

UNC Performance Assurance Committee Minutes
Tuesday 12 March 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
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Anthony DiCicco alternate for Paul Murphy	(AD)	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
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Lee Greenwood	(LG)	Centrica
Rachel Clarke	(RC)	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/120324</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 – Tom Stuart

Alternates – Anthony DiCicco for Paul Murphy

Quoracy Status – The meeting was not quorate at the start of the meeting and became quorate at 10:20. No votes were taken during this time.

2.2 Approval of Minutes (13 February 2023)

Fiona submitted some changes – will update and take as approved.

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: The next CACoP meeting is planned for 05 April 2024. **Carried Forward**

3. Matters for Committee Attention

3.1 AQ Correction Letters

KE referred to the AQ Correction Letters that were issued to PAC via email on 27 February 2024 for review and approval. As some questions of clarification had been received it was decided to bring the letters to this meeting for comment, clarification and approval.

Rachel Clarke (RC) updated PAC with the comments received:

Letter 1: Include link to Modification 0819 - Establishing/Amending a Gas Vacant Site Process

Letter 2: The tone of this letter was seen as not being as strongly worded as perhaps it should be.

Letter 1

RC explained that she requires PAC approval for letter 1 now that it has the link to Modification 0819. Letter 2 (different party) has not yet been re-drafted.

When asked, Sally Hardman explained a process that was put in place last year that reviews the AQ of new sites on an annual basis.

RC advised that PAC wrote to the party in January 2023, which was before that process was put in place and that November/December 2023 saw the most recent peak in the use of the Code, therefore, this determines that this last peak was not to do with the new process.

SM commented that the letter does not quote the benefit that the Shipper gets by misusing the AQ Correction Code.

Anne Jackson (AJ) noted that this is the second time this has occurred with this particular party, as PAFA, if we keep getting these instances of misuse, when is it determined there are too many times of this happening? KE said that if this happened again, this is where we would invite the party in to explain the misuse.

It was noted there will be a Modification raised that introduces additional system validation and amends TPD G 2.3.31 to cover all reason codes and E Roger (ER) clarified there would be an admin charge applied if the CDSP have to make the changes to correct the AQ Correction Code.

AJ mentioned that the PAC regime is in place to assure everyone that everything is running smoothly, and Users should be incentivised to use Code in the right way.

SM agreed but with no interim sanctions in the Code, and the unlikelihood that a Party would have their licence terminated for not adhering to UNC requirements, this is the only option available.

AJ asked what the incentive is to meet the requirements of the UNC, as it seems there is not much of one.

SM suggested there could be a Performance Assurance Board that would sit below Code.

KE reminded PAC of the techniques available for PAC to use:

- Monitoring
- Party Communication
- Relevant 3rd party
- Training
- Request for a resolution plan
- Request attendance at PAC
- Publication
- Audit
- Referral to Authority

Out of them all, possibly Request Attendance at PAC, Publication (league tables) and Referral to Authority could be considered.

SM suggested a strategic paper on what the options are as, in terms of Read Performance, nobody is reaching the standard.

Parties are trying to meet unachievable standards by either not being able to meet the standard or deliberate misuse of the Code.

KE suggested that PAC should vote on letter 1 and time allocated to the next agenda to discuss this issue in more detail.

L Hellyer (LH) said it would be useful if a notification was issued giving more clarification around the expectation of the use of AQ Correction Codes. It was agreed that a session on this issue would take place at the April PAC meeting.

Approval:

Vote: Approve AQ Correction Letter 1			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	1	F
2	Andy Knowles	1	F
3	Catriona Ballard	1	F
4	Colin Paine	NP	NP
5	Graeme Cunningham	1	1
6	Louise Hellyer	1	F
7	Anthony DiCicco (Alternate)	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	NP	NP
Total		2	For
Voting Outcome:			
Approved: Vacant Sites link to be included in the letter			

Letter 2

When AJ asked PAC for a steer on what they would like letter 2 to be reworded to, SM said that his concern is they have misused the process, and this is a weak letter and suggested PAFA should be asking for the sites to be returned to the position they were in before using the wrong AQ Code.

AJ advised that PAC need to be consistent in their approach, and if PAC requests one party to return the site to its original position, PAC must ask every party to reverse it. She asked what is the consistent way that PAC is going to treat all these instances.

KE noted the process had been used incorrectly and that the Shipper must be asked to take steps to remedy it. The new Modification will automatically sort that going forward, but in the meantime, there is no harm in asking them to reverse their actions.

PAC discussed the possibility of addressing the misuse of all AQ Correction Codes and a more general letter going out to the industry and into the Key Messages.

On this basis, SM agreed that he would be happy for letter 2 to go as it stands, with the caveat that a further letter is issued to the industry's senior contacts addressing the general adherence to the Code.

Vote: Approve AQ Correction Letter 2			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	1	F
2	Andy Knowles	1	F
3	Catriona Ballard	1	F
4	Colin Paine	NP	NP
5	Graeme Cunningham	1	F
6	Louise Hellyer	1	F
7	Anthoy DiCicco (Alternate)	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	NP	NP
Total		2	For
Voting Outcome:			
Approved on the assumption that PAFA will draft an Industry-wide letter regarding unacceptable use of AQ Correction Codes			

New Action 0301: PAFA (AJ/RC) to draft an Industry letter regarding the unacceptable use of AQ Correction Codes and issue for post-meeting approval.

3.2 PARR updated for Feb 24 Major Release

FC provided a summary of the changes in the February 2024 UKLink Major Release which impact the PARR suite of reports.

This major release included the following changes:

- XRN 5682 February 2024 Major Release has 3 components
 - XRN 5605 Amendments to the Must Read process (IGT159V)
 - XRN 5604 Shipper Agreed Read (SAR) exceptions process (Modification 0811S)
 - XRN 5607 Update to the AQ correction processes (Modification 0816S)

Next Steps:

- CDSP has updated the PARR document (PAFD Appendix) with the report layouts as previously approved at PAC.
- CDSP proposed to make one update for both changes, in time for April 2024 (rather than two separate changes).
- PAC has the authority to update the PARR under UNC Mod 0674 rules – no UNCC approval is required.
- PAC will be asked to vote upon the changes at the March meeting – first Known Meter Issue reports will be published for the April meeting.

FC advised PAC of a further update to the AQ Overdue for a Meter Reading existing reports (2A.13 – 2B.16) and advised that the current reports treat all sites with Smart meters as requiring monthly reads, which is inconsistent with UNC rules, this has not been amended so that the AQ Overdue report aligns with the UNC rules on monthly reading requirements.

For additional details relating to each of the changes implemented, please refer to slides 4-8 of the presentation published here: <https://www.gasgovernance.co.uk/PAC/120324>.

FC introduced the proposed change-marked updates to the PARR Document, now v5.3 and requested PAC to vote to approve the changes.

Approval

Vote: Approval of PARR Document v5.3			
Shipper Representatives		Voting Count	For/Against
1	Alison Wiggett	1	F
2	Andy Knowles	NP	NP
3	Catriona Ballard	1	F
4	Colin Paine	1	F
5	Graeme Cunningham	1	F
6	Louise Hellyer	1	F
7	Anthoy DiCicco (Alternate)	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	NP	NP
Total		2	For
Voting Outcome: Approved			

4. Monthly Performance Assurance Review Items

4.1 PARR – Shipper Performance Analysis (Holistic Matrix)

WAR Bands Update:

PAFA provided an update regarding WAR Bands.

In the first window of the Gas year 2023/24 (November/December), 12.69% of WAR Band readings were not provided. PAFA reported that there has been a slight improvement in performance when comparing the first window of 2023/24 to 2022/23. The window 2 data for 2023/24 is expected to be received in May or June 2024.

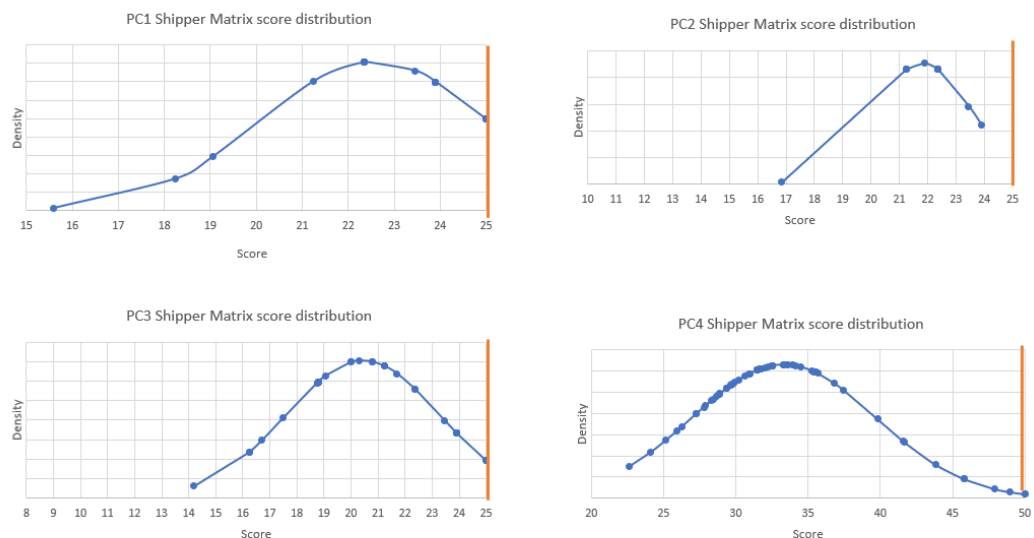
PAFA also recommended that PAC invest some time in WAR Bands with possibly a 12-month programme of work and will bring a plan of where to go with this to the April PAC meeting along with more detail behind the figures presented.

Holistic Performance Assurance Matrix (HPM):

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

- Two Shippers previously issued with a request for a Product Class 3 PIP has now provided a plan which PAC approved.
- It was highlighted that fewer parties are falling below the outlier thresholds agreed upon and that, although positive for the parties who were previously outliers, most of the parties performance was not changing. Discussions were undertaken in regard to increasing the HPM score thresholds below which parties within scope receive a PIP request. PAC was shown how changing the current threshold score of 15 within Product Classes 1 – 3 could move to 20 and the score of 25 for PC4 could move to 30 and how many party outliers would be impacted by the change.
- PAFA agreed to come back next month with some more details and possible suggestions around what the thresholds might be and how to implement the changes.
- 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



4.2 Risk & Issues Register Update

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

AQ Corrections: RC reported a decrease in the Value at Risk (VAR) by 35% across 2023 – 2024. The number of AQ corrections for reason codes 3 and 4 have remained relatively static over the

reporting period but reason code 2 has increased by an average of circa 4k instances and high levels have been used from November 2023 going forwards.

The risk rating in the register remains at 3 (medium priority).

PAFA would like to gain further understanding to explain the dip in VAR and will require consumption data to verify the hypothesis that AQ reductions are due to the economic climate.

Drift (Check Read Provision): RC reported a decrease in the Value at Risk (VAR) by 7% across 2023 –2024. Check Read provision across all PCs remained largely static across the period, with a slight decrease as seen in the impact of the risk. Reads received across allclass groups have increased across the period with the exception of PC4 Annual which has gone down slightly.

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 (June 2024).

Transfer Read Performance: RC reported an increase in the Value at Risk (VAR) by 34% across 2023 - 2024. Transfers have increased across the past 12 months by 192%, whilst transfer reads submitted have marginally decreased. 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 (June 2024).

Replaced Reads: RC reported a decrease in the Value at Risk (VAR) by 11% across 2023 –2024. The use of replacement reads has continued to decline over the reporting period. This is by an average of 52%, which feeds into the 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 (June 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 New Modifications

Modification	Purpose
0869 - Revision to the Calculation Methodology of the Security Amount for Planning and Advanced Reservation of Capacity Agreement (PARCA)	This Modification would revise the price used in the calculation of the Security Amount for reservation of Capacity through a Planning and Advanced Reservation of Capacity Agreement (PARCA) from a Weighted Average Price (WAP) for Entry and Exit sites to the Reserve Price. This will ensure the Security Amount reflects the current Reserve Price determination rather than an average of geographically different prices that are no longer applicable.
0870 - Amendments to Wobbe Index and Calorific Value Lower Limits at NTS System National Transmission System (NTS) Entry Points	Amendments to Wobbe Index and Calorific Value Lower Limits at NTS System Entry Points.

The Chair confirmed that the new Modifications will be presented for consideration to the UNC Modification Panel on 21 March 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 report would be used as a working document and reviewed monthly.

6. Any Other Business

6.1 PAFD v6.0

ER advised that when there is a revised PAFD, there is a requirement to provide 3 months' notice of the changes. As a result of the new PAFA contract, there have been changes made to the PAFD which will be effective from 06 July 2024.

KE advised that, whereas the UNCC does not approve the changes, it will be noted for information purposes at the meeting next week.

RC asked for ER to confirm that the new risk template that PAC agreed to in mid-2023 is included in the new version of the PAFD. RC agreed to send a copy through to ER.

6.2 Industry Participants Not Adhering to Code

Following the conversation within *Agenda 3.1 – AQ Correction Letters*, KE advised that 'Not meeting UNC Requirements' will be an agenda item at next month's meeting.

The PAFA, RC, agreed to provide some material to help to drive the conversation.

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 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
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)	Carried Forward
PAC0301	12/03/24	3.1	PAFA (AJ/RC) to draft an Industry letter regarding the unacceptable use of AQ	PAFA (AJ/RC)	Pending

			Correction Codes and issue for post-meeting approval		
--	--	--	--	--	--