a risk or issues, and add an appropriate value of significance, for review next month

**Update:** See item 2.1. **Closed.**

**0603:** CDSP (JR) to provide PAC Members with a up to date Open Meter by-pass report as soon as possible.

**Update:** See item 2.9. Agreed new actions to have a standing agenda item. **Closed.**

**0604:** Joint Office (RH) to submit the PAC Document 1 Performance Assurance Reports Register (PARR) to June's UNCC meeting for approval.

**Update:** Confirmed as **Closed.**

**0605:** CDSP (FC) to provide monthly progress update on the Theft of Gas work being undertaken.

**Update:** See item 2.10. PAC members agreed to close this action and have a standing agenda item for monthly updates. **Closed.**

## 6. Any Other Business

### 6.1 PAFA Re-Procurement Next Steps

Fiona Cottam (FC) wished to brief the Committee on the next steps for the PAFA procurement approach. FC gave some background confirming PAFA was appointed in June 2017 and a new appointment was required late June 2021. FC set out the key considerations for PAC and a draft timeline.

FC explained the approach and reminded PAC that:

- UNC Section V states that the CDSP will appoint a PAFA via competitive tender (V16.3)
- V16.3.3 also states that the CDSP may seek guidance from PAC
- Previous procurement was in 2017, supported by a Stakeholder Evaluation Panel made up of three PAC members. Stakeholders reviewed proposals, attended vendor presentations and scored each bid as part of final selection
- PAC has previously confirmed that they wish to follow this approach again

FC summarised the role of PAC in the procurement process and confirmed that the initial draft of the appointment criteria will be circulated to PAC members directly due to commercial confidentiality.

FC explained the involvement of the Stakeholder Evaluation Panel:

- High level of involvement of regulated parties in the process would mean that The Utilities Contracts Regulations 2016 would apply to the procurement
- Timescales for key steps are set out in regulations, which will begin with an Official Journal of the European (OJEU) notice
- Stakeholder Panel members would need to sign an additional Confidentiality Agreement for the procurement process
- Would need to be able to support Xoserve at key times in the procurement

FC suggested that the Stakeholder Evaluation Panel should ideally be a small group of no more than 3-4 PAC members to allow the group to operate effectively, have an understanding of the PAF Framework and have sufficient time to dedicate to the process. FC clarified there is no requirement for a Change Proposal to cover the procurement.

FC provided an overview of the timeline and briefly explained the key steps within the swimlanes.

FC outlined the Next Steps, these were:

- PAC to establish a Stakeholder Evaluation Panel with willing volunteers (3-4 PAC members)
- Xoserve to obtain signed Confidentiality Letters

- PAC to develop/approve the “Criteria for Appointment” as required in the Framework
- Xoserve to develop and publish “Call for Competition” OJEU Notice
- Xoserve to draft Pre-Qualification Questionnaire (PQQ) and Request for Proposal for review with Stakeholder Panel

SH asked how appointments will be made to the Stakeholder Panel if over-subscribed, FC suggested if interested parties have similar backgrounds one party may be encouraged to partake. Sallyann Blackett (SB) offered her support.

**New Action 0706:** Xoserve (FC) to request/table an AOB item in UNCC to encourage appointment to the PAC procurement Stakeholder Evaluation Panel.

AJ provide some background to the PAF contract which was awarded for 2 years with a one year add on and then a further one year extension.

AJ provided background to PAC’s evolution, providing an overview on the Performance Assurance Framework, the Risk Register, PARR reporting, industry performance levels and access to information.

AJ provided further background on the work undertaken by PAFA and the progression on:

- Increased risks scrutiny
- Risk model and register expansion
- Increased number of reports
- Involvement with Xoserve CAMs
- Letters and meetings
- Increased interest from Parties, with an increased interest and access to Huddle
- Changes to the way reports and data are provided and quality of reporting
- Additional Workshops
- And UNC Modification 0674 looking at the PAC governance and support needed.

AJ went on to provide an overview of the Performance Assurance Committee constraints, covering:

- Empowerment
- Limitations in the visibility of named party activity
- Enthusiasm, focus and reservations for bringing about improvements by parties.
- Agility of the governance to respond to observations
- Setting the drive and direction for gas Performance Assurance.
- The expectations not being uniformed across the PAC, PAFA and Parties
- Quality and timeliness of reports
- Efficiency gains
- Access to information in multi-dimensions

SC challenged the need to look for holistic reporting, focussed performance improvements, providing transparency and good communication to improve performance.

LH stressed the need to consider the remit of PAC and flagging poor performance, and if parties are meeting the criteria required what involvement PAC can have for driving additional performance improvements that do not affect settlement.

The availability and granularity of data was considered along with the intention of allowing PAFA access to DDP and what information can be extracted. The Committee considered the weaknesses in the reporting and the difficulty obtaining appropriate data. AJ explained that PAFA cannot fulfil the expectations of PAC with the current data availability, without PAC providing permissions. AJ emphasised PAFA needs to be empowered to undertake requirements.

**New Action 0707:** Xoserve (FC) to provide MB with the UNC reference that limits PAC to seeing reports only by anonymised Shipper (or explain the restriction)

## 6.2 Volume of Market Breaking Reads – Shipper Performance Packs

Further to discussions under item 2.7, SC reiterated he was keen to see further analysis to ensure an equivalent number of AQ corrections were being undertaken.

## 7. Next Steps

### 7.1 Key Messages

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

## 8. Diary Planning

### 8.1 December 2020 meeting date

RH reminded PAC that there was a request to move the December PAC meeting from 8<sup>th</sup> December to 15<sup>th</sup> December. RH wished to understand the basis for this request. SU explained the process and timelines for producing the PAFA reports. The Committee considered the production of the PAFA reports, the publication timelines and the option of accepting short notice meeting papers.

RH agreed to consider the request to move the meeting further, in line with other December meetings and resources, with a view to accommodating the request.

### 8.2 2021 meeting dates

Consideration of the 2021 provisional meeting dates was deferred until August:

Provisional Schedule	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21
2 <sup>nd</sup> Tue	8 <sup>th</sup> /15 <sup>th</sup>	12th	9th	9th	13th	11th	8th	13th	10th	14th	12th	9th	14th

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
10:00, Tuesday 11 August 2020	5pm Monday 03 August 2020	Teleconference	Standard Agenda
10:30, Monday 14 September 2020 <i>(moved from 8th)</i>	5pm Friday 04 September 2020	Teleconference	Standard Agenda
10:30, Tuesday 13 October 2020	5pm Monday 05 October 2020	Teleconference	Standard Agenda
10:30, Tuesday 10 November 2020	5pm Monday 02 November 2020	Teleconference	Standard Agenda
10:30, Tuesday 08 December 2020 <i>*Provisional Date change to 15 December 2020</i>	5pm Monday 30 November 2020 <i>Short notice for papers agreed if meeting cannot be moved to 15<sup>th</sup>.</i>	Teleconference	Standard Agenda

### PAC Action Table (as at 14 July 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>PARR Report Actions:</b>					
PARR May 01b	12/05/20	2.2	<b>01b:</b> Xoserve/CDSP to examine the changing read performance statistics on the DDP with a fix to be deployed immediately	Xoserve/CDSP	<b>Closed</b>
PARR May 05	12/05/20	2.2	CAMs to liaise with the nine Shippers who have not submitted their NDM Sample data to encourage submission and assist where necessary.	CDSP (CAMs)	<b>Closed</b>
PARR June 01	09/06/20	2.2	PAFA to liaise with Bern through the Xoserve Customer Advocate Managers (CAMs) relating to PC4 monthly read submission and bring feedback to the PAC.	PAFA (SU)	<b>Closed</b>
PARR July 01	14/07/20	2.2	PAFA to draft and issue an industry wide communication informing Shippers of the change to performance improvement plans. Shippers with plans suspended should work with their CAMs to provide revised timeframes.	PAFA (SU)	<b>Pending</b>
PARR July 02	14/07/20	2.2	PAFA to issue a performance improvement letter to Seoul and Phillipsburg. Shippers who have exhibited less than 60% average read performance between January and May 2020 should be issued with a performance observation letter.	PAFA (SU)	<b>Pending</b>
PARR July 03	14/07/20	2.2	PAC members have requested the PAFA to issue performance observation letters to those Shippers with no reads for 1,2,3 or 4 years and write an improvement letter to Bratislava.	PAFA (SU)	<b>Pending</b>
PARR July 04	14/07/20	2.2	PAFA to issue letters to the 7 Shippers who have not submitted their NDM sample data reminding them of the requirements of the Mod and requesting them to submit as part of the October window.	PAFA (SU)	<b>Pending</b>
<b>PAC Actions 2020:</b>					
PAC 0302	16/03/20	5.1	PAFA (SR) to arrange a workshop to review the 'User Stories' and establish next steps	PAFA (SR)	<b>Closed</b>
PAC 0304	16/03/20	6.5	Xoserve/CDSP (JR) to provide PAC with some additional industry performance read rejection analysis from the Shipper Performance Packs	Xoserve/CDSP (JR)	<b>Carried Forward</b>
PAC 0601	09/06/20	2.1	Joint Office (HC) to re-publish the updated Risk Register (once received from PAFA) on the main PAC webpage:	Joint Office (HC)	<b>Closed</b>

			<a href="https://www.gasgovernance.co.uk/pac">https://www.gasgovernance.co.uk/pac</a>		
PAC 0602	09/06/20	2.1	PAFA / CDSP to update the Risk Register, by classifying entries into a risk or issues, and add an appropriate value of significance, for review next month.	PAFA / CDSP	<b>Closed</b>
PAC 0603	09/06/20	2.7	CDSP (JR) to provide PAC Members with a up to date Open Meter by-pass report as soon as possible.	CDSP (JR)	<b>Closed</b>
PAC 0604	09/06/20	3.1	Joint Office (RH) to submit the PAC Document 1 Performance Assurance Reports Register (PARR) to June's UNCC meeting for approval.	Joint Office (RH)	<b>Closed</b>
PAC 0605	09/06/20	4.1	CDSP (FC) to provide monthly progress update on the Theft of Gas work being undertaken.	CDSP (FC)	<b>Closed</b>
PAC 0701	14/07/20	2.3	Xoserve (FC) and PAFA (SU) to undertake a monthly review of all actions ahead of PAC meetings and provide a pre-meeting update.	Xoserve (FC) & PAFA (SU)	<b>Pending</b>
PAC 0702	14/07/20	2.4	DNs / Xoserve (FC) to request the provision of how estimated meter readings have been derived and submitted from Shippers under Modification 0722.	DNs / Xoserve (FC)	<b>Pending</b>
PAC 0703	14/07/20	2.7	Xoserve (HF) to liaise with the Customer Advocate Managers (CAMs) in regards to market breaker meter read rejections, to identify Shippers and provide further context on any subsequent corrective actions.	Xoserve (HF)	<b>Pending</b>
PAC 0704	14/07/20	2.7	Xoserve (FC) and PAFA (SR) to consider the joint approach for alerting PAC to performance areas that need greater focus.	Xoserve (FC) & PAFA (SR)	<b>Pending</b>
PAC 0705	14/07/20	2.9	Xoserve (FC/HF) to ensure CAMs contact Shippers to build awareness of Open Meter By-Pass and provide a PAFA/Xoserve coordinated update.	Xoserve (FC/HF)	<b>Pending</b>
PAC 0706	14/07/20	6.1	Xoserve (FC) to request/table an AOB item in UNCC to encourage appointment to the PAC procurement Stakeholder Evaluation Panel.	Xoserve (FC)	<b>Pending</b>
PAC 0707	14/07/20	6.1	Xoserve (FC) to provide MB with the UNC reference that limits PAC to seeing reports only by anonymised Shipper (or explain the restriction)	Xoserve (FC)	<b>Pending</b>