

UNC Performance Assurance Committee Minutes
Tuesday 13 February 2024
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
Lee Greenwood for Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Paul Murphy	(PM)	ESB Independent
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Ltd
Transporter Members (Voting)		
Jenny Rawlinson	(JR)	BU-UK
Sally Hardman	(SH)	SGN
Tom Stuart	(TS)	Northern Gas Networks
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
James Hill	(JH)	AUGE – Engage Consultancy
Josie Lewis	(JL)	CDSP
Neil Cole	(NC)	CDSP
<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/130224</i></p>		

1. PAFA Contract (09:30 – 10:00)

Separate minutes are available for PAC Members.

2. Introduction

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

2.1 Apologies for absence, Note of Alternates, Quoracy Status

Apologies – Rachel Clarke – PAFA
 Graeme Cunningham

Alternates – Lee Greenwood for Graeme Cunningham

Quoracy Status - Quorate

2.2 Approval of Minutes (16 January 2023)

The minutes from the previous meetings were approved.

2.3 Approval of Late Papers

No late papers.

2.4 Review of Outstanding Actions

PAC1001: Joint Office (KE) to add the location of the Gas Performance Assurance Portal (GPAP).

Update: <https://thegpap.co.uk> link to be added on the launch of the updated Joint Office website.

This action will remain open until the new website has been launched. **Carried Forward**

PAC1008: PAFA (PR) to consider how the Holistic Performance Matrix could work based on Shipper size (e.g. small medium large).

Update: Anne Jackson (AJ) provided an update on the consideration of how the Holistic Performance Matrix could work incorporating Shipper size (e.g. small; medium; large).

AJ highlighted that this was discussed as part of strategic Workshops when the matrix was being developed and it was considered that portfolio size was not seen to be effective on overall outcomes. AJ further clarified that PAFA has concluded that incorporating Shipper size is not necessary as long as the AQ has been included in the matrix. A discussion around the use of League tables took place. **Closed**

PAC0101: PAFA (AJ) to review and amend the RFI questions based on the Committee comments, share the final version with PAC and submit to the next 0851R Workgroup meeting, on 25 January 2024, (at short notice).

Update: This action was covered as part of Agenda item 3.2. **Closed**

PAC0102: PAFA is to review the Early Engagement Letter trigger score and bring it to PAC next month.

Update: This action was covered as part of Agenda item 4.1. **Closed**

PAC0103: PAFA to draft a letter to issue to parties incorrectly utilising AQ Correction Code 2 'Change in Consumer Plant' and issue to PAC for approval.

Update: This action was covered as part of Agenda item 3.3. **Closed**

PAC0104: Joint Office (KE) to update the Terms of Reference and the Workgroup Report Template to include Workgroup Impact Assessment of Settlement.

Update: KE confirmed this action has been completed. **Closed**

3. Matters for Committee Attention

3.1 AUGE Update

James Hill (JH) the current AUGE from Engage Consulting attended the PAC to provide an update on some of the things that AUGE look at that interact with PAC interests.

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. A copy of the presentation for this agenda item is available at: <https://www.gasgovernance.co.uk/PAC/130224>.

Agenda

- Key Updates to highlight to PAC
- Update of issues with this year's UIG numbers
- Remainder of issues

No Read at Line in the Sand - Slide 5

JH noted there has been a marked improvement since last year and the year before, the graph on this slide depicts performance data going back to 2021.

Isolated Sites – Slide 6

JH explained the graph shown on this slide depicts the number of isolated sites with advancing reads suggesting the site is not isolated. These sites have seen a general increase over the last year.

Dead Sites – Slide 7

JH advised that these sites appear to be consuming gas, and the volume of sites in this area has seen a steady increase.

Prepayment numbers - Slide 8

For information, JH showed that despite recent improvements, large numbers of gas prepayment meters are not identified in CDSP data.

Issues Log - Slides 9 to 12

JH ran through some of the issues logged and highlighted the key areas.

Next Steps

In summary, JH noted that the focus for this area was just around 3 or 4 particular areas, No Read at Line in Sand; Isolated Sites; Dead Sites and Prepayment numbers.

The Chair thanked JH for attending and confirmed that AUGÉ will be invited back to the October/November meeting later in the year for a further update.

3.2 0851R – RFI Questions

AJ provided an update on feedback from discussions held at the last 0851R Workgroup regarding the draft RFI questions.

AJ shared the up-to-date version of the RFI Letter and opened up discussions on the following areas, advising her intention to update the letter to the final version and issue it to PAC for comment post this meeting:

- The Workgroup requested an introduction be placed in the letter explaining PAC involvement and that any information received is confidential to PAFA.

Question 1:

When SM asked for clarification on the proposed Question 1, AJ explained that submission deadlines are a requirement, and it is known that organisations do validate their readings, the RFI is trying to identify if the organisation is checking at the 25-day target or not and if they are checking against other validation requirements.

Question 2:

The questions in this section seek to understand the validation of readings that are not utilised, and what might occur to them.

Question 3

AJ clarified the Request 0851R focus:

Under UNC TPD, M, 5.9.4, Shippers have 25 Supply Point Systems Business Days (SPSBD) after the read date to submit a read for settlement. Where there's an issue preventing the read from being validated, and that issue is not resolvable within the 25 SPSBD timeframe, the read becomes unusable. This is highly problematic for meter reads that are hard to retrieve. It needs addressing because enabling valid reads to be entered into settlement decreases settlement imbalance, unbilled, Unidentified Gas (No reads at Line in the Sand is a UIG contributor), manual AQ fixes, repeated costs for additional site visits, and time and money spent on must-reads.

PAC considered the table of SPBDs categorisation and agreed on the following milestones:

0-10 SPBDs
11-25 SPBDs
26-45 SPBDs
46-60 SPBDs
61-80 SPBDs

Question 4

AJ explained this question aims to understand if the readings are used solely for billing purposes and not Settlement, and if so, why.

Suggested re-wording for this question was agreed: *What % of reads used for customer billing do not get submitted for Settlement and why?*

AJ confirmed she will make the agreed amendments and issue them for PAC review. This will then be returned to the 0851R Workgroup on Thursday 22 February for consideration.

Post Meeting Note:

AJ has updated the RFI Letter which has been issued to PAC for review and feedback.

3.3 Use of AQ Reason Codes

The Chair explained there was a lengthy debate held at the last meeting regarding misusing AQ reason codes and that there have been some offline conversations between PAFA/CDSP and the Joint Office around the potential actions PAC could consider for incorrect use of AQ Reason Codes.

The PAC considered a number of actions, in summary, the discussion and agreement are as follows:

- Use a Performance Assurance Technique (PAR) such as Audit or Dispute.
 - KE confirmed one of the other PATs that could be used is to report to Ofgem.
 - AJ confirmed that UNC does have a breach of the Code covered, which is termination, but in this scenario, this would be unhelpful/not viable.
 - AJ noted that the Audit PAT might not work as this would simply verify what the organisation has proposed.
- KE suggested a three-strikes approach is introduced whereby a senior contact is requested to attend PAC and explain why they continue to misuse an AQ Reason Code.
- Another option was to introduce a Modification (which would need a sponsor) that introduces additional system validation and amends TPD G 2.3.31 to cover all reason codes.
- Additional system validation by CDSP against Reason Code 2 without an accompanying Modification.

- AJ highlighted that PAC has also dealt with the misuse of AQ Reason Code 2 in the past. At the time, Parties were asked not to use it and, in both cases, both parties ceased using the incorrect code, but they were not asked to accrue any benefits they may have had. It was agreed that the Customer Advocate teams have a role to play in ensuring Parties are clear about what they can and cannot do.
- LH suggested using Key Messages as a means to communicate that usage of AQ Reason Codes is an area PAC is looking at and providing a list of the reason codes that are not to be used.
- Fiona Cottam (FC) confirmed that the system updates for Modifications 0816 and 0819 are in the February Release and will introduce extra reason codes for 0816 with 0819, the vacant AQ process is currently under solution development.
- Consideration of an additional system change to be included for the change being incorporated for *Modification 0819 - Establishing/Amending a Gas Vacant Site Process*. It was confirmed it is too late to get any validation changes into the system under this Modification.

PAC considered the above actions and agreed that the following groups would be updated to advise that PAC are applying more focus on the misuse of AQ Reason Codes:

- Provide an update on the Key Messages that are published monthly here: <https://www.gasgovernance.co.uk/pac/summarykeymessages>
- CDSP to provide an update at the next Shipper Constituency Forum
- Add an AOB item at the DSC Contract Management Committee meeting

KE noted Tom Stuart (TSt) has highlighted an Ofgem open letter on *energy supplier obligations and performance in relation to the prevention and identification of energy theft relating to energy theft in GB* dated 14 November 2023. KE showed this onscreen and drew attention to the following sentence:

- i. *We would like to remind suppliers that code obligations are not guidelines, such as the meter read performance in the UNC, but obligations.*
- ii. PAC confirmed their common understanding that this is more of a badly worded sentence than the suggestion that code obligations are guidelines with PAC confirming they are obligations.

4. Monthly Performance Assurance Review Items

4.1 Early Engagement Letters:

The PAC unanimously agreed that the trigger score for the 'Early Engagement' letters be raised by two points above the action threshold rather than the previous one point as recommended by PAFA. This will result in parties who reach a score of 17 in PC1 – 3 and 27 in PC4 being issued with a letter drawing attention to their poor performance and advising that remedial action be taken to avoid further direct scrutiny from PAC. This decision should address concerns raised where parties being issued with an early engagement letter had already dropped below the threshold, due to the lag in received data, and before they have time to take any action.

Vote:

Vote: Approve raising the threshold for Early Engagement Letters			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	1	F

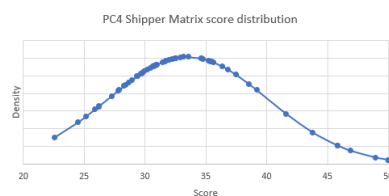
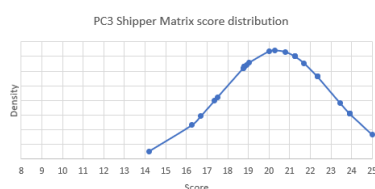
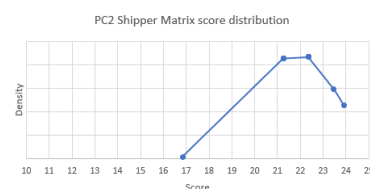
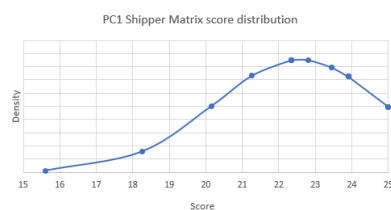
2	Andy Knowles	1	F
3	Harry Hailwood	1	F
4	Colin Paine	1	F
5	Graeme Cunningham	1	F
6	Louise Hellyer	1	F
7	Paul Murphy	1	F
8	Sallyann Blackett	1	F
9	Steve Mulinganie	1	F
Total		8	For
Transporters Representatives		Voting Count	For/Against
1	Jenny Rawlinson	1	F
2	Sally Hardman	1	F
3	Tom Stuart	1	F
Total		3	For
Voting Outcome:			
The threshold for early engagement letters is to be raised.			

4.2 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).

- Two Shippers previously issued with a request for a Product Class 3 PIP have provided a plan and subsequently shown positive improvements in their HPM score and overall performance over the last three months. In line with the agreed criteria, both will be issued with letters to advise that ‘active’ monitoring of the Party against their agreed Plan will be discontinued while the Party continues implementing it.
- One Shipper party issued with a request for a Product Class 3 PIP has shown positive improvements in their HPM score, however, have yet to send in their formal PIP for PAC approval. They will not be taken off ‘active’ monitoring until a PIP has been received and approved by PAC.
- The PAC were shown graphs of the distribution of Shipper scores in the HPM in each Product Class. In each graph, the proportion of shippers meeting UNC requirements for the factors incorporated in the HPM is shown on the extreme right and the poor-performing Shipper outliers are shown towards the left.

POOR PERFORMERS IN EACH MARKET



4.3 Risk & Issues Register Update

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

- PC3 Reads: AJ reported a decrease in the Value at Risk (VAR) by 59% across November 2022 – November 2023. Read Performance across the year has increased, whilst the average number of sites and the associated average AQ has decreased. The combination of these factors is reflected in the large decrease in energy impact of the risk. It was also noted that there has been a visible reduction in the volume of PC3 Supply Points (SPs) since May 2023 following the implementation of UNC Modification 0664VVS – Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4.
- The risk rating in the register is 3 (medium priority). PAFA will continue to monitor, and the risk will be reviewed at the next refresh point (May 2024).
- PC4 Monthly Reads: AJ reported an increase in the Value at Risk (VAR) by 4% across November 2022 – November 2023. Read Performance, the average number of sites and the associated average AQ have all increased. The net effect in Read Performance and portfolio size is the primary factor for the slight increase in the energy impact of the risk.
- The risk rating in the register is 5 (highest priority). PAFA will continue to monitor, and the risk will be reviewed at the next refresh point (May 2024).
- PC4 Annual Reads: AJ reported a decrease in the Value at Risk (VAR) by 15% across 2022 - 2023. Read Performance, the associated average AQ and the number of sites have all decreased which is reflected in the decrease in energy impact of the risk.
- The risk rating in the register is 5 (highest priority). PAFA will continue to monitor, and the risk will be reviewed at the next refresh point (May 2024).
- AMR Monthly Reads: AJ reported a decrease in the Value at Risk (VAR) by 8% across November 2022 – November 2023. Read Performance has stayed the same across the period whilst the associated average AQ has decreased, this combination is the reason for the decrease in energy impact of the risk.
- The risk rating in the register is 2 (lower priority). No immediate actions are recommended at this juncture. This will be reviewed at the next refresh point (May 2024).
- AMR Annual Reads: AJ reported an increase in the Value at Risk (VAR) by 74% across November 2022 – November 2023. Read Performance across the year has decreased, however, the associated average AQ has increased substantially, and this combination has resulted in the increase in the energy impact of the risk which is of marginal value.
- The risk rating in the register is 2 (lower priority). No immediate actions are recommended at this juncture. This will be reviewed at the next refresh point (May 2024).
- A question was asked in relation to whether there should be any SPs in this category following the implementation of UNC Modification 0692S – Automatic Updates to Meter Read Frequency. The PAFA will review this ahead of next month's meeting.
- Rejected PC4 Annual Reads: AJ reported a decrease in the Value at Risk (VAR) by 33% across November 2022 – November 2023, due to a decrease in the rejected read volumes, the number of PC4 annual SPs and the associated average AQ.
- The risk rating in the register is 3 (medium priority). No immediate actions are recommended at this juncture. This will be reviewed at the next refresh point (May 2024).

- Rejected PC4 Monthly Reads: AJ reported an increase in the Value at Risk (VAR) by 219% across January 2023 – November 2023. The Rejected read volumes, the number of PC4 Monthly SPs and the associated average AQ have all increased and the combination of these is the reason for the substantial increase in energy impact of the risk.
- The risk rating in the register is 3 (medium priority). As this is the second period of increased risk in this area, the PAFA will look to liaise with the CDSP to gain a better understanding of the impact that more recently implemented modifications that result in the reclassification of SPs have on risk levels and their volatility. PAFA will look to feed back any findings at the March 2024 PAC meeting.
- Any questions/feedback on the content of the slides presented, please email PAFA@gemserv.com

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

5.1 Review of New Modifications

Modification	Purpose
0868 - Change to the current Allocation of Unidentified Gas Statement frequency	This Modification proposes to extend the current annual process for the production of the Allocation of Unidentified Gas (AUG) Statement to a [3] [Three] yearly process.

The Chair confirmed that this new Modification will be presented for consideration to the UNC Modification Panel on 15 February 2024.

5.2 Review Modifications with Potential Impacts on Settlement

PAC reviewed each Modification that currently has TBC status as a Settlement Impact and the report was updated accordingly.

KE provided clarification that the Modification Workgroup Report template has now been updated for the addition of Settlement Impact in the Impacts & Other Considerations section for Workgroups to consider the settlement impact of Modifications.

It was agreed that Joint Office and PAFA representatives, Helen Bennett and Helen Bevan will raise awareness of this at CACoP.

New Action 0201: Joint Office (Helen Bennett) and PAFA/Gemserv (Helen Bevan) to raise awareness at CACoP that Settlement Impact has been added to the UNC Workgroup Report.

6. Any Other Business

6.1 Confidentiality Letters

PAC members and Alternates are reminded that the Confidentiality letters issued before Christmas are to be signed and returned to the Joint Office as soon as possible, she confirmed that we are awaiting the last 4 or 5 signed letters to be sent back to us.

7. Key Messages

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

8. Diary Planning

PAC meetings are listed at: <https://www.gasgovernance.co.uk/PAC>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday 12 March 2024	17:00 Monday 04 March 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 16 April 2024	17:00 Monday 08 April 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 14 May 2024	17:00 Monday 06 May 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 11 June 2024	17:00 Monday 03 June 2024	Microsoft Teams	Standard Agenda

PAC Action Table					
Action Ref	Meeting Date	Min Ref	Action	Owner	Status Update
PAC1001	17/10/23	3.2	Joint Office (KE) to add the location of the Gas Performance Assurance Portal (GPAP).	Joint Office (KE)	Carried Forward
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).	PAFA (PR)	Closed
PAC0101	15/01/24	3.1	PAFA (AJ) to review and amend the RFI questions based on the Committee comments, share the final version with PAC and submit to the next 0851R Workgroup meeting, on 25 January 2024, (at short notice).	PAFA (AJ)	Closed
PAC0102	15/01/24	4.1	PAFA is to review the Early Engagement Letter trigger score and bring it to PAC next month	PAFA (RC)	Closed
PAC0103	15/01/24	4.3	PAFA to draft a letter to issue to parties incorrectly utilising AQ Correction Code 2 'Change in Consumer Plant' and issue to PAC for approval.	PAFA (RC)	Closed
PAC0104	15/01/24	5.1	Joint Office (KE) to update the Terms of Reference and the Workgroup Report Template to include Workgroup Impact Assessment of Settlement	Joint Office (KE)	Closed
PAC0201	13/02/24	5.2	Joint Office (Helen Bennett) and PAFA/Gemserv (Helen Bevan) to raise awareness at CACoP that Settlement Impact has been added to the UNC Workgroup Report.	Joint Office (Helen Bennett) and PAFA/Gemserv (Helen Bevan)	Pending