UNC Performance Assurance Committee Minutes
Tuesday 14 May 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
Catriona Ballard	(CB)	Brook Green Trading Limited
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Sallyann Blackett	(SB)	E.ON
Transporter Members (Voting)		
Jenny Rawlinson	(TJ)	BU-UK
Tom Stuart	(TSt)	Wales & West Utilities
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
David Morley	(DMo)	OVO Energy
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Josie Lewis	(JL)	CDSP
Neil Cole	(NC)	CDSP
Rachel Clarke	(RC)	PAFA/Gemserv
Tom Jenkins	(TJ)	BU-UK

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.

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/140524

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	Paul Murphy Sally Hardman Steve Mulinganie
Alternates	None
Quoracy	Quorate from the start of the meeting

2.2 Approval of Minutes (16 April 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: This has been updated on the current website here: www.gasgovernance.co.uk/PAC/
Closed

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.
Update: Anne Jackson (AJ) confirmed this is an ongoing piece of work and an update will be provided at the June or July 2024 meeting. **Carried Forward**

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.
Update: Ellie Rogers (ER) clarified that AQ Class 4 Read Performance dashboard defects within DDP is being discussed on an ongoing basis at the DSC Contract Management Committee and that anything meaningful will be shared with PAC.

ER highlighted that three actions were responded to at the April CoMC, regarding the Class 4 AQ read performance dashboard issue. Below is a high-level summary but please see the minutes for the April CoMC which can be found here, for the details:

> ***0303:*** *CDSP (DT) to provide insight as to what had been communicated to PAFA regarding the DDP Data and its accuracy, especially AQ at-risk.*
>
> ***Update:*** *A ticket was raised in February which was being investigated by Xoserve. As a result, messaging was added to the DDP website to make parties aware of the issue, however, PAFA was formally notified on 11 March.*
>
> ***0304:*** *CDSP to explain the absence of the DDP Data issue recorded in January 2024 from reporting issued up to and inclusive of March 2024.*
>
> ***Update:*** *Xoserve acknowledged that the issue should have been included in the March 2024 CoMC reporting and apologised for the absence. To prevent this occurring again, Xoserve are looking at their process maps for adding issues to relevant monthly reporting, accompanied by training.*
>
> ***0305:*** *CDSP to provide insight as to the level of DDP data assurance performed*
>
> ***Update:*** *Xoserve explained that it wasn't actually the data item accuracy within the DDP that caused the issue, instead it was with the transfer of data from SAP to DDP. This resulted in that some items inthe DDP were not fully populated. Xoserve are working to fix this issue and prevent it occurring again.*
>
> *It was also agreed that DDP will be added to the DSC Contract Management Committee agenda as an ongoing item to ensure regular updates are provided.*
>
> *A new action was added to this topic from the April CoMC.*
>
> *Actions 0303, 0304, 0305 were all closed at the April CoMC. 0401 will continue as an ongoing agenda item.*

Any significant updates relevant for PAC can be shared from the CoMC. **Closed**

3. Matters for Committee Attention

3.1 0851R RFI Feedback

Anne Jackson (AJ) provided an overview of the results from the mandatory Request for Information that was issued to assist *Workgroup 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window*, noting that the results show that Parties deal with meter readings in different ways which have resulted in very inconsistent results. In summary, these are:

- 81% of respondents validate meter readings within a 25-business-day submission window.
- 16% of respondents do not validate within this window.
- 90% of respondents do not send meter readings that fail validation.
- Most respondents cannot quantify the number of reads not sent to the CDSP due to validation failures.
- On average, 95% of valid readings are submitted within 10 business days, with an additional 3% submitted within 11-25 business days.
- Many organisations lack breakdowns across rejection criteria.
- Only one organisation assessed the impact of changing the 25-day submission window.
- 35% of meter readings requiring remedial work exceed 25 business days for completion.
- 27% of obtained readings necessitate remedial work.

AJ explained that the results do focus on percentages, due to the requirements in Code which refers to Shipper percentages.

Jenny Rawlinson (JR) wondered, of the 23% that did not respond, is it possible to identify what size their portfolios are. AJ advised she does not have that information, but it is available.

New Action 0501: PAFA (AJ) to identify what size the portfolios are of the 23% that did not respond to the 0851R RFI and share with PAC.

When the Proposer of Request 0851R, David Morley (DMo), asked if Parties provided information on the amount of time they would need to remedy meter read issues, AJ clarified that information was not provided by the Parties.

Referring to the RFI Data Analysis provided, AJ noted that respondents started to struggle to provide the information being asked for in **Question 3***. Where remedial actions are taken for any validation issues, what elapsed time (in SPBDs) from the read acquisition date, is required by your organisation to remedy validation failures on average,* and **Question 4.** *Of the actual meter readings your organisation obtains (whether valid or not, but not estimates), what percentage of these reads are successfully loaded into Settlement and /or Customer billing (where known).*

JR commented that, even though this was a mandatory RFI, there was never an expectation that the request would receive a 100% response rate, nor that Parties would know exactly the information that is required. She went on to say, the information that we do have, does provide a valuable industry intelligence and gives PAC a chance to think about Shipper Dashboards, raising the focus of UNC obligations/requirements. It appears to be clear that this is not a high priority for some Shippers, but it should be, the results do provide an understanding of the support that Shippers need which offers PAC the opportunity to gradually educate them.

AJ agreed and added, that when the PAFA ask low-performing Shippers for a plan, some struggle to provide them and now that we have this information, we understand why. It is very clear that Parties have a huge lack of understanding their processes internally and the obligations.

When KE asked how this information will now feed into the 0851R Workgroup, DMo explained that he is currently drafting a Modification and that this RFI was going to inform the benchmarks for the staggered reads and noted that because the process is systematised, most Shippers are sending reads in before the 10 business days, it is the readings that require further work that provide the delays.

DMo added that the report is good and will provide opinion for the rationale and thanked AJ for pulling the information together.

AJ noted that for SMART meters, Parties are getting more readings than they need, for the customer or Settlement. The main reading rejection reason is sending in readings too frequently. DMo added that PC3 Daily Reads was changed to take one reading per week through to Settlement because systems would not be able to cope with the volume of daily readings (the obligation to submit daily reads to the CDSP remains).

Sallyann Blackett (SAB) advised that E.ON have mandated SMART meters to pull hourly readings, which are used for forecasting/trends.

DMo advised that SPAA are implementing an above-average performance benefit and a below-average performance charge which might be something that PAC may wish to consider going forward, but noted this is not in the scope of the 0851R Workgroup.

FC advised that mapping has been completed for the 0851R Workgroup which looked how much longer the read window could be but still only extend Reconciliation and AQ timescales by one additional month~~which looked at what the window would be if the current meter reading window was extended by 1 or 2 months~~, the results showed 40-45 business days, which a lot of people were happy with. Unfortunately, the RFI hasn't given us that specific answer.

The current drafting of the Modification that DMo is working on was emailed to PAC members and PAFA members.

AJ asked PAC for their thoughts and comments that can be sent to respondents of the RFI and for feedback to the UNC0851R Workgroup as a way of acknowledging the information they have submitted, ER suggested: *PAC see some value in having an extension for exceptional cases, but the RFI results have not provided an explicit clear amount of time. Feels like the phasing is important. Saying that exceeding the 25 days is a good idea by PAC.*

JR suggested that the 25 days should be the rule and anything after that should be the exception.

AJ informed PAC that the reason some of the current reporting for PAC is coming 2 months after the relevant calendar month, is due to the need to wait until the last day of the reporting period in question. Therefore extending the meter reading window could impact that and should be considered.

AJ suggested the following considerations and recommendations:

PAC Considerations

Around 23% of Shippers didn't respond despite a two-week extension and it being a mandatory RFI. Processes within the Party are largely automatic but there was a lack of transparency. There's uncertainty about the effectiveness of altering the 25-day cut-off for meter readings. However, most readings are submitted promptly within 10 business days. Meter readings are primarily used for settlement and customer billing, with varying percentages for each category.

Recommendations

To provide the RFI Summary Report, the UNC0851R Considerations slide and a PAC view slide (to be determined) to the Review Group.

To determine the 'PAC view' on settlement accuracy impacts of:

- potential changes to the 25-business day submission requirement and
- potential changes to the submission phasing of meter readings

To determine action(s) going forwards in respect of non-respondents to a mandatory RFI.

Next Steps

Amendment to the draft Modification to change the wording about the staggered benchmark, from 'obtained' readings to 'required' reads.

- Understanding the impact of the non-respondents in terms of what size portfolio they hold because it was a mandatory RFI.
- The RFI report and the Context and Considerations can be shared with the 0851R Workgroup.
- Thank the respondents and recognise the information they have provided.
- Acknowledgment of the Modification that is currently being drafted.
- DMo will look at that wording in the Code and consider changing the wording from Obtained Readings to Required Readings.
- AJ agreed to provide a PAC Feedback Report for the 0851R Workgroup.

4. Monthly Performance Assurance Review Items

The PAFA provided an overview of the ongoing work that they have been undertaking in regard to the PARR Report review. PAFA shared their plans to bring the recommendations to the PAC in prioritised sections. The work includes a summary of the existing report, its purpose, the recommended changes, the justification and proposed templates. The proposals presented were the below high priority reports;

- 2A.5/2B.5 Read Performance.
- 2A.12/2B.15 Class 4 Read Submission Performance as a percentage of portfolio AQ.
- 2A.13/2B.16 Breakdown of AQ overdue for a meter reading.

The PAC decided that as the detail was low level, that they would take the slides away to review the recommendations, provide any feedback for determining the next steps at a future meeting.

New Action 0502: PAC members to review the slides presented by the PAFA ahead of the June PAC meeting with a view to providing feedback and determining next steps at this meeting.

4.1 WAR Band Performance Approach - Deferred to May 2024.

4.2 PARR - Shipper Performance Analysis (Holistic Matrix)

Review of Active Monitoring Triggers:

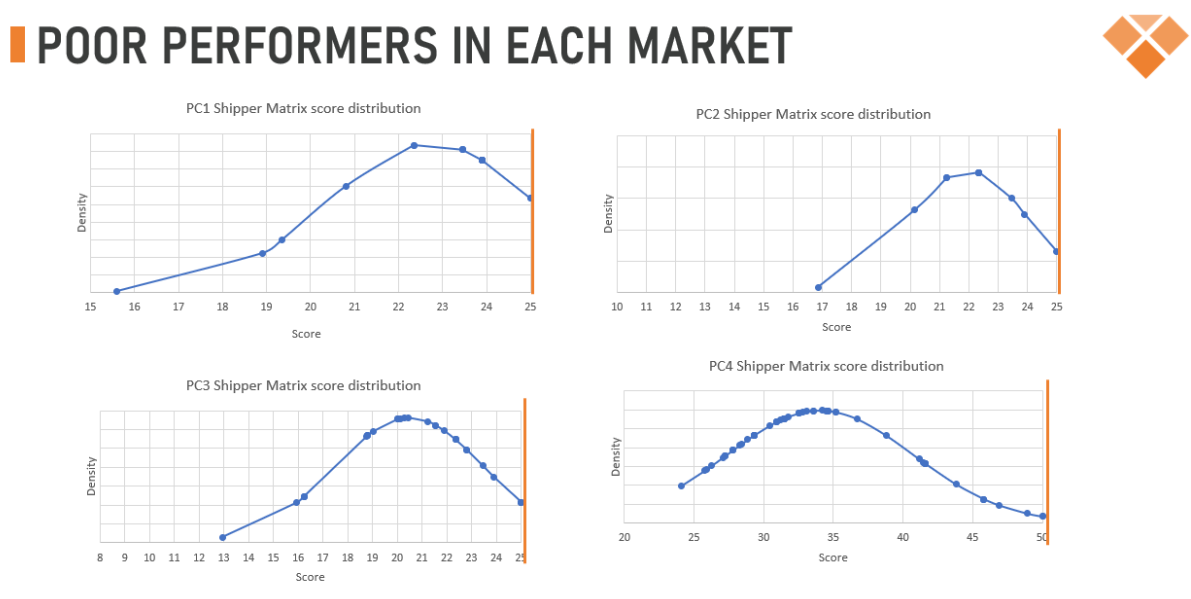
The PAFA presented slides on the Holistic Performance Matrix score thresholds and the possibilities and consequences of moving these. The PAFA advised that moving these thresholds to the current Shipper average of performance will pull more Shippers into the 'engagement window' including the early engagement area. It was also identified that it might also impact parties whose plans are still active but are no longer being actively monitored.

The PAC discussed the possibility of whether other Performance Assurance Techniques (PATs) could be utilised and agreed that a lead time should be considered for any changes to revisions of the thresholds, e.g. 6 months notice to Shippers. The PAC also agreed to hold wider discussions on this at a future Workshop which is to be held to look at the use of PATs and agree possible next steps.

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 has recorded a positive improvement for Product Class 2 over the last four months, however, due to this Shipper having a combined plan for improvements with Product Class 3, which has not shown improvement, PAFA recommended that both classes remain under 'Active Monitoring' until both have shown improvements.
- Any Performance Assurance Techniques (PATs) for Product Class 4 are currently on hold whilst investigations are being undertaken in regard to the issue with AQ Read Performance.
- 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 are 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.



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:

RC reported a decrease in the Value at Risk (VAR) by 57% across March 2023 – March 2024. The read performance across the year has increased, whilst both the average number of sites and the associated average AQ have decreased. The combination of these factors is reflected in the large decrease in energy impact of the risk.

The risk rating in the register remains at 3 (medium priority). The PAFA will continue to closely monitor PC3 read performance, and the risk will be reviewed at the next refresh point (August 2024).

PC4 Monthly Reads:

RC reported a decrease in the Value at Risk (VAR) by 10% across February 2023 –February 2024. Read performance across the year, the average number of sites (due to the implementation of UNC Modifications 0692S and 0664VVS) and the associated average AQ have all increased.

The risk rating in the register remains at 5 (highest priority). The PAFA will continue to closely monitor PC4 Monthly read performance, and the risk will be reviewed at the next refresh point (August 2024).

PC4 Annual Reads:

RC reported a decrease in the Value at Risk (VAR) by 7% across February 2023 – February 2024. Read performance across the year, the number of sites (due to the implementation of UNC Modification 0692S Automatic Updates to Meter Read Frequency) and the associated average AQ have all increased which is reflected in the decrease in energy impact of the risk.

The risk rating in the register remains at 5 (highest priority). The PAFA will continue to closely monitor PC4 Annual read performance, and the risk will be reviewed at the next refresh point (August 2024).

AMR Monthly Reads:

RC reported a decrease in the Value at Risk (VAR) by 10% across February 2023 –February 2024. Read performance across the period has increased whilst the associated average AQ has decreased. The net effect of which is the reason for the slight 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 (August 2024).

AMR Annual Reads:

RC reported an increase in the Value at Risk (VAR) by 18% across February 2023 –February 2024. Read performance across the period and the associated average AQ have increased, the combination of which is the reason for the 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 (August 2024).

Rejected PC4 Monthly Reads:

RC reported an increase in the Value at Risk (VAR) by 78% across February 2023 –February 2024. Rejected read volumes have decreased, however, associated rejection percentage values have increased. The number of PC4 monthly Supply Points (SPs) (due to the implementation of UNC Modifications 0692S Automatic Updates to Meter Read Frequency and 0664VVS Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4) and the associated average AQ have also both increased. The combination of these factors is the reason for the substantial increase in the energy impact of the risk.

The risk rating in the register remains at 3 (medium priority). The PAFA have been working with the CDSP on obtaining additional data and root cause analysis and will report back next month on any outcomes from this investigation.

Rejected PC4 Annual Reads:

RC reported a decrease in the Value at Risk (VAR) by 31% across February 2023 – February 2024. The rejected read volumes and associated rejection percentage values have both seen a decrease, as have the number of PC4 Annual SPs (due to the implementation of UNC Modification 0692S Automatic Updates to Meter Read Frequency) and the associated average AQ. The combination of these factors is the reason for the decrease in energy impact of the risk.

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 (August 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

The new Modifications that were submitted to the UNC Panel in April 2024 were reviewed for any Settlement impacts and the Report was updated.

It was noted that new Modification 0871 - Facilitating IGTs with NTS Entry, could affect Settlement accuracy as Workgroup have identified a potential issue with double counting in the way the total system is treated when IGTs are putting gas into the system.

It was noted that the following new Modifications would not have any Settlement risk:

0872 - Single-sided Nominations for clearing houses of gas exchanges

0873 - Allow specific roll-over for the AUG Table 2025/26

0874 - Amendments to UNC to align with Gas Demand Forecasting Methodology

0875 - Minor amendment to the Vacant Site exit process & 0819 Legal Text re-numbering

New proposed Modifications will not go on the report until after they have been submitted to Panel.

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

6. AOB

6.1 PAC Membership Tenure

KE confirmed that a change to PAC Membership tenure was implemented on 01 October 2023. This change means that some PAC Members will take on an extra 12-month term (yet to be decided who these will be), and some PAC Members' membership term will cease as of 30 September 2024, the process is explained below:

> *From 01 October 2023, PAC Membership transitioned to a two Gas Year appointment term, where five PAC Shipper Members (selected at random by the Designated Person) out of nine PAC Shipper Members will be elected to serve for an appointment term of two Gas Years from 01 October 2023 ending on 30 September 2025. The other four members will serve one Gas Year from 01 October 2023 to 30 September 2024.*
>
> *Newly nominated PAC Shipper Members from the 2024-25 UNC User Representation Process will move to a two Gas Year appointment term which will run from 01 October 2024 ending on 30 September 2026. This means that from 01 October 2024, all Shipper PAC Members will be serving a two Gas Year appointment term but ending in alternate Gas Years to avoid the risk of a loss of continuity/knowledge within the PAC.*

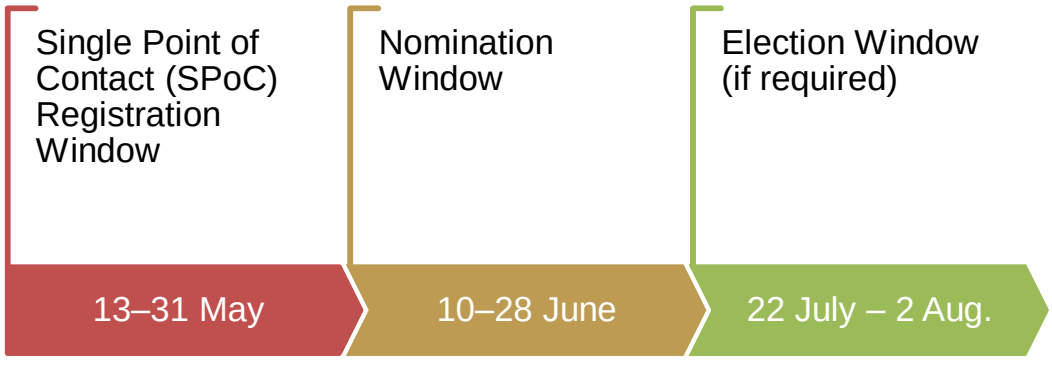
The PAC currently has 8 members and 1 vacancy, KE noted that 5 current members will continue their membership until 30 September 20**25,** the remaining 3 memberships will end on 30 September 20**24.**

Therefore, during the User Representation Process, timetable is below, we will be seeking nominations for the 3 existing memberships that will end on 30 September **2024** plus the current vacancy. These memberships, if filled, will run for a 2 year period ending on 30 September **2026**.

	Gas Year 2023/24	Gas Year 2024/25	Gas Year 2025/26	Gas Year 2026/27	Gas Year 2027/28	Gas Year 2028/29	Gas Year 2029/30
PAC Shipper Member 1	2 year term		2 year term		2 year term		
PAC Shipper Member 2	2 year term		2 year term		2 year term		
PAC Shipper Member 3	2 year term		2 year term		2 year term		
PAC Shipper Member 4	2 year term		2 year term		2 year term		
PAC Shipper Member 5	2 year term		2 year term		2 year term		
PAC Shipper Member 6	initial 1 year term	2 year term		2 year term		2 year term	
PAC Shipper Member 7	initial 1 year term	2 year term		2 year term		2 year term	
PAC Shipper Member 8	initial 1 year term	2 year term		2 year term		2 year term	
PAC Shipper Member 9	initial 1 year term	2 year term		2 year term		2 year term	

The 5 memberships that will continue for a further year will be randomly selected at the next PAC meeting on Tuesday 11 June 2024.

6.2 2024/24 User Representatives Appointment Process Timetable:



6.3 0664VVS - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4

ER asked for an agenda item to be added to the agenda for the next meeting in June as per the following:

- Modification 0664VVS was implemented in 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).
- TPD TPD Section M - Supply Point Metering states that the PAC will, for each gas year, no later than 31 August for the following year, decide what the applicable % should be for a site to be deemed low performing.

> 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.

FC clarified that a site has to fail the minimum target for three consecutive months before the site is triggered as low performing.

There is a PARR Report to show where SMPs that 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.

6.4 Energy Bill Relief Scheme

CP asked if there has been any contact from anyone in relation to the Energy Bill Relief Scheme (EBRS).

FC advised it is likely that DESNZ would go direct to Xoserve as scheme administrators.

For more information on this scheme, please see Energy Bill Relief Scheme.

6.5 Xoserve Representation

ER informed PAC that in her absence, Xoserve will be represented by Fiona Cottam, Neil Cole and Josie Lewis from July 2024.

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 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)	**Closed**
PAC0401	16/04/24	3.1	*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.	PAFA (AJ)	**Carried Forward**
PAC0402	16/04/24	6.1	*AQ Class 4 Read Performance dashboards defect within DDP* CDSP (ER) to ensure pertinent discussions held at DSC Contract	CDSP (ER)	**Closed**

			Management Committee are fed to PAC.		
0501	14/05/24	3.1	PAFA (AJ) to identify what size the portfolios are of the 23% that did not respond to the 0851R RFI and share with PAC.	PAFA (AJ)	**Pending**
0502	14/05/24	4.0	PAC members to review the slides presented by the PAFA ahead of the June PAC meeting with a view to providing feedback and determining next steps at this meeting.	PAC members	**Pending**