

UNC Performance Assurance Committee Minutes
Tuesday 17 October 2023
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Shipper Members (Voting)		
Alison Wiggett	(AW)	Corona Energy
Andy Knowles	(AK)	Utilita Energy
Catriona Ballard	(CB)	Brook Green Trading Limited
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Paul Murphy	(PM)	ESB Generation & Trading (Alternate)
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Ltd
Transporter Members (Voting)		
Tom Jenkins for Jenny Rawlinson	(TJ)	BU UK
Sally Hardman	(SH)	SGN
Tom Stuart	(TS)	Northern Gas Networks
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HB)	PAFA/Gemserv
Neil Cole	(NC)	CDSP
Rachel Clarke	(RC)	PAFA/Gemserv
Peter Ratledge	(PR)	PAFA/Gemserv
<p><i>PAC meetings will be quorate where there are at least four Shipper User PAC Members and two Transporters (DNO and/or IGT) PAC Members with a minimum of six PAC Members in attendance.</i></p> <p><i>Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: https://www.gasgovernance.co.uk/PAC/171023</i></p>		

1. Introduction

Kate Elleman (KE) welcomed all parties to the meeting.

1.1 Apologies for absence, Note of Alternates, Quoracy Status

Apologies

Jenny Rawlinson

Alternates

Tom Jenkins for Jenny Rawlinson

Quoracy Status

The Committee meeting was confirmed as being quorate (at the commencement of the meeting).

1.2 Approval of Minutes (12 and 18 September 2023)

The minutes from the previous meetings were approved.

1.3 Approval of Late Papers

KE confirmed that the Risk and Issues update was received late, which was expected.

1.4 Review of Outstanding Actions

Action PAC0901: *Reference Request for Information (RFI) Analysis – PC3 & PC4 Meter Reading Submission – CDSP (FC) and PAFA (AJ)* to consider how best to signpost the Performance Assurance Industry Engagement Session being held on 22 September 2023 to those that need it based on the RFI.

Update: The meeting was held on 22 September 2023. **Closed**

New Action PAC0902: PAFA to draft a letter to be issued to Shippers to advise them of PAC's decision to approve their Performance Improvement Plans and what to expect. The draft is to be emailed to the PAC for approval.

Update: Rachel Clarke (RC) confirmed the letters have been issued to Shipper parties. **Closed**

New Action PAC0903: Joint Office (KE) to update the PAC ToR for PAC to review at the October 2023 meeting.

Update: KE provided a view of the change marked Terms of Reference (ToR) showing the addition of the avoidance of doubt statement.

PAC members were asked to vote for approval of the changes, the results were recorded as follows:

Andy Knowles (AK) asked if PAC have the autonomy to amend their own Terms of Reference, KE clarified that PAC can update the ToR as documented as part of Modification 0674 implementation and that there is still a reporting line into the UNCC, where PAC advise the ToR has been updated, but UNCC does not need to approve the amendments.

AK also noted that he prefers the wording to not include reference to a PAC vote, but just that *Shrinkage is outside the vires of PAC*.

Steve Mulinganie (SM) clarified that the sentence should remain, as it is shown PAC did take a vote at the last meeting to approve the amended wording. AK confirmed he is happy with the wording as shown.

Vote: PAC to approve the amended Terms of Reference			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	NP	
2	Andy Knowles		For
3	Catriona Ballard		For
4	Colin Paine		For
5	Graeme Cunningham		For
6	Louise Hellyer		For
7	Paul Murphy		For
8	Sallyann Blackett		For
9	Steve Mulinganie		For
Total		8	For
Transporters Representatives		Voting Count	For/Against

1	Tom Jenkins		For
2	Sally Hardman		For
3	Tom Stuart		For
Total		3	For
Voting Outcome: Unanimous approval			

KE confirmed that the Joint Office will publish the updated Terms of Reference which will be viewable here: <https://www.gasgovernance.co.uk/pac>.

Action PAC0903 Closed

2. PAFA Contract (separate meeting invite)

Minutes taken separately.

3. Matters for Committee Attention

3.1 Annual Review 2023 – Feedback

Rachel Clarke (RC) provided an updated and advised that the Annual Review 2023 is currently awaiting the consultation window to close out on 30 October 2023.

A successful session was held on 03 October, where Slido was used as a tool for attendees to interact with PAFA on the live polls that were undertaken, PAFA received good feedback from attendees to the meeting, the Request for Information (RFI) that PAC has just carried out was discussed and next steps were covered.

The Poll results will be included in the wider annual review feedback that will be delivered at the November 2023 PAC meeting.

It was suggested that a reminder that the consultation is due to close on 30 October 2023 should be issued and RC will provide the wording for the reminder.

It was requested that some time may need to be set aside for November 2023 for PAFA to provide more detail from the consultation, the length of this agenda item will depend on the amount of feedback received from the consultation.

3.2 Feedback from Performance Assurance Industry Engagement Session

Peter Ratledge (PR) advised this session went well, was well attended, and had a good cross-section of attendees.

The Q&As that PAFA is able to provide answers for will be published on the Gas Performance Assurance Portal (**GPAP**), attendees should then review the responses provided.

When FC asked how the attendees would be made aware of the material that is available, PR advised that PAFA will send a formal notification and noted that those attendees that have no access to GPAP can request access or the information can be emailed to them.

RC added that the recording from the session will be saved in the secure area of GPAP.

It was requested that some time may need to be set aside for November 2023 for PAFA to provide more detail from the session.

SM noted that there is no link to GPAP as an area for access on the Performance Assurance Committee web page on the Joint Office website if on the Joint Office website how does a reader know that GPAP exists?

New Action PAC1001 – Joint Office (KE) to add the location of GPAP to the PAC web page.

4. Monthly Performance Assurance Review Items

KE requested that the actual Shipper names are provided on the reports provided for these agenda items.

Meter Read Validity:

PAFA provided an update in regard to Meter Read Validity, which was previously raised at the May and June 2023 PAC meetings. PAFA presented refreshed statistics where there was a correlation between poor meter read validity performance (>20% logic check failure rate) and associated meter read performance (<70% read performance) for PC3 & PC4 categories for the reporting period March 2023 – August 2023. There were seven Shippers highlighted as having a correlation between high meter read validity (MRV) failure volumes and low read performance levels. PAC undertook discussions on the best way to reach out to these Shippers to understand their reasons behind such high MRV failure volumes and unanimously voted for PAFA to issue observation letters.

New Action PAC1002: PAFA to draft a letter to be issued to the seven Shippers in relation to Meter Read Validity. The draft is to be emailed to the PAC for approval.

4.1 PARR – Shipper Performance Analysis (Holistic Matrix)

PAFA provided an update in terms of the output of the HPM in the four Product Class categories and also provided an update in respect of Performance Improvement Plans (PIPs).

- No new parties have fallen on or below the Performance Improvement Plan criteria.
- One Shipper issued with a request for a PIP for PC2 and PC3 is in communication with PAFA regarding combining both plans and issuing for review.
- Four other Shippers issued with plan requests within PC3 have now submitted their plans which were approved by PAC at the September 2023 meeting.
- One Shipper issued with a plan request within PC4 has now submitted their plan and it was approved by PAC at the September 2023 meeting.

Vote: PAC to approve that PAT 20.3 Party Communication is utilised for PAFA to issue a letter to the three PC3 Shipper parties and the 5 PC4 Shipper parties

Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett		For
2	Andy Knowles		For
3	Katie Ballard		For
4	Colin Paine		For
5	Graeme Cunningham		For
6	Louise Hellyer		For
7	Paul Murphy		For

8	Sallyann Blackett		For
9	Steve Mulinganie		For
Total		9	For
Transporters Representatives		Voting Count	For/Against
1	Tom Jenkins		For
2	Sally Hardman		For
3	Tom Stuart		For
Total		3	For
Voting Outcome: Unanimous approval			

New Action 1003: Performance Improvement Plan (PIP) Update - PAFA to add the HPM score at the point active monitoring started and the current score.

4.2 RFI Subgroup Update – Product Classes 3 & 4

PAFA provided an update on the PAC sub-group meetings held on the 19 and 25 September 2023 to discuss the RFI responses and next steps. Discussions were undertaken on the best ways forward in regard to notifying the industry.

New Action PAC1004: PAFA to write to the parties involved in the RFI to thank respondents and provide a summary of what has been identified and highlighted so far.

4.3 Performance Plans – Entry/Exit Requirements

PAFA presented Performance Improvement Plan (PIP) application considerations and the feedback on the same from PAC members, including when to request and when to cease these plans. Discussions were undertaken between PAC members on the best ways forward and unanimously voted to adapt the below exit/entry criteria suggested within the slides on pages 6 and 10;

- Entry Criteria:
 - Proactive – General Stakeholder Engagement
 - Pro-active – Targeted Pre-Engagement (At Risk of Active Monitoring)
 - Entering Active Monitoring via a Performance Assurance Technique.
- Exit Criteria:
 - Exiting Active Monitoring via a Performance Assurance Technique.
 - Post Active Monitoring Review.

New Action 1005: PAC members to review and consider the ‘Further Areas of Consideration’ presented within the slide pack (Disputed Improvement Plan Request, Combining Plans, Stretch Targets and Continuous Improvement) and to feedback any comments they may have in relation to these to PAFA@gemserv.com.

New Action 1006: Joint Office (KE) to write to SEC about the issues raised in the RFI.

New Action 1007: PAC members to consider the principles around the Further Areas of Consideration and feedback to PAFA:

- Disputed Improvement Plan request;
- Combining Plans;
- Stretch Targets and
- Continuous Improvement

New Action 1008: PAFA (PR) to consider how the Holistic Performance Matrix could work based on Shipper size (e.g. small medium large)

Vote: Do PAC agree with PAFA adopting the entry and exit criteria as presented on slides 6 & 10 on the presentation provided.			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett		For
2	Andy Knowles		For
3	Katie Ballard		For
4	Colin Paine		For
5	Graeme Cunningham		For
6	Louise Hellyer		For
7	Paul Murphy		For
8	Sallyann Blackett		For
9	Steve Mulinganie		For
Total		9	For
Transporters Representatives		Voting Count	For/Against
1	Tom Jenkins		For
2	Sally Hardman		For
3	Tom Stuart		For
Total		3	For
Voting Outcome: Unanimous approval			

4.4 Risk & Issues Register Update

Performance Assurance Committee (PAC) members were presented with an update in respect of six risks. The PAFA presented the following, for their attention:

- **PC1 Reads:** PR reported a decrease in the Value at Risk (VAR) by 41% across 2022 -2023. Read Performance and the average number of sites have increased whilst the average AQ has decreased by 11% which is reflected in the decrease in energy impact of the risk. The risk rating in the register is 5 (highest priority). No immediate actions were required. The risk will be reviewed at next refresh point (January 2024).
- **PC2 Reads:** PR reported a decrease in the Value at Risk (VAR) by 60% across 2022 - 2023. Read Performance and the average number of sites have increased whilst the average AQ has decreased by 25% which is reflected in the decrease in energy impact of the risk. This decrease could be due to the implementation of UNC Modification 0664VVS Transfer of Sites with Low Meter Reading Submission Performance from Classes 2 and 3 into Class 4. Relevant monitoring will continue. The risk rating in the register is 3 (medium priority). No immediate action is required at this juncture. The risk will be reviewed at the next refresh point (January 2024).
- **No Meter Recorded:** PR reported an increase in the Value at Risk (VAR) by 33% across 2022 - 2023. The primary factor for the large increase in VAR is due to the increasing volume of Supply Points (SPs) with no meter recorded.

The risk rating in the register is 2 (lower priority). The CDSP is proactively working with Shipper parties where associated meter dataflows continue to be submitted and no meter is recorded. The risk will be reviewed at the next refresh point (January 2024).

- **Correction Factor > 732,000kWh:** PR reported a decrease in the Value at Risk (VAR) by 5% across 2022 - 2023. There has been a decrease in the volume of SPs with a Standard Correction Factor over the reporting period which is reflected in the small decrease in energy impact of the risk.

The risk rating in the register is 2 (lower priority). No further actions are required at this juncture. This will be reviewed at the next refresh point (April 2024).

- **Correction Factor < 732,000kWh:** PR reported an increase in the Value at Risk (VAR) by 31% across 2022 - 2023. It is the substantial increase in the volume of SPs which has resulted in the increase in energy impact of the risk.

The risk rating in the register is 1 (lowest priority). No immediate actions are required at this juncture. This will be reviewed at the next refresh point (April 2024).

- **Isolated Sites with Progressive Reads:** PR reported a decrease in the Value at Risk (VAR) by 76% across 2022 – 2023. Over the reporting period there has been a steady decline in the volume of isolated SPs whereby the registered Shipper is attempting to provide meter reading data (therefore suggesting that the SP is not isolated and is consuming gas). The volume of affected SPs has remained relatively static since March 2023.

The risk rating in the register is 1 (lowest priority). No immediate actions are required at this juncture. This will be reviewed at the next refresh point (April 2024).

Any questions/feedback on the content of the slides presented, please email PAFA@gemserv.com.

4.5 Transporter Performance Monitoring Update

KE advised there is no further update and clarified that a separate Escalation Meeting is required for the November 2023 PAC meeting, which is a follow-up of the May 2023 Escalation Meeting.

5. Update on Potential Changes to Performance Assurance Reporting and PARR

5.1 Review of New Modifications

KE provided a brief overview of the current batch of new UNC Modifications with potential interest for the PAC:

Modification	Current Status
0856 - Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)	Approved by September 2023 UNC Modification Panel. Next Workgroup meeting 02 November 2023.
0857 - Revision to the Determination of Non-Transmission Services Gas Year Target Revenue	Approved by September 2023 UNC Modification Panel. Next Workgroup meeting 07 November 2023.
0858S - Amendment to Network Entry Provision at Shell St Fergus Terminal	Approved by September 2023 UNC Modification Panel. Consultation closes 19 October 2023
0859 - Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (as introduced by UNC0814)	Reporting to October 2023 UNC Modification Panel.

0860 - Clarify impact of exit capacity holdings on offtake rights	Reporting to October 2023 UNC Modification Panel.
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Ellie Rogers (ER) noted that there may be an impact on Settlement with Modification 0856 - Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR) which aims to create a framework to enable National Gas Transmission (NGT) to run time-limited trials for NDM DSR with the aim of gathering data, contributing towards longer term thinking, allow risks to be better understood and may increase the pre-emergency tools available.

KE confirmed she will advise UNC Modification Panel on Thursday 19 October 2023 that PAC are aware of this Modification and will monitor its progress and agreed to add this Modification to the PAC agenda as a standard item going forward.

This discussion prompted a question from PR who asked if there is a central repository for Modifications where impacts on Settlement are noted and KE recognised it would be a good record to update and present for this agenda item.

KE agreed that the Joint Office will create a log for review at each meeting and clarify its contents with Xoserve to ensure all Modifications that may impact the Settlement are captured.

New Action PAC1009: Joint Office (KE/HB) to create a log of outstanding Modifications that may impact Settlement to be used for PAC review at each meeting.
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6. Any Other Business

6.1 User Representative Appointment Process (Tenure & Confidentiality Letters)

KE highlighted that Alternate members are required for Alison Wiggett; Andy Knowles and Steve Mulinganie and to let the Joint Office know as soon as possible.

Using the table below KE provided an update on the members and their Alternates that are yet to return the confidentiality letters and urged them to do so as soon as possible.

Shipper Member	Organisation
Alison Wiggett	Corona Energy
Andy Knowles	Utilita Energy
Phil Broom	ENGIE Gas Shipper Ltd
Graeme Cunningham	Centrica
Oorlagh Chapman	Centrica
Andrew Jones	TotalEnergies Gas & Power
Anthony Diccico	ESB Independent
Kirsty Dudley	E.ON
Steve Mulinganie	SEFE Energy Limited
Transporter Member	Organisation
Tom Stuart	WWU

6.2 PAC Meeting Start Time

PAC members were asked to consider the start time for PAC meetings and agreed that the PAFA contract sessions will be held between 09:30 – 10:00.

7. Key Messages

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

8. Diary Planning

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

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday 14 November 2023	17:00 Monday 06 November 2023	Teleconference	Standard Agenda
10:00, Tuesday 12 December 2023	17:00 Monday 04 December 2023	Teleconference	Standard Agenda

PAC Action Table

Action Ref	Meeting Date	Min Ref	Action	Owner	Status Update
PAC0901	12/09/23	1.6 (PAC0601)	Reference Request for Information (RFI) Analysis – PC3 & PC4 Meter Reading Submission - CDSP (FC) and PAFA (AJ) to consider how best to signpost the Performance Assurance Industry Engagement Session being held on 22 September 2023 to those that need it based on the RFI.	CDSP (FC) and PAFA (AJ)	Closed
PAC0902	12/09/23	2.1	PAFA to draft a letter to be issued to Shippers to advise them of PAC’s decision to approve their Performance Improvement Plans and what to expect. The draft is to be emailed to the PAC for approval.	PAFA	Closed
PAC0903	12/09/23	4.1	Joint Office (KE) to update the PAC ToR for PAC to review at the October 2023 meeting.	Joint Office (KE)	Closed
PAC1001	17/10/23	3.2	Joint Office (KE) to add the location of GPAP to the PAC web page.	Joint Office (KE)	Pending
PAC1002		4.0	PAFA to draft a letter to be issued to the seven Shippers in relation to Meter Read Validity. The draft is to be emailed to the PAC for approval	PAFA	Pending
PAC1003	17/10/23	4.1	Performance Improvement Plan (PIP) Update - PAFA to add the HPM score at the point active monitoring started and the current score.	PAFA	Pending
PAC1004	17/10/23	4.3	PAFA to write to the parties involved in the RFI to thank respondents and provide a summary of what has been identified and highlighted so far.	PAFA (AJ)	Pending
PAC1005		4.3	PAC members are to review and consider the ‘Further Areas of Consideration’ presented within the slide pack (Disputed Improvement	PAC Members	Pending

			Plan Request, Combining Plans, Stretch Targets and Continuous Improvement) and to feedback any comments they may have in relation to these to PAFA@gemserv.com		
PAC1006	17/10/23	4.3	Joint Office (KE) to write to SEC about the issues raised in the RFI.	Joint Office (KE)	Pending
PAC1007	17/10/23	4.3	PAC members to consider the principles around the Further Areas of Consideration and feedback to PAFA: Disputed Improvement Plan request; Combining Plans Stretch Targets Continuous Improvement	PAC members	Pending
PAC1008	17/10/23	4.3	PAFA (PR) to consider how the Holistic Performance Matrix could work based on Shipper size (e.g. small medium large)		Pending
PAC1009		5.1	Joint Office (KE/HB) to create a log of outstanding Modifications that may impact Settlement to be used for PAC review at each meeting		Pending