

UNC Performance Assurance Committee Minutes

Tuesday 14 January 2020

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

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alex Travell	(AT)	Transporter Member
Alison Wiggett *	(AW)	Shipper Member (<i>until 2pm</i>)
Carl Whitehouse *	(CW)	Shipper Member
Edward Fyfe *	(EF)	Transporter Member
Fiona Cottam	(FC)	Observer, Xoserve
Karen Kennedy	(KK)	Shipper Member
James Rigby	(JR)	Observer, Xoserve
Jonathan Dixon *	(JD)	Ofgem (<i>until 1pm</i>)
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
Max Pemberton	(MP)	Observer, Xoserve
Neil Cole	(NC)	Observer, Xoserve
Sallyann Blackett	(SB)	Shipper Member
Sara Usmani	(SU)	PAFA
Sean Cooper	(SC)	Shipper Member
Shelley Rouse	(SR)	PAFA

Apologies

(none)

* *via teleconference*

Copies of non-confidential papers are available at: www.gasgovernance.co.uk/pac/140120

1. Introduction and Status Review

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

1.1 Apologies for absence

None pre-advised.

1.2 Note of Alternates

None required.

1.3 Quoracy Status

The Committee meeting was confirmed as Quorate.

1.4 Review of Minutes (10 December 2019)

The minutes of the previous meeting were approved.

1.5 Approval of Later Papers

The Committee approved two late papers (which had been discussed and agreed at the previous meeting):

2.3 AQ At Risk Statistics (late paper 10 January 2020)

2.4 NDM EUC09 Count by Class Update (late paper 09 January 2020)

Shelley Rouse (SR) wished to discuss the recent communication issued by the Joint Office on the 09 January 2020 in relation to the provision of meeting papers. RH confirmed that the communication had been issued to clarify the requirement for the Joint Office to publish meeting papers 5 clear working days ahead of all meetings in line with the Modification Rules. It was noted that this would require all PAC papers to be published by 5pm on the Monday a week before the PAC meeting.

SR challenged the need to set the deadline for *provision* of papers 5pm on the Friday 7 working days before the meeting if the Joint Office are not looking at these until the Monday. She suggested if the Joint Office are not processing papers until the Monday, papers could be accepted until 9am on the Monday to allow publication later that day. RH reiterated the need for the Joint Office to efficiently manage a wide variety of incoming papers for many different meetings, often under considerable time pressure. SR also wished to express concern that with the need to provide meeting papers on a Friday, the PAFA will lose a day to produce papers and this will cause challenges due to the timing of data availability coming from the CDSP, Xoserve. SR wished to reiterate a point raised last month on the classification of meeting papers and emphasised there is a difference between speaker notes and papers that require a decision.

Mark Bellman (MB) enquired whether the PAFA documentation for PAC could start to be produced earlier by Xoserve/CDSP. However, a counter concern was expressed highlighting the desire to produce reports with data as up to date as possible rather than potentially outdated or incomplete data. MB suggested there are options the PAC may wish to consider, such as running the reports earlier or moving the meeting to a week later.

The Committee considered the ability of PAFA to produce the reports each month on time for the provision deadline. The Committee discussed the timing of the data extract by Xoserve which normally takes place on the 15th of each month and whether it was worth considering moving the meeting to the 3rd Tuesday of the month rather than the second Tuesday.

James Rigby (JR) briefly explained the process for data extraction and production of supporting files, this included producing portfolio snapshots.

MB stressed the need to provide ample time for reporting information in support of PAC's role.

It was agreed that Xoserve and PAFA would look at the 2020 planned meetings, the timing of the data extracts and the production of PAFA reports to consider what options may be available to ensure the publication deadline can be met for each meeting in 2020.

It was suggested that the options could include Xoserve extracting data a day earlier, moving certain PAC meetings or pre-agreeing late papers for particularly time-constrained months.

New Action 0101: Xoserve and PAFA to review the 2020 scheduled meetings and consider the potential options available (e.g. extract data earlier, move meetings, pre-approve late papers) to support the timely provision of meeting documentation.

New Action 0102: PAFA and Xoserve to provide clarity on the process of data provision outlining what processes are followed and a timeline illustrating the critical dates.

1.6 Review of Outstanding Actions

PAC 1106: Xoserve (FC) and PAFA (SR) to start the process to update PARR Reports to include Modification 0654 PARR Specification.

Update: FC confirmed PAFA have started the process for preparing the PARR section and Xoserve have reviewed the sections and provided comments back to PAFA. FC explained that the developmental and UNCC approval process needs to be considered. RH suggested a further PAC Development meeting may wish to be convened following the 20 January open meeting. **Carried Forward.**

PAC 1107: Xoserve (FC) and PAFA (SR) to ensure the scope of the 0654 PARR is added to Huddle.

Update: FC confirmed this had been undertaken. **Closed.**

PAC 1110: All to review the Table on Product Class churn effects of live Modifications (published on the 10 Dec 2019 PAC Meeting page).

Update: The Committee considered the illustration provided in December by FC and published on the December meeting page. MB thanked FC for the slide noting that he found the summary useful, but he suggested the scenarios and examples would help to ensure there is no unintended 'bouncing' of sites.

FC summarised each of the decision boxes on the flow diagram and particular failure scenarios where a Class is not meeting its Class target. FC explained that the movement should be no more frequent than 3 months.

MB enquired about Modification 0692S - Automatic updates to Meter Read Frequency, which would reset the read frequency to monthly; he asked if this would benefit from an illustration. Louise Hellyer (LH) who proposed the Modification, believed resetting the read frequency wouldn't have a consequence, she explained this may impact other processes but would not move a site between classes.

MB welcomed the conversation as he found it useful but he still wished to see the scenarios, to see examples of the particular combinations which could result in multiple site class changes.

Alex Travell (AT) suggested a further illustration for class changes to illustrate the different UNC Modifications that change site class, would help visualise the processes. FC agreed to update the diagram and provide examples of what would happen for different scenarios. **Closed.**

New Action 0103: Xoserve to update the Product Class Churn Table and provide site movement scenarios.

PAC 1201: Joint Office (HC) to circulate Document 4 to all PAC Members.

Update: Scope definition Document (Document 4) Version 1.0 11 January 2017 was sent to PAC members and alternates on 10 December 2019. **Closed.**

PAC 1202: Xoserve (FC) to ensure Document 4 PAFA Scope Definition is updated.

Update: FC explained she was still unsure of the value of this document in its current form. FC provided the background for the document and confirmed that it was now out of date.

MB stressed the importance of having an up to date document, further noting that Modification 0674 - Performance Assurance Techniques and Controls, would impact the document further.

MB believed that PAC needed to have a definitive framework document, to capture what is in place with PAFA and to ensure the PAFA and other parties are currently delivering what has been requested. He explained as PAC members do not see the PAFA contract (as it is a bilateral contract between Gemserv and Xoserve) the industry should have an outline of what has been scoped with the PAFA. MB stressed the importance of having Document 4 up to date and that it should be in line with the current contract, noting that this runs until end June 2020. SR wished to understand if there were any known differences. MB went on to enquire about the PAFA renewal process beginning July 2020 and ensuring there is a contract in place. He specifically asked when the extension contract would be in place for the period beginning July 2020.

It was agreed that the Scope definition document needed actively reviewing. PAC members agreed to review the document and feedback what they believe the requirements are. RH offered to collate these and forward to Xoserve/CDSP.

SR was keen to understand if there are any mismatches between what is currently being delivered and what members would like and this to assess whether the PAFA could accommodate additional requests. It was suggested a word version should be circulated for members to provide marked up changes via the Joint Office.

FC agreed to review the current PAFA contract and mark-up what elements of the contract are in and not in the scope document. **Carried Forward.**

New Action 0104: PAC members to review Document 4 PAFA Scope Definition and provide feedback to Xoserve via the Joint Office, on what they believe the requirements are.

New Action 0105: Xoserve to provide an overview of what is in the current PAFA contract providing a marked-up Document 4 PAFA Scope Definition capturing any mismatches.

PAC 1203: Joint Office (HC) to re-publish Document 4 PAFA Scope Definition once approval has been provided from Xoserve.

Update: It was agreed to close this action until the document is updated. **Closed.**

PAC 1204: Joint Office (RH), PAFA (SR) to consider potential dates for an additional PAC Development meeting in January.

Update: RH confirmed a meeting had been organised for Monday 20 January 2020.

The Committee discussed the expectations of the meeting on 20 January. SR explained that the intention will be to consider the 2020 workplan, the project plan, risk topics and collate feedback on any additional ideas going forward. Sean Cooper (SC) asked what PAC wanted to achieve and if on the 20th there are elements which PAC may wish to discuss in a closed forum. He suggested there was some legitimate PAC business that needed development. MB believed there was a separation for some aspects in the work required. The Committee considered splitting the meeting into two parts and whether it was possible to develop some areas without divulging the identity of poor performing Shippers.

Karen Kennedy (KK) was concerned that by having open meetings that parties may not understand the context of some of the issues. KK asked about some of the development work being undertaken by PAFA. KK believed PAC are in a position to understand what needs to be undertaken and what aspects of the reporting need to change to support PAC's role.

FC wanted to consider Agenda Items within Section 5 which captured all the inflight UNC Modifications with PARR/PAC elements. She wished the meeting to consider each of the Modifications to understand what reports need to be delivered. She believed there was a need to validate all the reports and for PAC to feedback into the Workgroups. FC explained that there will be no commercially sensitive data presented at the open meeting. However, PAC will need to consider what data is required to support the Modifications that have a requirement for performance monitoring. This was an opportunity to ensure the PAC reporting properly supported the Modifications and delivered the right information for PAC to operate.

The Committee considered the Agenda for 20 January on screen and the need to have high level discussions around performance scenarios rather than individual Shipper performance. PAC

recognised that the Open meeting provided an opportunity for all parties to feed into development discussions.

MB asked members to consider that a closed meeting may still need to be organised to run through the PAFA processes. **Closed.**

PAC 1205: Xoserve (JR) to provide supporting articulation as to the logic being deployed in the PARR Reports. i.e. 'what is going on' in the PARR Report Dashboard.

Update: JR confirmed that work had commenced and is ongoing. He suggested that the action should be carried forward and reworded to capture that Xoserve are looking at providing further clarity on the logic being deployed for each topic.

KK had concerns about the alignment between the Shipper reports and DDP changes. JR enquired how Shippers are using the Shipper Packs and DDP reports. SC explained the internal reports are also used within his organisation to monitor performance. **Carried Forward.**

PAC 1206: Joint Office (RH/HC) to establish if the PAC Documents; Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register should be published on the UNC Related Document page at: <http://www.gasgovernance.co.uk/tpddocs>.

Update: RH confirmed that a post meeting note had been provided within last month's minutes to confirm that both the Performance Assurance Framework Document referenced in paragraph TPD Section V16.1.1(d); and (h); and the Performance Assurance Report Registers referenced in paragraph TPD Section V16.5.1. are listed as a UNC Related Document within TPD Section V12.1. They are therefore correctly published at: <http://www.gasgovernance.co.uk/tpddocs>.

FC explained that there appears to be some duplication as there is a long form document and short form document. It was agreed this needed further consideration offline. **Carried Forward.**

PAC 1207: Xoserve (FC) and Joint Office (RH) to review the governance of the Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register.

Update: It was agreed this needed further consideration offline in line with Action 1206. **Carried Forward.**

2. Monthly Performance Assurance Review Items

2.1 Risk & Issues Register Review (PAFA)

Shelley Rouse (SR) confirmed there was no update for this month. The amended PAC Document 3 Risk Register Approach (Version 6.0) is published at: <http://www.gasgovernance.co.uk/PAC>.

2.2 PARR Report Review - Dashboard update (PAFA)

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

January Industry Performance Observations:

- Two Shipper cases were presented to the PAC who had previously submitted a performance improvement plan at the request of the PAC due to poor performance against the PARR reports.
 - PAC members were happy with the improvements made to date and appreciated all the hard work that the Shippers had put in to improve performance.
- PAFA presented analysis on read performance in the PC4 market for Shippers with monthly read meters.
 - Performance appears to be poor across industry and this remains an area of concern for the PAC. Shippers operating in this market will be contacted by their CAM to ensure they

are submitting reads before PAC turns to a more targeted approach, which would involve improvement plans.

2.3 AQ at Risk Update (FC)

FC provided a presentation to update the Committee on the AQ at risk statistics, reminding parties that due to the timing of data availability the publication for this item will always need to be provided and thus reviewed at short notice.

FC explained that the UIG Task Force had developed a set of prototype reports that focus on “AQ at Risk” due to lack of meter readings and provided a breakdown of Meter Points:

- Class 1 no reads for 3 months (daily read requirement)
- Class 2 no reads for 3 months (daily read requirement)
- Class 3 no reads for 3 months (batched daily read requirement)
- Class 4 AQ >293,000 kWh – no reads for 3 months (monthly read requirement)
- Class 4 AQ <293,000 kWh, Smart/AMR equipment recorded on UK Link – no reads for 3 months (should be read monthly)
- Class 4 AQ <293,000 kWh, without Smart/AMR equipment recorded on UK Link – no reads for 15 months (should be read annually)

The total AQ at risk was 43 tWh of AQ, a circa 8% of the LDZ portfolio, that hasn't had a reading. Class 1, Class 2 and Class 4 Smart/AMR had increased noticeably since the last report.

FC reported that there has been a significant improvement in Class 2, offset by Class 3 and both Class 4 monthly categories, overall worsening from 7.8% of national AQ to 8.4% in December.

11 Shippers have 58% of the total AQ at risk. In each case there is a clear top 2-3 Shippers in AQ terms, except for Class 4 >293,000 where there are 6 Shippers which account for over 80% of the risk.

SC recognised that some parties are having a bigger impact than others. SR enquired if there would be value in requesting a PARR Report to monitor this going forward. FC suggested Xoserve wouldn't want to cause any duplication with the current Modifications being considered. MB suggested if a requirement is established through a Modification, any agreed reporting could be adapted rather than duplicated.

The Committee considered what follow up action should be undertaken for the poor performance. KK challenged what action can be taken if there are no formal AQ at Risk PARR Reports and questioned what the performance is demonstrating. KK questioned that if a Shipper's read performance is achieving 90+% what Shipper actions could PAC legitimately ask for. KK also enquired if there was a process change in flight to take into account AQ, not just read performance.

MB challenged this stating that PAC should be aiming to address observed poor performance.

The Committee considered the amount of data available and that this is not contained in a PARR Report so PAFA does not know the identity of the Shippers. The Committee considered whether PAFA could be provided with the identity of the Shippers to enable communications and highlight the observations PAC have made.

It was recognised this performance would be contributing to Unidentified Gas (UIG) and that steps should be taken. The committee discussed that it should not be constrained from communicating observations they believe should be addressed.

It was agreed to raise awareness of the identified performance and an item should be added to key messages regarding the Volumes of AQs at Risk which will have a direct impact on UIG.

2.4 EUC09 Count by Class Update (FC)

FC recapped that the UIG Task Force had identified sites with AQs over the Class 1 threshold that are still in Class 3 or 4, noting that the obligations are set out in UNC TPD Section G1.6.15. FC explained that these sites should be re-confirmed as Class 1 by the Shipper after 3 consecutive AQ calculations above the threshold in a six-month period, or after 18 months if every calculated AQ is above the threshold.

She clarified that these sites could be contributing to daily UIG if their usage pattern is very different to the EUC09B NDM profile. This is being tracked by Xoserve to monitor the situation. The statistics indicate there are two Class 3 or Class 4 sites, a total AQ 0.1 tWh (decrease of 1 site), three Class 2 sites, with a total AQ 1.8 tWh (an increase of 2 sites, plus 2 sites which are over the threshold and close to qualifying criteria (total 0.1 tWh), and there are 7 sites over threshold, not close to qualifying (total 0.4 tWh).

FC provided a graph to illustrate the count by class and the AQ by class and confirmed information is shared with CAMs. FC explained that there are signs that sites are being addressed as 13 of the Red sites had a meter reading loaded in December. Of the 14 sites this month, 9 were present in the last update, and 5 were new.

3. Review of Potential Changes to Performance Assurance Reporting and PARR

3.1 Modification 0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4 (MJ)

Discussion postponed until 20 January 2020.

3.2 Modification 0674 - Performance Assurance Techniques and Controls (MB)

Discussion postponed until 20 January 2020.

3.3 Modification 0699 - Incentivise Read Submission Performance using additional Charges (SC)

Discussion postponed until 20 January 2020.

3.4 Any Other changes

Discussion postponed until 20 January 2020.

4. Committee Matters for Attention

4.1 Unintended consequences - Product Class churn (FC)

See Action 1110. No further discussion required.

4.2 Data Discovery Platform (DDP) Update (DN/JR)

JR provided an update on the upcoming DDP Drops, advising of the 15 January deadline for the "go/no go" decision for the next Drop.

JR confirmed Drop 4 will be undertaken in March and Drop 5 will be undertaken in June.

JR reported that the AQ related changes were scheduled for Drop 5 in June, and by June all 11 PAC topics will have been addressed. Going forward there was a need to consider and agree how to manage legacy reports.

JR confirmed that the decision to go live for XRN4779 will be taken this week. It was anticipated this change will be added to the change schedule which will involve the production of 8 new PARR reports. He clarified that PAFA will expect to start seeing the reports by the end of the week (17 January 2020).

MB enquired if there ought to be a role for PAC members to attend key Committee meetings to ensure Committees/workgroups are kept abreast of PAC developments/requirements. It was suggested that PAFA may be able to undertake the role of briefing different meetings.

The Committee considered the ability to add extra responsibilities to the PAFA role and how this can be varied. It was suggested that PAC members may wish to be represented at the UNC Panel, DSC Change Management Committee, DSC Contract Management Committee and Workgroups for all performance related Modifications.

PAFA were asked to consider representing PAC and to provide a proposal for further consideration.

New Action 0106: PAFA (SR) to provide a one-page proposal for representing PAC at key industry meetings for PAC to formally approve.

4.3 Standards of Service Liabilities Report (information only)

The Standards of Service report was provided to the Committee for information only. No observations were raised this month.

5. Any Other Business

5.1 Gas Corrector Removals Risk

LH explained that Total Gas & Power had received a request from a customer wanting to remove a corrector at a particular site. This was to save the cost of having a corrector on site and the associated metering costs. LH explained she had difficulty finding any grounds on why this could not be done but wished to consider the consequences of removing a corrector.

It was questioned whether this risk should be considered by PAC to understand what is at risk, what are the grounds for having a corrector fitted and when can a corrector be removed.

MB referred to the Thermal Energy Regulations, he believed a site with a certain threshold needed to have a corrector. However, it was not clear when a site breaches the threshold how this triggers the requirement to fit a corrector or what happens if consumption drops below the threshold.

RH suggested contacting the AUGE to enquire if they have a view on removing correctors.

The Committee considered who installs a corrector and may be able to provide some background information. It was unclear within the group what the obligations were for the installation and removal of correctors. Without the appropriate knowledge or expertise PAC considered who would be best to approach for more information.

RH questioned if there was an associated risk that PAC should consider.

It was agreed that a better understanding was required to establish if there is an issue with sites that should have but don't have correctors or have correctors and want them removed. PAC needed a better understanding to establish if there was a risk for PAC to monitor.

It was agreed further investigation was required. The Committee considered several contacts for Total to engage with and suggested raising discussions within the Distribution Workgroup where it was believed the right expertise would be able to provide further insight.

6. Next Steps

6.1 Key Messages – PAFA

SU confirmed that PAFA would provide an overview of the Key Points from today's meeting. The PAC Key Messages will be published at:

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

7. 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 January 2020	5pm Friday 10 January 2020	Radcliffe House, Blenheim Court, Warwick Road,	Agenda published

Open Meeting		Solihull, B91 2AA	
10:30, Tuesday 11 February 2020	5pm Monday 03 February 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda
10:30, Tuesday 10 March 2020	5pm Monday 02 March 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30, Tuesday 14 April 2020	5pm Monday 06 April 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda

PAC Action Table (as at 14 January 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 include Modification 0654 PARR Specification.	Xoserve (FC)	Carried Forward
PAC 1107	12/11/19	4.5	Xoserve (FC) and PAFA (SR) to ensure the scope of the 0654 PARR is added to Huddle.	Xoserve (FC) PAFA (SR)	Closed
PAC 1110	12/11/19	6.9	All to review the Table on Product Class churn effects of live Modifications (published on the 10 Dec 2019 PAC Meeting page).	All	Closed
PAC 1202	10/12/19	1.5	Xoserve (FC) to ensure Document 4 PAFA Scope Definition is updated.	Xoserve (FC)	Carried Forward
PAC 1203	10/12/19	1.5	Joint Office (HC) to re-publish Document 4 PAFA Scope Definition once approval has been provided from Xoserve.	Joint Office (HC)	Closed
PAC 1204	10/12/19	1.6	Joint Office (RH), PAFA (SR) to consider potential dates for an additional PAC Development meeting in January.	Joint Office (RH) PAFA (SR)	Closed
PAC 1205	10/12/19	2.2	Xoserve (JR) to provide supporting articulation i.e. 'what is going on' in the PARR Report Dashboard.	Xoserve (JR)	Carried Forward
PAC 1206	10/12/19	3.2	Joint Office (RH/HC) to establish if the PAC Documents; Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register should be published on the UNC Related Document	Joint Office (RH/HC)	Further consideration Carried Forward

			page at: http://www.gasgovernance.co.uk/tpddocs		
PAC 1207	10/12/19	3.2	Xoserve (FC) and Joint Office (RH) to review the governance of the Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register.	Xoserve (FC) Joint Office (RH)	Further consideration Carried Forward
PAC 0101	14/01/20	1.5	Xoserve and PAFA to review the 2020 scheduled meetings and consider the potential options available (e.g. extract data earlier, move meetings, pre-approve late papers) to support the timely provision of meeting documentation.	PAFA (SR) Xoserve (FC)	Pending
PAC 0102	14/01/20	1.5	PAFA and Xoserve to provide clarity on the process of data provision outlining what processes are followed and a timeline illustrating the critical dates.	PAFA (SR) Xoserve (FC)	Pending
PAC 0103	14/01/20	1.5	Xoserve to update the Product Class Churn Table and provide site movement scenarios.	Xoserve (FC)	Carried Forward
PAC 0104	14/01/20	1.5	PAC members to Review Document 4 PAFA Scope Definition and provide feedback to Xoserve via the Joint Office, on what they believe the requirements are.	PAC Members	Pending
PAC 0105	14/01/20	1.5	Xoserve to provide an overview of what is in the current PAFA contract providing a marked-up Document 4 PAFA Scope Definition capturing any mismatches.	Xoserve (FC)	Pending
PAC 0106	14/01/20	4.2	PAFA (SR) to provide a one-page proposal for representing PAC at key industry meetings for PAC to formally approve.	PAFA (SR)	Pending