

UNC Performance Assurance Committee Minutes
Tuesday 16 April 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
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
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)		
Tom Jenkins alternate for Jenny Rawlinson	(TJ)	BU-UK
Sally Hardman	(SH)	SGN
Tom Stuart	(TSt)	Wales & West Utilities
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
Ellie Rogers	(ER)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Josie Lewis	(JL)	CDSP
Lee Greenwood	(LG)	Centrica
Mark Perry	(MP)	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/160424</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 and advised that Andy Knowles has moved roles within Utilita Energy and is no longer a PAC member, therefore, the current membership will remain at 8 members with all vacancies hopefully being filled during the annual User Representative Process.

2.1 Apologies for absence, Note of Alternates, Quoracy Status

Apologies

- Catriona Ballard
- Rachel Clarke
- Fiona Cottam

Alternates Tom Jenkins for Jenny Rawlinson

Quoracy Status Quorate from the start of the meeting

2.2 Approval of Minutes (12 March 2024)

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 refreshed website has been launched. **Carried Forward**

PAC0201: 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.

Update: Helen Bennett (HB) confirmed that CACoP were informed at their meeting on 05 April 2024. **Closed**

PAC0301: PAFA (AJ/RC) to draft an Industry letter regarding the unacceptable use of AQ Correction Codes and issue for post-meeting approval.

Update: This was covered as part of Agenda item 3.1.1. **Closed**

3. Matters for Committee Attention

3.1 Not Meeting UNC Requirements – PAC Approach

Anne Jackson (AJ) introduced this agenda item by providing a reminder that the PAC discussed the PAC's approach to parties not meeting UNC requirements, PAFA took action (Action PAC0301) to consider the PAC's approach in these situations.

AJ provided a presentation which highlights the most pertinent points from the *UNC TPD V Section 16 – Performance Assurance*.

The presentation consists of consideration of UNC TPD V – General, Section 16, the Performance Assurance Techniques (PATs) available to PAC, consideration of the application of PATs, conclusions, and recommendations. The presentation is published here: <https://www.gasgovernance.co.uk/PAC/160424>.

AJ recommended that all PAC members refresh themselves by reading the whole of section 16.

AJ provided a walkthrough of the Performance Assurance Techniques including how they can be used:

- 1) Monitoring
- 2) Party Communication
- 3) Relevant Third-Party Engagement
- 4) Training
- 5) Request for Resolution Plan
- 6) Request attendance at PAC.
- 7) Publication
- 8) Audit
- 9) Referral to Authority
- 10) RFI

Recommendations

AJ advised that a dedicated PAC Workshop would be beneficial which could include:

- Discuss: Settlement Assurance vs Code Compliance
- Discuss: Continue with 'as-is' or determine 'to-be'
- Consider: additional sanctions, incentives

PAC members feedback:

CP likened the Performance Assurance processes to the electricity process with the Operational Support Management (OSM) process which has a constant dialogue around performance, risks, action plans etc and there is no equivalent role in Gas. In the process's early stages, the OSM will attempt to update PAC.

AJ agreed and commented that PAFA often has feedback when a general letter is sent to parties on their performance, saying it is the first time they have heard there is a problem with their performance, therefore, continual dialogue would be helpful.

SM suggested that at the Workshop, PAC could learn from the other arrangements that do exist from REC and the Performance Assurance Board (PAB).

It was also mentioned that targeted engagement is missing from the process, such as, monthly letter/report, scoring, and comparison matrix.

Action PAC0401: *Not Meeting UNC Requirements – PAC Approach - PAFA (AJ) to consider what the dedicated Workshop would look like, location and if other Code Administrators could be invited.*

It was confirmed that the presentation material could be published on the Joint Office meeting page, here: <https://www.gasgovernance.co.uk/PAC/160424>.

3.1.1. AQ Corrections PAC Statement Letter

AJ introduced the final draft of the AQ Corrections PAC Statement Letter and sought clarification from PAC on the suggestions from members that were made as part of the mail-out of the letter seeking feedback.

AJ shared the feedback received, PAC members reviewed the comments and provided suggestions. In conclusion, an agreement was reached on what the content of the letter should be.

PAC members were asked to approve the agreements made with the caveat that the agreed changes would be reflected in the Final version.

Vote: Issue the AQ Correction Letter			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	1	For
2	VACANCY	-	-
3	Catriona Ballard	NP	-
4	Colin Paine	1	For
5	Graeme Cunningham	1	For
6	Louise Hellyer	1	For
7	Paul Murphy	1	For
8	Sallyann Blackett	1	For
9	Steve Mulinganie	1	For

Total		7	For
Transporters Representatives		Voting Count	For/Against
1	Tom Jenkins - Alternate	1	For
2	Sally Hardman	1	For
3	Tom Stuart	1	For
Total		3	For
Voting Outcome: Approved			

3.2 Draft Modification – Further updates to AQ amendments Process

Josie Lewis (JL) provided an overview of the Draft Modification focussing on its purpose and the solution. The draft is published here: <https://www.gasgovernance.co.uk/PAC/160424>.

Purpose:

This Modification proposes to make further updates to the AQ amendments process within TPD G 2.3. Specifically adding clarity around the use of “eligible cause” G2.3.21 (b) (change in Consumer Plant), as well as ensuring a process for managing instances of [misuse] across all “eligible causes” where identified.

Members commented and clarifications were provided. Discussion points were agreed for when the Modification goes to the Workgroup such as the Vacant Sites process and the Validations process.

Members agreed that the approach for the Modification has 3 stages:

- 1) It will stop any further misuse.
- 2) It clarifies the elements to assess misuse.
- 3) If misuse is identified, the Modification provides the means for something to be done about it, for example, avoided costs to be repaid etc.

Louise Hellyer (LH) commented that there have been instances where this reason code has been used to facilitate an AQ change for legitimate reasons and that she is concerned there could be reasons to continue using it and asked for consideration of what alternative approach is there to get the reads flowing.

SM noted that using the reason code inappropriately is not good, if there are issues that cannot be rectified, Users need to fix the underlying problem.

ER advised that CDSP are looking at holding a Product Class review where AQ corrections will be discussed.

Next Steps

The pre-Modification discussion will be held at the April Distribution Workgroup and submitted to the May UNC Panel.

Self-Governance vs Authority Direction

SM asked for views on which direction this Modification should take suggesting that Modification 0816S was Self-Governance. Colin Paine (CP) noted that reinforcing this is an exception process suggests there is a risk in the process and, therefore could be AD.

ER clarified that the change in the reason code 2 would come out of the DSC Change budget, with a suitable administration cost.

When KE asked, SM confirmed that SEFE Energy is sponsoring the Modification.

To complete the information in the AQ Corrections PAC Statement Letter and enable it to be sent promptly, it was agreed that the Draft Modification should be finalised and submitted so the new Modification can be referenced.

4. Monthly Performance Assurance Review Items

4.1 WAR Band Performance Approach - Deferred to May 2024.

4.2 PARR - Shipper Performance Analysis (Holistic Matrix)

AQ Class 4 Read Performance:

The PAFA highlighted an issue that the CDSP have identified with some data issues with Class 4 AQ Read Performance which is affecting the dashboards and underlying data in DDP. As a result, there is an update on the DDP landing page which highlights the issue and that the CDSP is working on a fix and will expect the solution to be ready in 5 – 6 weeks. The PAFA confirmed that no new Product Class 4 Performance Improvement Plan requests or Early Engagement letters will be issued until the issue is resolved.

2A.7 No Read 1,2,3 or 4:

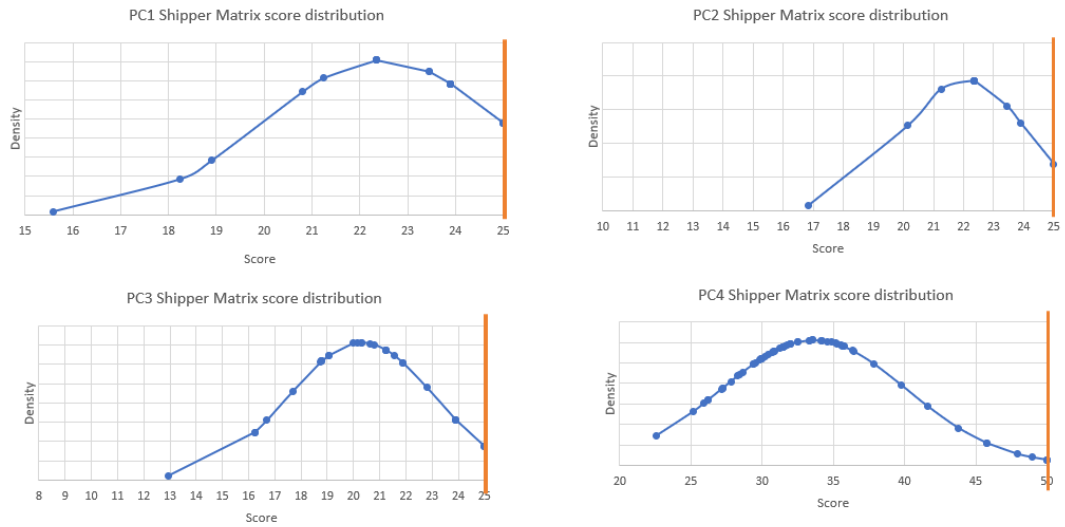
The PAFA highlighted to PAC that they had recently received a question in relation to Modification [0664VVS – Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4](#), and whether there should be any scores within the PARR Report 2A.7 No Read 1,2,3 or 4 for Product Classes 2 or 3 past 1 year, as these should be moved to Class 4 due to the Modification. The PAFA provided the answer from the CDSP that this Modification only moves MPRs from Classes 2 and 3 if the Shipper isn't meeting the UNC requirement for read submission in these classes. Where the target hasn't been met the MPRs will be re-classified into Class 4. Business Rule 10 within the Modification confirms why No Read Reports still need to be considered for Classes 2 and 3.

Holistic Performance Assurance Matrix (HPM):

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).

- One Shipper previously issued with a request for a Product Class 4 PIP has now provided a plan which PAC approved.
- One Shipper has recorded a positive improvement for Product Class 3 over the last three months, and PAC agreed that they can now be taken off 'Active Monitoring'.
- 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. The line on the far right of the graph highlights the maximum score that shippers could achieve thereby meeting UNC requirements.

POOR PERFORMERS IN EACH MARKET



Post Meeting Update from CDSP:

- Modification 0664VVS was implemented February 2023.
- The purpose of the Modification was to create an obligation for Shippers to move Supply Points with low Valid Meter Reading submission performance from Classes 2 and 3 into Class 4, following a consecutive period of poor performance. In the absence of Shipper action, the CDSP will move any Supply Points not moved by the Shipper in such a scenario (after an allowed period of time).
- A new report was added to the PARR to show where SMPs are converted from PC 2/3 to PC4 by the CDSP due to low read submission levels at individual supply points. PARR reference 2A.15 / 2B.18. Example report below:

Example Reports:

Supply Points converted from PC2 or PC3 to PC4 by the CDSP due to low read submission (in accordance with UNC obligations TPD M5.17)							
	Month		Month x+1		Month x+2		Etc
Sub-category	PC2	PC3	PC2	PC3	PC2	PC3	
Identifier A	0	0	0	0	0	0	0
Identifier B	0	0	0	0	0	0	0
Etc							
Total	0	0	0	0	0	0	0

- In terms of the requirements on PAC, this is stated in UNC Section M 5.17.2 and it confirms that PAC have until 31 August to confirm the Applicable Percentage

5.17.2 The Performance Assurance Committee will in respect of a Gas Year by no later than 31 August in the Preceding Year notify Users and the CDSP of:

- (a) the applicable percentage (an “Applicable Percentage”) which shall apply in relation to each Class of Relevant Supply Meter Point for the purposes of determining if a User has satisfied:
 - (i) the Aggregate Valid Meter Reading Requirement;
 - (ii) the Supplier Valid Meter Reading Requirement;
 - (iii) the Individual Valid Meter Reading Requirement,in a Performance Period during the Gas Year; and
 - (b) the number of calendar months in each Performance Period commencing from the first calendar month of the Gas Year.
- Within the May PAC meeting, considering refreshing ourselves with the process so PAC can determine what they want the Preceding Year’s Applicable Percentage (essentially minimum % requirement for performance) to be from the start of the Gas Year.
 - Review in May and then further discussions/decisions in June / July.

4.3 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: AJ reported a decrease in the Value at Risk (VAR) by 4% across 2023 – 2024. Both Read Performance and the average number of sites have increased across the reporting period whilst the average AQ has stayed relatively static.

The risk rating in the register remains at 5 (highest priority).

No immediate actions are currently recommended, and the risk will be reviewed at the next refresh point (July 2024).

PC2 Reads: AJ reported a decrease in the Value at Risk (VAR) by 58% across 2023 –2024. Both Read Performance and the average number of sites have increased across the reporting period whilst the average AQ has decreased.

The risk rating in the register remains at 3 (medium priority). No immediate actions are currently recommended, and the risk will be reviewed at the next refresh point (July 2024).

No Meter Recorded: AJ reported a decrease in the Value at Risk (VAR) by 55% across 2023 - 2024. The primary factor for the large decrease in VAR is due to the decreasing volume of SPs with no meter recorded. There has also been a 20% decrease in no-meter recorded instances across the reporting period.

The risk rating in the register remains at 2 (lower priority). The CDSP have been proactively working with Shipper parties whereby dataflows are being submitted and no meter is recorded. The risk will be reviewed at the next refresh point (July 2024).

Correction Factor > 732,000 kwh: AJ reported a decrease in the Value at Risk (VAR) by 5% across 2022 –2023. There has been a decrease in the average 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 remains at 2 (lower priority). No immediate actions are currently recommended, and the risk will be reviewed at the next refresh point (July 2024).

Correction Factor < 732,000 kwh: AJ reported a decrease in the Value at Risk (VAR) by 6% across 2023 –2024. There has been a decrease in the average AQ of sites that have a non-standard correction factor, however, there has been an increase in the number of sites with a non-standard correction factor without a converter fitted. The net effect of these factors has resulted in a small decrease in VAR.

The risk rating in the register remains at 1 (lowest priority). No immediate actions are currently recommended, and the risk will be reviewed at the next refresh point (July 2024).

Isolated Sites with Progressive Reads: AJ reported a decrease in the Value at Risk (VAR) by 45% across 2023 –2024. There has been a steady decline in the volume of isolated SPs whereby the registered Shipper is attempting to provide meter reading data and also in the associated AQ value over the reporting period. The volume of affected SPs has remained relatively static.

The risk rating in the register remains at 1 (lowest priority). No immediate actions are currently recommended, and the risk will be reviewed at the next refresh point (July 2024).

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 Modifications with potential impacts on Settlement

PAC reviewed the following Modifications that has TBC status as a Settlement Impact and the report was updated accordingly:

0855 - Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident	ER to provide a post-meeting update
0836S - Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067	ER to provide a post-meeting update
0819 - Establishing/Amending a Gas Vacant Site Process	Approved by Ofgem. ER advised the solution is scoped for the November 2024 Release. PAC approval will be sought at either September 2024 or October 2024 PAC.
0816S - Update to AQ Correction Processes	PARR Report is now live.

KE provided clarification that the report would be used as a working document and reviewed monthly.

6. AOB

6.1 AQ Class 4 Read Performance dashboards defect within DDP

SM raised his concern about the email that was issued by CDSP concerning the data issues with Xoserve providing data to the PAFA.

ER advised that DSC Contract Management Committee are discussing this with a lot of actions being taken. To avoid dual governance discussions will continue at DSC Contract Management Committee.

SM highlighted that he is concerned about reputational damage in the way this was communicated which could be seen as undermining PAC credibility.

ER assured that there were no Shippers that hit the criteria to push them into a plan as a result of this.

New Action PAC0402: *AQ Class 4 Read Performance dashboards defect within DDP- CDSP (ER) to ensure pertinent discussions held at DSC Contract Management Committee are fed to PAC.*

6.2 'Raising the Bar'

SM noted that PAC has previously discussed revisiting the triggers for active monitoring and asked when this might come back to PAC for further discussions.

AJ advised this will be coming to the May 2024 PAC.

6.3 Review of PARR

Graeme Cunningham (GC) asked if a review will be held of the PARR Reporting. AJ confirmed this will be coming to a future PAC meeting.

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 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
10:00, Tuesday 16 July 2024	17:00 Monday 05 July 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 13 August 2024	17:00 Monday 02 August 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
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)	Closed
PAC0301	12/03/24	3.1	PAFA (AJ/RC) to draft an Industry letter regarding the unacceptable use of AQ Correction Codes and issue for post-meeting approval	PAFA (AJ/RC)	Closed
PAC0401	16/04/24	3.1	<i>Not Meeting UNC Requirements – PAC Approach</i> PAFA (AJ) to consider what the dedicated Workshop would look like, location and if other Code Administrators could be invited.	PAFA (AJ)	Pending
PAC0402	16/04/24	6.1	<i>AQ Class 4 Read Performance dashboards defect within DDP</i> CDSP (ER) to ensure pertinent discussions held at DSC Contract Management Committee are fed to PAC.	CDSP (ER)	Pending