

Uniform Network Code Committee
Minutes of Meeting 225 held on
Thursday 18 August 2022
Via Teleconference

Attendees			
Voting Members:			
Shipper Representatives		Transporter Representatives	
D Fittock (DF), Corona Energy and on behalf of S Mulinganie D Morley (DM), Ovo Energy M Bellman (MB), ScottishPower O Chapman (OC), Centrica R Fairholme (RF), Uniper		A Travell (AT), BUUK D Mitchell (DMi), SGN G Dosanjh (GD), Cadent J Bates (JB), National Grid NTS T Saunders (TS), Northern Gas Networks and on behalf of R Pomroy	
Non-Voting Members:			
Chairperson	Ofgem Representative	Consumer Representative	Independent Supplier Representative
W Goldwag (WG)	J Semple (JS)		
Also, in Attendance: E Rogers (ER), Xoserve - CDSP Representative; K Elleman (KE), Joint Office; M Bhowmick-Jewkes (MBJ), Joint Office; R Hailes (RH), Joint Office			

Copies of all papers are available at: <http://www.gasgovernance.co.uk/uncc/180822>

225.1 Note of any alternates attending the meeting

D Fittock for S Mulinganie
T Saunders for R Pomroy

225.2 Apologies for Absence

S Mulinganie, SEFE Energy
R Pomroy, Wales & West Utilities

225.3 Minutes and Actions from the previous meeting

The 21 July 2022 meeting minutes were approved.

225.4 Review of Actions

None.

225.5 Matters for the Committee's Attention

a) Implementation of Modification 0674V – update from PAC

R Hailes (RH) explained that a communication would be issued on behalf of the Performance Assurance Committee (PAC) to the industry to notify them of the changes arising from the implementation of the Modification 0674V – *Performance Assurance and Techniques and Controls*. The Modification will be implemented on 01 November 2022 with a 6-week transition thereafter.

RH advised that this Modification will formalise the performance assurance techniques PAC already uses, but with two notable exceptions being introduced:

- 1) PAC can now mandate training for parties,
- 2) PAC can mandate audits including appointing the auditor.

RH noted that at present one Shipper is attending escalation meetings. Generally, PAC has a good history of holding a dialogue with Shippers and have managed to improve Shipper performance across all Profile Classes.

D Fittock (DF) noted that S Mulinganie (SM) has made the following comments:

I would also like to understand the division of roles and responsibilities in light of the step change in arrangements following the authority approval of Mod 0674 and the decision to rollover the existing contract which presumably does not price in the changes arising. My assumption was that the PAFA is the primary delivery mechanism for the PAC (akin to the Code Manager PAB function under the REC) with PAC as the management committee and Xoserve being in an observer role. Then PAFA should be doing all the heavy lifting and therefore should be able to directly access industry data to enable them to fulfil this role with Xoserve providing peripheral IT support. Either way we should have cost transparency in terms of the scope of the PAC services and who is being paid to do what and when.

RH explained that whilst the Performance Assurance Framework Administrator (PAFA) works on behalf of the PAC, Xoserve's role is that of the Central Data Service Provider (CDSP) and as such they provide the data PAFA requires.

RH also noted that requesting clarity on costs was not within the remit of PAC but rather the DSC Contract Management Committee.

RH suggested that there would be greater cost visibility and transparency if Xoserve, as the CDSP, were performing the PAFA role as there would be a DSC Service Line showing cost transparency. However, Ofgem did not appoint Xoserve as the PAFA.

E Rogers (ER) agreed with this view.

WG noted that creating a culture of transparency was important.

M Bellman (MB) suggested that it would be beneficial for the industry to have sight of the PAC cost breakdown, including reporting and internal support costs. MB added this breakdown could be provided as a DSC Service Line or published alongside PAC cost documents or as part of Xoserve's Business Plan, as they are related to performance.

MB drew UNCC's attention to Fiona Cottam's (FC) slides presented at the August PAC meeting¹, providing a view of what works PAFA will carry out. MB noted that these works are usually included as part of PAC's usual costs.

RH advised that PAFA did not agree in entirety with the role attributed to them. ER explained that Xoserve and the PAFA will be discussing this to resolve the concerns.

RH raised the issue of the rollover of the existing contract between Xoserve and the PAFA which ends in June 2023, noting that this decision had been made outside of the UNC or PAC. RH suggested that the decision should have perhaps been taken in a more formal manner and recorded.

MB explained that the PAC Members had agreed this and as such were within their rights to take the decision, albeit via email.

A Travell (AT) suggested that it was important to ask Xoserve how the contract had been extended and whether there were any constraints in doing so. AT added that clarifying this was about Xoserve's governance processes rather than PAC. ER acknowledged this and noted she would seek clarity around this.

UNNC 08/01: CDSP (ER) to seek clarity around how the PAFA contract had been extended and whether there were any constraints in doing so.

ER added that she was already internally reviewing the issue of cost transparency in terms of activities which can be complicated and outside BAU.

RH added that as part of implementing Modification 0674V, PAC voting will remain unchanged and the CDSP will be seeking a Performance Assurance Contact for each User.

225.6 AOB

a) Derogation Guidance Document

T Saunders (TS) advised that the Derogation Guidance Document has been updated and will be published ahead of the next UNCC meeting.

b) Proposed Amendments to PAC Terms of Reference

RH advised that PAC is looking to amend their Terms of Reference (ToR) to reduce the risk of loss of continuity, as currently there is a risk of losing all the knowledge from preceding year when Members change.

RH noted that to mitigate this, PAC is proposing a staggered two-year term for all PAC Members from October 2023.

RH added that under Modification 0674V PAC can now change their own ToR, and the amended ToR will come into effect in 2023.

WG asked what the terms of office are for the other UNC Sub Committees. RH explained that these are also for one year, but no concerns had been raised by them. For information Panel and UNC Committee Members serve a 2 year term.

The Committee agreed that having continuity was beneficial.

225.7 Next Meeting

The next meeting will be on 15 September 2022, immediately after the UNC Modification Panel meeting on that date.

Action Table (18 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNCC 08/01	18/08/22	225.5 a)	CDSP (ER) to seek clarity around how the PAFA contract had been extended and whether there were any constraints in doing so.	CDSP (ER)	Pending

¹https://www.gasgovernance.co.uk/sites/default/files/ggf/2022-08/4.1%20Mod%200674%20Intro_Aug_22.pdf