

UNC Performance Assurance Committee Minutes
Tuesday 24 March 2020
Via Teleconference

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alex Travell	(AT)	Transporter Member
Carl Whitehouse	(CW)	Shipper Member
Fiona Cottam	(FC)	Observer, Xoserve
James Rigby	(JR)	Observer, Xoserve
Jon Dixon	(JD)	Ofgem
Karen Kennedy	(KK)	Shipper Member
Leteria Beccano	(LB)	Transporter Member
Lisa Saycell	(LS)	Shipper Member
Louise Hellyer	(LH)	Shipper Member
Mark Bellman	(MB)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Sallyann Blackett	(SB)	Shipper Member
Sally Hardman	(SH)	Transporter Member
Sara Usmani	(SU)	PAFA
Sean Cooper	(SC)	Shipper Member
Shelley Rouse	(SR)	PAFA

Apologies

Alison Wiggett	(AW)	Shipper Member
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Copies of non-confidential papers are available at: www.gasgovernance.co.uk/pac/240320

1. Introduction and Status Review

Alan Raper (AR) welcomed all to the meeting.

1.1 Apologies for absence

Alison Wiggett, Shipper Member.

1.2 Note of Alternates

None.

1.3 Quoracy Status

The Committee meeting was confirmed Quorate.

2. Matters for Committee Attention

Shelley Rouse (SR) introduced the background for needing a short notice meeting to enable the Performance Assurance Committee (PAC) to discuss the potential impacts on Shipper performance during the COVID-19 pandemic being mindful that many organisations may be operating with less staff affecting normal operations. SR wished for PAC to consider Shippers ability to manage performance assurance activities and wanted to seek views form the Committee on the performance plans and expectations.

SR suggested the Committee consider:

1. Recording a new risk relating to COVID-19 and shipper performance
2. Implications for Shippers currently on Performance Improvement plans and whether current improvement plans should remain in place.
3. Whether additional performance observations/improvement plans should be issued.
4. Formulating an industry wide communication.
5. The potential need for additional meetings to discuss the impacts of COVID-19
6. If PAC can offer any assistance to Shippers.

2.1 Impact of Covid-19 on Shipper Performance (Risk Register)

The Committee agreed that a risk should be recorded on the Risk Register.

2.2 Implications for Shippers currently on Performance Improvement plans

The Committee discussed the potential impacts on Shipper performance and how this should be managed going forward.

It was initially suggested that PAC could ask Shippers to provide an indication of how their operations are likely to be affected with a view that PAC would continue to monitor performance.

Mark Bellman (MB) asked if Ofgem could provide a view and whether Shippers should be asked to provide evidence of whether reduced performance is directly related to COVID-19.

Jon Dixon (JD) recognised that the industry currently could well be in force majeure territory and business as usual couldn't be assumed, but neither would it be acceptable to stop carrying out certain activities. JD believed the industry needs to think collectively and prioritise areas of work and there needs to be a degree of pragmatism, for example, households would not welcome meter readers into their homes in the current environment. JD stressed the need to think about what is practical and to ensure consumers are not affected. JD suggested there is a need for the industry to go through what should be monitored, what is business critical, what is consumer critical and what could be deferred.

Sallyann Blackett (SB) clarified that E.ON will not be sending meter readers out at this time. MB also confirmed physical meter reading activities have been reduced for Scottish Power. MB recognised there is still an obligation to take reads, but manual readings may be difficult.

Louise Hellyer (LH) asked that the industry will also need to be mindful of the impact on AQs.

Fiona Cottam (FC) also highlighted the impact in terms of Unidentified GAS (UIG) which needs to be balanced. FC explained the potential for UIG, with different usage for domestic customers as every day may start looking like a Sunday as domestic usage will increase and the impact of commercial/industrial consumption decreasing as sites close. FC explained the impact on AQs, reconciliation, and with no true up of the situation there could be an increase in transition volumes. FC stressed there will be a change in consumption patterns, however it was not safe to assume consumption for all industrial sites will drop as there will be some exceptions to this rule, such as supermarkets.

The Committee briefly considered that not having meter reads for a period would not prevent the absolute priority of providing a gas supply, nothing would be irreparable by not having a meter read and it would still be possible to continue to allocate based on the AQ held.

A question was raised on the impact this would have on the shoulder months. The Committee considered the estimation of reads and impacts on future demand profiling and the impact on AQs if a site shuts down.

LH explained work has been undertaken to understand the potential for over allocation and that some businesses may never re-open. LH suggested some consideration needed to be given on what can be done with AQs and the AQ correction process. Alex Travell (AT) enquired if the AQ correction process could be disabled, and if there could be an option to freeze AQs.

The Committee discussed the various consequences with changes in consumption, over allocation and reduced meter reads. AR noted that the industry also can't simply assume sites have switched off when there is a lack of meter readings.

AR suggested that the consequential impacts and possible solutions in response to consumption changes needed further wider consideration noting this was not within the scope of PAC. Carl Whitehouse (CW) welcomed the discussion and agreed this needed wider consideration. MB questioned what needs to be done to address the points raised and whether this should be considered at the UIG Workgroup Meetings and DESC to ensure the industry is reacting appropriately to legitimate changes in consumption and potential impacts.

AR suggested all parties should further consider the impacts and the potential solutions and for both to be considered against the current rules. AR confirmed that this would be added as a topic for discussion at the next UIG meeting.

MB also asked if an action should be given to DESC to consider the impact on profiles. Sallyann Blackett (SB) explained under DESC governance, all DESC could do is back out this period when considering future profiles and not take it into account. SB supported further consideration at UIG.

Redirecting consideration back to the agenda for PAC to consider the approach for Shippers currently on Performance Improvement plans, SR asked for views on whether current improvement plans should remain in place and what should be communicated to the industry.

The Committee considered the varying options which included bespoke communications for those already on improvement plans, a consistent communication to all or do nothing.

The context of the communication was also considered and whether PAC should emphasise despite the current climate read performance is still important, and parties are expected to submit collected reads.

AT suggested the communication should acknowledge that PAC are conscious of the issues.

SR suggested it would be useful to allow Shippers to provide a response where performance may be difficult. The option of do nothing but continue to monitor was considered.

FC suggested there should be a half-way option. FC suggested the communication could recognise there will be difficulties obtaining certain meter reading whilst operations are hindered.

Sean Copper (SC) supported acknowledgement of the issues faced by the industry on obtaining certain meter readings, with an opportunity to ensure Class 1,2 & 3 meet performance. SC stressed PAC should not endorse reduced meter reading performance.

SR suggested the communication should make it clear - don't reduce effort as it more important now to step up reads for Product Class obligations.

SB also suggested when Suppliers are contacting customers, they are encouraged to provide meter reads.

CW asked for some caution for all business that are going through Business Continuity Management (BCM), especially for ensuring the protection of vulnerable customers, those who are on payment plans, and not asking for reads where there is debt. He urged the need to be sensitive. SB suggested where the opportunity presents itself, Suppliers could ask for a read.

SR asked for views on whether there should be one communication to all or separate communications for those on improvement plan. SB suggested that all parties should be treated the same. SB suggested those on improvement plans should have already taken some action and may wish to amend their response.

Karen Kennedy (KK) stressed that although plans may have been put together the reality is things will be changing day to day, priorities may change day to day.

James Rigby (JR) suggested improvement plans for some organisations are not going to be their immediate priority. At the moment organisations priorities will be looking after the wellbeing of staff and customers.

SR suggested PAC may also wish to consider the approach taken by the electricity market, particularly for dual fuel Shippers/Suppliers.

It was agreed that PAFA (SR) should issue a general communication to relay that meter reading still needs to remain in focus, with a request for the industry to do their best and PAC will revisit performance.

KK enquired what PAFA will be doing with the existing performance plans. SR explained PAFA need a view from PAC. SB suggested PAC should ask Shippers for a response so PAC can consider the response in line with performance.

SB expressed caution with suggesting read performance doesn't matter. However, the current situation will be taken into account, it's still important to obtain reads.

It was stressed that PAC will not be asking Shippers to ignore obligations. AR acknowledged that the meter reading obligations won't disappear, but extenuating circumstances should be considered, and the right balance needs to be struck.

SR confirmed PAFA would draft a universal communication and for those on performance plans, they would still like a response, and details on COVID-19 issues that will impact assurances already provided. PAC agreed to this approach. SR confirmed the draft would be circulated via the PAFA mailbox for approval before it is issued.

New Action 0305: PAFA (SR) to provide a draft universal communication relating to Meter Read Performance during COVID-19 pandemic for PAC members to review and approve.

2.3 Performance observations/improvement plans going forward

See item 2.2

2.4 Industry communication

See item 2.2

2.5 Frequency of Meetings to discuss the impact of Covid-19 on Shipper Performance

SR enquired if PAC would like to meet more often than the currently scheduled meetings to discuss the impacts of Covid-19 on Shipper performance.

It was questioned if once a month was enough with the current climate and priorities organisations have. It was challenged if there would be more/sufficient performance information to monitor to assess and what the benefit of extra meetings would be.

It was agreed to keep meetings on a monthly basis and to arrange additional meetings should it be deemed necessary.

2.6 PAC Assistance to Shippers

The Committee briefly considered what PAC assistance can be offered to Shippers at this time. It was recognised this would depend on the responses from Shippers.

It was acknowledged that code obligations are still in place, there is still a need to focus on read frequency, read accuracy and whether going forward there needs to be additional considerations taken into account when reviewing performance. It was agreed that the best way forward would be monitor the situation and consider performance in light of the current environment.

3. Next Steps

AR suggested that all parties should think about tactical solutions for maintaining read performance. MB asked Xoserve to outline the potential dimensions of the problem to assist future discussions.

New Action 0306: All parties consider consequential impacts of COVID-19 and maintaining read performance for further discussion within UIG Workgroup.

4. Any Other Business

None Raised.

5. Diary Planning

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

Time/Date	Paper Publication Deadline	Venue	Programme
10:30, Monday 20 April 2020 <i>(moved from 14th)</i>	5pm Thursday 09 April 2020 (BH)	Teleconference	Standard Agenda
10:30, Tuesday 12 May 2020	5pm Monday 01 May 2020 (BH)	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30, Tuesday 09 June 2020	5pm Monday 01 June 2020 <i>Short notice for papers agreed</i>	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda
10:30, Tuesday 14 July 2020	5pm Monday 06 July 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30, Tuesday 11 August 2020	5pm Monday 03 August 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda
10:30, Monday 14 September 2020 <i>(moved from 8th)</i>	5pm Friday 04 September 2020	Solihull venue to be confirmed	Standard Agenda
10:30, Tuesday 13 October 2020	5pm Monday 05 October 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda
10:30, Tuesday 10 November 2020	5pm Monday 02 November 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	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 15th.</i>	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda

PAC Action Table (as at 24 March 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 1106	12/11/19	4.5	Xoserve (FC) and PAFA (SR) to start the process to update PARR Reports to	Xoserve (FC)	Carried Forward

			include Modification 0654 PARR Specification.		
Open PAC Meeting Actions:					
OPAC 0107	20/01/20	5.1	Scottish Power (SC) Proposer to consider incorporating a PAC version of the performance report for Modification 0672.	Scottish Power (SC)	Carried Forward
OPAC 0108/9	20/01/20	6.0	PAFA to draft a potential PARR report to measure reported theft, AQ correction and corrected volumes. Xoserve to provide some high-level Theft of Gas statistics for PAC to consider the next steps for Workgroup 0677R recommendations.	PAFA (SR) Xoserve (FC)	Carried Forward
PAC Actions February 2020:					
PAC 0201	11/02/20	2.2	Xoserve (JR) to provide additional analysis on Open Meter by-pass.	Xoserve (JR)	Carried Forward
PAC 0207	11/02/20	3.0	PAC Members to consider PAFA/PAC support role at other industry meetings for further consideration next month.	PAC	Carried Forward
PAC 0208	11/02/20	5.4	Xoserve (FC) to query Sub-cap information within the Standards of Service Liabilities Report and check alignment with UNC.	Xoserve (FC)	Carried Forward
PARR Report Actions March 2020:					
PARR Mar 01	16/03/20	2.2	PAFA to write to Shippers Berlin, Tallinn, Manama, Brazzaville, Monaco, Roseau and Praia requesting the provision of improvement plans, and assurance of their ability to operate within each respective market	PAFA (SU)	Pending
PARR Mar 02	16/03/20	2.2	Include detail on UNC0652 as part of the key messages and liaise with the CAMs for support on communicating with those Shippers yet to submit reads	PAFA (SU)	Pending
PARR Mar 03	16/03/20	2.2	PAFA to write to Warsaw and Papeete requesting additional detail around meeting plan milestones	PAFA (SU)	Pending
PAC Actions March 2020:					
PAC 0301	16/03/20	3.0	PAC Members to review and provide feedback on the changed marked Performance Assurance Framework	PAC	Pending

			document for approval by PAC and subsequent submission to the UNCC		
PAC 0302	16/03/20	5.1	PAFA (SR) to arrange a workshop to review the 'User Stories' and establish next steps	PAFA (SR)	Pending
PAC 0303	16/03/20	6.3	PAC members to provide views on full Huddle access for PAC alternates.	PAC	Pending
PAC 0304	16/03/20	6.5	Xoserve (JR) to provide PAC with some additional industry performance read rejection analysis from the Shipper Performance Packs	Xoserve (JR)	Pending
PAC 0305	24/03/20	2.2	PAFA (SR) to provide a draft universal communication relating to Meter Read Performance during COVID-19 pandemic for PAC members to review and approve.	PAFA (SR)	Pending
PAC 0306	24/03/20	3.0	All parties consider consequential impacts of COVID-19 and maintaining read performance for further discussion within UIG Workgroup.	All	Pending