

**UNC Workgroup 0674 Minutes
Performance Assurance Techniques and Controls
Tuesday 02 February 2022
via Teleconference**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Ellie Rogers	(ER)	Xoserve
Graham Cunningham	(GC)	Centrica
Guv Dosanjh	(GD)	Cadent
James Doyle	(JD)	Fox the Market
Mark Bellman	(MB)	ScottishPower
Mark Field	(MF)	Sembcorp
Rachel Clarke	(RC)	PAFA (Gemserve)
Sally Hardman	(SH)	SGN
Sallyann Blackett	(SB)	E.ON
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <https://www.gasgovernance.co.uk/067/020222>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 April 2022.

1.0 Introduction and Status

Alan Raper (AR) welcomed all to the meeting and provided an overview of the background to the Modification and explained that following the first consultation, Panel had posed several questions regarding specific areas of the Modification, including the Business Rules (BR) set out in the Solution section.

AR confirmed that these questions had subsequently now been answered and captured within the Supplemental Workgroup Report, which had been produced incrementally following each Workgroup meeting.

AR said the purpose of the meeting was to review the amended Modification and Supplemental Report in readiness for the completion of the Legal Text, Varied Modification and Variation Request, for submission to the March 17 Panel 2022, (see Next Steps, post-meeting note). AR added that the final Workgroup meeting would be held on 28 February 2022.

2.0 Review minutes from previous meeting

AR drew attention to the previous minutes from 26 October 2021 and noted that Ellie Rogers (ER) had added an amendment in relation to the providing more clarity with regards to cost.

The minutes were then approved.

3.0 Review of Outstanding Actions

Please be advised further detail regarding the sections of the amended Modification as referred to within the Actions below can viewed at: <https://www.gasgovernance.co.uk/674/020222>

Action 0801: ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.

Update: Mark Bellman (MB) advised this aspect would now be included with the Varied Modification within BR 5(e) and so, this action could now be closed. **Closed**

Action 0803: ScottishPower (MB) to include in the arrangements that the PAC may be required to consult on any changes requested to the PAFD in an open meeting.

Update: Mark Bellman (MB) advised this topic would now be included within the Varied Modification in BR 9(i) and has also been referenced in process flow diagram, as provided for Action 804 (below), and so this action could now be closed. **Closed**

Action 0804: ScottishPower (MB) to produce a process flow diagram to map the PAFD changes processes.

Update: Mark Bellman (MB) presented the flow diagram and proceeded to run through the PAFD amendment process. AR suggested that the diagram could be appended to the PAFD in due course. Consequently, this action could now be closed. **Closed**

Action 0805: ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings.

Update: Mark Bellman (MB) advised that he had tried to contact Ofgem on various occasions and noted that several previous contacts had now left. He agreed that having an Ofgem presence at the PAC meetings was worthwhile and Guv Dosanjh (GD) agreed and said that Ofgem engagement should still be explored.

Mark Field (MF) concurred with the Ofgem engagement point, and proposed that this should be referenced within the Supplemental Report. AR agreed to note this accordingly. The action was then closed. **Closed.**

Action 0903: Question 1: *Comment on the right for the PAC to raise performance-related Modification proposal* - ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text.

Update: Mark Bellman (MB) advised this topic would now be included within the Varied Modification, BR 8(a) and, consequently, this action could now be closed. **Closed**

Action 0904: Question 2: *Discuss business rule 2a and the corresponding legal text*- ScottishPower (MB) to update the Business Rule to reflect the Legal Text.

Update: Mark Bellman (MB) advised this topic would now be encompassed within the Varied Modification within BR2(a),(b) & (c) by redrafting the obligations being placed on parties and their subcontractors. Consequently, this action could now be closed. **Closed**

Action 0905: Question 3: *Provide views on the facility for PAC to co-opt PAFA personnel to Chair & Secretary PAC meetings:* Joint Office (AR) to arrange discussion on this topic with Penny Garner.

Update: Mark Bellman (MB) advised this topic would be resolved by removing the option for Pac to co-opt meeting personnel and BR 7(iv) and BR 7(v) have been amended accordingly. Consequently, this action could now be closed. **Closed**

Action 0906: Question 5: *Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information* - ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business' (please to refer to the specific consultation response provided by SM for further reference).

Update: Mark Bellman (MB) advised this topic would now be encompassed within the Varied Modification and by further amending BR 2 to rationalise parties' obligations regarding performance and the provision of information. Consequently, this action could now be closed.

Closed

Action 0907: Question 6: *Clarify the rules with respect to quoracy:* ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.

Update: Mark Bellman (MB) advised this topic would now be encompassed within the Varied Modification within the BR 5(e), and confirmed that the existing quoracy rules would still apply,. Consequently, this action could now be closed. **Closed**

1001: ER (Xoserve) to investigate internally the process and procedures of the Additional Service Request (ASR) in relation to the confidentiality aspect.

Update: Ellie Rogers (ER) provided the following summary with regards the action as detailed below and advised it gave clarity with regards to the confidential aspect of the ASR's. The action was then closed. **Closed.**

- *During the October WG meeting, concerns were raised regarding the CDSP proposal to utilise the ASR route to manage specific performance techniques.*
- *Xoserve understood from the discussion, the concern was around a lack of oversight and assurance regarding what Shippers are charged under the ASR for a specific performance improvement technique.*
- *To provide clarity on this process, ASR's are managed under the DSC and although they are confidential between the CDSP and the specific DSC customer, to confirm, Xoserve do have controls in the contracts with our service providers to ensure that costs provided for services (including ASRs) are reasonable and fair.*
- *As well as having these controls, Xoserve also share the value of Additional Services provided each month with the DSC Contract Management Committee (CoMC). This is under a standing agenda item, Contract Metrics.*
- *Based on this, although ASRs are confidential between the CDSP and the specific DSC customer and we cannot share the specific details, Xoserve do have assurances in place which I backed off with the DSC CoMC.*

4.0 Review the proposed changes to the Modification

Mark Bellman (MB) walked through the amended sections of the Modification and drew attention to certain areas of interest and provided clarity and further explanation where required.

It was noted that there were also other changes to the amended modification that were not specifically linked to actions but were added to reflect more general conversation in the previous Workgroups. There are:

- Streamlining and clarification in BR1 of the definition of the Performance Assurance Objective
- In BR 5(e), PAC meetings information to be transferred by "secure means" rather than being limited to "web-portal"
- The inclusion in BR 6(d) of a party's right of appeal, should they be subject to an audit
- An extension to BR 9(f) to provide additional financial protections for a shipper

MF proposed that BR 2(a) in relation to the third party could also be used as a Lessons Learnt area from both a positive and negative perspective and MB agreed with this suggestion

5.0 Review the Supplemental Report

AR said that the Supplemental Report would be taken out of edit mode and turned into a static document, he advised that all the comments from the previous meetings were now encompassed within it. AR also noted that the amendments to the modification, resulting from the actions had now been cross-referenced in the Supplemental Report and stated that further comments were still welcomed if needed, although he was hopeful that all the relevant aspects were now contained within it.

6.0 Review the amended Legal Text

AR advised that as the amended Modification was now in a steady state the Legal Text could now be finalised in readiness for the meeting on 28 February 2022 for the final review.

7.0 Next Steps

AR said his aspirations for the final meeting on 28 February 2022 were to:

- Review of any further amendments to the Varied Modification, (if any)
- Review of the Variation Request
- Review of the amended Legal Text
- Completion of the Supplemental Report

AR noted the Modification, and associated documentation, would then be submitted to the 17 March 2022 Panel.

Post-meeting note: the above documentation will now be submitted to the 21 April 2022 Panel

8.0 Any Other Business

None.

9.0 Diary Planning

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10.00 Tuesday 28 February 2022	Microsoft Teams	Standard Agenda, plus: <ul style="list-style-type: none">• Review of any further amendments to the Varied Modification, (if any)• Review of the Variation Request• Review of the amended Legal Text• Completion of the Supplemental Report

Action Table (as of 02 February 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	23/08/21	2.0	ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.	ScottishPower (MB)	Closed
0803	23/08/21	2.0	ScottishPower (MB) to include in the arrangements that the PAC may be required to consult on any changes requested to the PAF D in an open meeting.	ScottishPower (MB)	Closed
0804	23/08/21	2.0	ScottishPower (MB) to produce a process flow/diagram to map the PAF D changes processes.	ScottishPower (MB)	Closed
0805	23/08/21	2.0	ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings.	ScottishPower (MB)	Closed
0903	06/09/21	5.0 Q1	Question 1: <i>Comment on the right for the PAC to raise performance-related Modification proposal –</i> ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text	ScottishPower (MB)	Closed
0904	06/09/21	5.0 Q2	Question 2: <i>Discuss business rule 2a and the corresponding legal text -</i> ScottishPower (MB) to update the Business Rule to reflect the Legal Text	ScottishPower (MB)	Closed
0905	06/09/21	5.0 Q3	Question 3: <i>Provide views on the facility for PAC to co-opt PAFA personnel to Chair & Secretary PAC meetings -</i> Joint Office (AR) to arrange discussion on this topic with Penny Garner	Joint Office (AR)	Closed

0906	06/09/21	5.0 Q5	<p>Question 5: <i>Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information -</i> ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business', (please to refer to the specific consultation response provided by SM for further reference.)</p>	ScottishPower (MB)	Closed
0907	06/09/21	5.0 Q6	<p>Question 6: <i>Clarify the rules with respect to quoracy:</i> ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.</p>	ScottishPower (MB)	Closed
1001	26/10/21	4.0	<p>ER (Xoserve) to investigate internally the process and procedures of the ASR in relation to the confidentiality aspect.</p>	Xoserve (ER)	Closed