

UNC Performance Assurance Committee Minutes
Tuesday 11 June 2024
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Ben Mulcahy (Secretary)	(BM)	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
Paul Murphy	(PM)	ESB Independent
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Limited
Transporter Members (Voting)		
Tom Jenkins - Alternate for Jenny Rawlinson	(TJ)	ESPUG
Sally Hardman	(SH)	SGN
Tom Stuart	(TSt)	Wales & West Utilities
Observers (Non-Voting)		
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Josie Lewis	(JL)	CDSP
Lee Greenwood	(LG)	Centrica
Mark Cockayne	(MC)	Joint Office
Neil Cole	(NC)	CDSP
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/110624</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	Anne Jackson
Alternates	Tom Jenkins - Alternate for Jenny Rawlinson
Quoracy	Quorate from the start of the meeting

2.2 Approval of Minutes (14 May 2024)

The minutes from the previous meetings were reviewed with suggested amendments from Fiona Cottam (FC) who talked the Committee through the proposed two changes, for which there were no objections.

2.3 Approval of Late Papers

No late papers.

2.4 Review of Outstanding Actions

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: On reviewing this action at the close of this meeting the Committee agreed it had been addressed in the discussions around the Workgroup held with the PAFA throughout.

Action closed

PAC0501: PAFA (AJ) to identify what size the portfolios are of the 23% that did not respond to the 0851R RFI and share with PAC.

Update: This subject was discussed in item 3.2 with subsequent actions agreed.

Action closed

PAC0502: 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.

Update: the PAFA confirmed that feedback had been received from PAC members when in the discussions under Item 4.2 and this action was subsequently agreed closed.

Action closed

3. Matters for Committee Attention

3.1 Modification 0664VVS Minimum Performance Measure Review

KE shared a view of the PAC obligations detailed in the 0664VVS Legal text requirements for PAC and asked the Committee if they perceived any ramifications in relation to the new Modification 0884 - *Extending the PC4 Read Submission Window* that had itself developed out of the 0851R *Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window* Review Group.

Ellie Rogers (ER) confirmed the two were separate and distinct for each other, in that 0884 intended to extend the Class 4 read submission window from the current 23 days to 80 days, whereas the 0664VVS obligation was in relation to moving supplies into Class 4.

Fiona Cottam (FC) concurred, noting that even if 0884 resulted in making it easier to meet the 0664VVS Reading submission performance obligation (which she was careful to highlight that she was not suggesting that a longer time-window was the route to doing this), she confirmed that 0884 was not altering anything around the 0664VVS clauses reviewed.

KE noted that PAC needed to consider the Applicable Percentage that would come into effect at the start of the next gas year in October, which was to be notified to Users by the end of August.

- 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.

Graeme Cunningham (GC) asked as to what impact altering the Applicable Percentage would have on the PAFA’s work and if either Modifications 0664VVS or 0884 would further alter matters.

FC advised that the 0664VVS clause was about the absolute backstop in Read submission performance and as such the obligations remained still the same, in that if a User did not provide at least 25% of the requisite reads for a single meter point it would move to Class 4. She noted an overriding proviso that if a User was still achieving the overall obligation, then nothing would be moved, adding that is considered the whole month period.

Steve Mulinganie (SM) acknowledged that the requirement on PAC just concerned the Applicable Percentage value and asked if there was a historical view available to make a comparison, noting that previously the value had been estimated without evidence. He asked if there was a means to ascertain if, for example, 50% would be a better value to set than 25%.

ER shared that whilst the CDSP had analysis of the results received they did not have analysis to show the split if alternate figures were set, so had no projection for setting the value at the example of 50%.

SM asked if the CDSP would run such historical analysis on the portfolio as it would help to make the case for the value set and clarify what justification existed. He noted that other stakeholders could later ask why the PAC had set the value it had chosen, and it would be beneficial to be able to respond with the analysis performed and a view of the anticipated results. He stated that this would be consistent with the policy Ofgem exhibits in requesting justification for all activities undertaken, adding that 25% did seem very low but that he was wary of the risk of causing disruption to the industry by selecting a differing value without a better understanding.

Colin Paine (CP) suggested undertaking analysis in which performance across the market was viewed in context of setting the current 25% figure, if there had been an overall improvement in performance from when this had been set it could justify altering the figure to simulate further improvement, whereas unchanged performance would make the case for maintaining the current value.

Alison Wiggett (AW) queried if performance was monitored over a three-month period before a supply was moved. FC confirmed this, clarifying that a User had to have missed the 25% figure for three consecutive months, and only if the User was not achieving the overall UNC obligations.

AW followed this up to ask how many of these moved meters then get reads after that 3-month period, in the fourth month for example. ER noted that as the meter would have moved into Class 4 the read submission requirements it would now be measured to would have changed, so a like-for-like comparison was not possible, which FC confirmed, highlighting that it would not be possible to submit daily reads to prove the previous Class submission target was subsequently being achieved.

AW acknowledged this and shared that she was mindful of the potential technical reasons for the non-submission of reads that often took more than three months to resolve. She asked that if the PAC did decide to change the 25% Applicable Percentage figure, what the risk to Settlement was in respect to those supplies that had been meeting that figure but would drop out with the newer figure.

FC responded that there were different classes of risk in Class 3 to those in Class 4, and that this would be considering introducing a risk into the algorithm for specific Classes and reconciled back on the perspective profiles, noting that if a User provided a read after 2 weeks this would not produce a daily profile.

SM observed that the status quo was known, citing evidence from the recent RFI that Users did not submit reads they were not required to, which contributed to the impression that 25% seemed low but some analysis was necessary to provide any comfort in considering moving the value to improve performance and provide some understanding as to what such a change is likely to cause.

Lee Greenwood (LG) asked if it was the case that should a site that had intermitted communications that were still achieving the 25% figure then subsequently drop out of its Class due to an increase in the Applicable Percentage it could not be moved back into its original Class for at least a month.

FC advised that, whilst it was the case that a site that had moved to a new User could be moved without delay, it was otherwise 3 months before the original User would be able to move the supply back to its earlier Class.

Louise Hellyer (LH) agreed that analysis was key, adding that PAC did not want to cause other unforeseen problems and that whatever was decided also needed to incentivise improvement.

FC cautioned that no holistic dataset existed that would enable the CDSP to run all-encompassing scenarios, stating that they could instead compare previous figures, and cited that there were 600,000 sites in Class 3 as the possible exposure, adding the caveat that the figure related to before Modification 0664VVS was in place.

FC added that when 0664VVS was implemented several things happened, a lot of Users raised their performance, and some changed Class allocation for supplies resulting in a drop in Class 3 volumes, with 150,000 being reclassified to PC4 by the CDSP in July, 62,000 in August and 11,000 in September with the volumes of reclassifications dropping to handfuls of ones and twos after September 2023. And , Class 2 had a much smaller population with only 6 being reclassified to PC4 in the first month. She added that whilst the CDSP could model how supplies might be moved they could not model User behaviour.

ER then asked the Committee what 'good' looked like in regard to the requested analysis. She noted that there have been a few things suggested, with 25% seemingly felt to be low but that the PAC also did not want to dramatically change things. A 50% figure had been mentioned as an example but observed that if the CDSP did the analysis using 50% and the result did not seem desirable there was a risk of running out of time to reconsider.

KE asked if was possible to use a sliding scale using 35%, 40% and 50% as a potential range. ER confirmed that this was probably achievable though confessed she was not close enough to the process to verify for certain.

KE asked in reference to 'what is good?' if the resultant data would confirm what the impact on Settlement would be at each stage.

ER responded that this returned to the fact that the CDSP could not predict parties' behaviour, asking what the objective was and if the goal was to incentivise or ensure nothing changed or avoid everything moving out to Class 4.

SM referred to the precedent being set by Market Wide Half Hourly in the electricity market and that it was desirable to incentivise people to provide more granularity where they can and move supplies up the tiers rather than dropping them back, where they are in the worse scenario. On this premise, he observed, if the result of making changes was for everything to move to Class 4, even though Parties were genuinely trying to get better read performance, it felt counterproductive.

LG noted that Product Class 3 requires daily reads in a weekly, fortnightly or monthly provision cycle and that if there is no penalty it is a lot easier to submit the one read than the batch. Thus, he suggested that PAC did not want to give Parties the incentive to target just the 25%.

KE observed that this was a difficult issue and that it was within PAC's remit to retain the current figure. She suggested that, as a minimum, some analysis was required for consideration ahead of the UNCC August meeting.

When asked regarding the Governance of the issue KE noted that whilst 0664VVS specified that PAC needed to report to the UNCC, the changes Modification 0674V - *Performance Assurance Techniques and Controls* introduced altered such interactions and, on researching the pertinent text, confirmed that the PAC decision did not require consulting with, or gaining approval of, the UNCC.

KE also confirmed that PAC would need to vote on its decision regarding the Applicable Percentage and asked the CDSP if this decision would need to be reached no later than August to allow for their system requirements.

ER confirmed that a parameterised requirement would need to be changed within the CDSPs systems and agreed that her understanding was also that a PAC decision by vote would not need to be ratified by the UNCC. She asked for confirmation that the analysis the CDSP was being asked to provide was to review at the Applicable Percentage of 25% for meters in Classes 2 and 3 that are moved into Class 4 in comparison to a sliding scale of values at 35%, 45% and 50%.

<p>ACTION 0601: CDSP to provide analysis of the potential impact should PAC alter the Applicable Percentage using a sliding scale of potential values from the current 25%</p>
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SM observed that the Committee had a proposal and needed the analysis and asked if there should be a consultation before the vote, adding that to his mind this was necessary as stakeholders would not otherwise get the opportunity to contribute views as they would with a Modification. He recognised that the PAC Committee was elected representatives and time was running against them so suggested a consultation should be diarised earlier in the year-on-year process. He also asked if changing the Applicable Percentage impacted text in Code.

ER initially thought the 25% figure was specified in Code, which members expressed surprise at, until later confirming that it was only referred to as 'The Applicable Percentage' without specifying the value.

KE confirmed that a consultation was good practice and noted that such would be very different in nature compared to those that PAC had issued previously.

Rachel Clarke (RC) highlighted the Annual Review Process under 0674V *Performance Assurance Techniques and Controls* and its changed timetable which culminated in September in readiness for the start of the Gas Year in October and suggested this would be a good timing to also review any changes to the percentage.

FC asked if the June meeting of the Distribution Workgroup would be an appropriate forum to present the matter, which SM agreed was a good idea given its timing at the end of the month.

SM noted that the PAC had to provide a notification to Users and CDSP anyway but as this was the first time PAC was considering this it would be good practice to get something out before it happened, stating for that the Applicable Percentage is changing on 01 October to XX%.

KE agreed and committed to speaking with the Chair of the Distribution Workgroup about presenting in the June meeting whilst the CDSP undertook their analysis.

<p>ACTION 0602: JO (KE) to provide awareness item on Applicable Percentage in 27 June Distribution Workgroup meeting</p>

3.2 0851R Update

RC presented to the Committee on the Workgroup feedback and results from the RFI issued on behalf of the 0851R *Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window* Review Group.

RC stated that the RFI had been well received with positive comments from Parties and noted that OVO Energy had, as a result of the Review group, raised a Modification (0884 - *Extending the PC4 Read Submission Window*) which looked to create a wider 80 Business Day (BD) window for read submissions with staggered benchmarks.

RC commented that whilst the benchmarks were intended to safeguard the CDSP systems and prevent them from being overwhelmed it could be questioned if they were satisfying settlement adding that they could mean that Parties with existing poor read performance may inadvertently breach the requirement, giving as an example, if a Party were only achieving 60% in total then a new requirement of 50% within ten days would be a tall order.

RC advised that SEFE had indicated that they intend to raise an alternate Modification with a 45-day cut-off based on invoicing timings as most reads were provided within 10BD with 45 BD being for the exceptions.

SM observed that aligning with the electricity market 80 BD model was done within 0884 more for convenience than anything and that the RFI result was interesting in that the majority (95%) of reads were provided within 10 BD. He asked if the intentions behind the approach taken were Settlement relevant or more Performance Assurance and suggested that the perception was that Performance Assurance is good anyway, but asked if Performance would change and unintended consequences occur with the measures proposed. He felt that the PAC were increasingly entering into territory where it was necessary to reflect if they were Settlement or Performance monitoring, adding that the goal was to have better Settlement accuracy but the lever to achieve this was compliance, adding that all these considerations would need to go into this Modification.

SM added that he has requested that the Proposer of 0884 - *Extending the PC4 Read Submission Window* share the Modification with SEFE to assist in getting their Alternate out quicker but had not yet seen sight of it.

RC asked if there were any ambitions within PAC to feedback to the 0851R Review Group. She highlighted that the PAC needed to consider the non-respondents to the RFI, which totalled 8.7% of the total market, of which one Party accounted for 7.45%. RC suggested that a precedent was being set and asked if the PAC should write to these parties to ensure the understanding that it was a mandatory RFI which they should have replied to, noting that if proved that this party was not getting their reads in within 10 BD it could have had an impact on the result.

RC also asked if PAC required representation at the 0884 - *Extending the PC4 Read Submission Window* Modification Workgroup.

SM responded that PAC should do something about Parties not replying as without consequence to doing so others may also choose not to engage, especially if they represent a significant portion of the market. He highlighted that they were required to do so under Code, and felt that PAC should query why the party did not respond when 90% of the market did. He recognised a de minimis measure could be considered for some of the very small parties but felt that a supplier with 1.6m supply points not responding to the RFI should not be overlooked.

KE recognised the lack of response undermined the RFI and added that PAC could request that the Party attend a PAC meeting to explain, which some Committee members expressed a desire to do so.

SM suggested that PAC should also acknowledge the effective and close work with the 0851R Review Group in producing the RFI. In regard to attending the 0884 - *Extending the PC4 Read Submission Window* Workgroup he observed that whilst the 0851R Review Group had a much wider general remit the Modification discussions would be very targeted and as such he was not sure PAC needed representation there.

KE advised that the last 0851R meeting was in July so she would liaise with the Chair to ensure the Workgroup Report recognises the close work with PAC that was achieved.

<p>ACTION 0603 : JO (KE) to ensure 0851R WGR acknowledges the beneficial nature of the close work performed between the WG, PAFA and PAC in producing the RFI</p>
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ER commented that the link between PAC, PAFA and the 0851R Review group was very beneficial, but thought that the 0884 Modification was indeed very targeted and as such PAFA could spend their time more usefully elsewhere.

KE observed that PAC could still become involved in the workgroup at any time anyway, though did highlight that the timings proposed were quite tight.

RC returned to the matter of the main non-respondent Party to the RFI and proposed that PAFA write to them on behalf of if PAC and outline their obligations.

SM agreed and proposed the letter seek an assurance that they will deal with future requests in a timely manner and that they understood their obligations.

Lee Greenwood (LG) asked to confirm if the correspondence would go to the Party's Contract Manager.

RC advised that the PAFA got the DSC Contract Managers details from the CDSP who were currently pulling together the list of senior contacts required under 0674V *Performance Assurance Techniques and Controls*. RC added that these would be more senior individuals with more responsibility and that she felt it logical to send the letter to such a contact. She added that the PAFA had double-checked for due diligence that the RFI had gone to the correct party, adding that reminders had also been sent and the deadline extended to allow for Easter. LG suggested it was worth highlighting this in the letter.

FC advised that the CDSP were still setting up and updating their customer contact system in preparation to request the senior contact information, committing to talk to the CDSP Customer Care team to ensure the contact given to PAFA was a live one, adding that if they did not have the senior contacts but that they would do some behind the scenes communication with the Party in question and advise that the PAC intended to write to them.

RC shared that the party in question had historically proven good at engagement with PAFA.

ACTION 0604 CDSP to provide PAFA with Senior contact details for the party that did not respond to RFI. PAFA then to produce a letter on behalf of PAC in accordance with requirements defined in 11 June PAC meeting.

SM remarked that both Modifications would create reporting obligations and that within the Alternate SEFE were proposing to pick this up under the PAC reporting section. He asked that, in light of his earlier commentary about performance and settlement, would it be correct for PAC to take on the reporting oversight, or should it be suggested that reporting is not of interest to PAC in its current role.

RC responded that this was a good challenge and one that needed to be discussed by PAC. She observed that under the PACs current vires the Committee was only concerned with Settlement accuracy but conceded that in reality its current work often strays into compliance as there is an absence of this elsewhere and is often the trigger/tool for better settlement accuracy.

KE commented that PAC procedure was to consider all new Modifications as they are presented and this gave the opportunity to review and consider each, with scope for further consideration of how PAC should focus its work during the planned Workshop.

4. Monthly Performance Assurance Review Items

4.1 Strawman development for Workshop Agenda

The PAFA provided slides in relation to the PAC Dedicated Workshop on the PAC approach to parties not meeting UNC requirements and highlighted potential objectives and agenda for the day. The PAC discussed potential dates, with the PAFA to look at the earliest convenient month and propose some dates.

Committee members discussed the best timings for the Workgroup and the potential benefit of conducting the Workgroup in September to avoid the summer holiday scheduling challenges typical of August.

SM expressed surprise that whilst he understood considering these challenges if it was to be an Industry-wide Workshop, given it was for the Committee members only asked if was instead possible to bring the timing forward.

RC responded that PAFA resource was currently committed to ongoing automation work as part of the recent new PAFA contract, and as such moving the Workshop forward would add resourcing pressure but committed to ascertain possibilities.

KE acknowledged the challenges within late July and August and suggested that the PAFA look at the earliest opportunity they could schedule the Workshop which the Committee could then use to understand what would work for the majority.

RC agreed to provide some potential dates to Committee members before the next meeting, on the agreed principle that the Workshop would be conducted in-person, either in the JO offices in Solihull, London or a similar suitable location.

ACTION 0605: The PAFA to propose potential dates and location for the PAC Workshop.

4.2 PARR Review Summary

The PAFA continued from last month's PAC meeting to provide an overview of the ongoing work that they have been undertaking in regard to the PARR Report review. The work includes a summary of the existing report, its purpose, the recommended changes, the justification, and proposed templates. The proposals presented at this PAC meeting were the below medium priority reports;

- 2A.1/2B.1 Estimated and Check Reads.
- 2A.4/2B.4 Shipper Transfer Read Performance.
- 2A.7/2B.7 No Reads received for 1,2,3 or 4 years.
- 2A.8/2B.8 AQ Corrections.
- 2A10/2B.10 Replaced Meter Reads.

The PAC were asked to review these slides and provide any feedback to the PAFA and CDSP. The PAC agreed that any next steps should be put on hold until after the PAC Workshop and also requested the costs of the proposed changes from the CDSP.

RC noted that any PAC decisions to alter the PARR could incur CDSP resource costs so advised it was best to consider the questions presented to date as a whole, with another presentation due of the GPAC. She expressed thanks for the comments received to date from Committee members on the High priority issues and asked that any other commentary be sent through to the PAFA mailbox, with the intention to review them all together next month.

Further to the comments on CDSP costs, ER clarified that these would be for changes to the PARR reports, where such tweaks may incur costs highlighted that a PAC budget for this existed, with the current year's untouched to date. She asked that since there were a number of questions presented here if the PAC want to look at costs as a whole and what should the CDSP make an impact assessment of.

SM commented that in the provision of data to PAFA, there was a set task and a defined way for doing it. As to the reports he questioned if the proposed changes were worthy of review and challenge, in that this would be valid if the cost was substantial, citing for example a £100k cost whereas a sum total of, for example £10k, would be wasting parties time and why the budgets were provided in the first place.

CP suggested that a useful test would be to ask if the changes would influence the Holistic Performance Matrix (HPM), such as adding transfer reads. GC suggested that transfer reads had no bearing on Settlement. SM questioned this, stating he thought an estimate read misassignment would have Settlement implications. CP agreed that it would and asked why transfer reads were not in the HPM. RC advised that they were originally, but the argument was made that for daily read sites reads were being provided anyway so they were talked out. CP acknowledged this and suggested this be considered in the HPM discussions in the proposed Workshop.

LG noted that the PARR reports are linked to the work that PAC performs and that in giving this information to Parties PAC should also provide the data that is linked to it, asking if this was the case as it would be a benefit to performance.

RC responded that the data was used for dual purposes and that the PAFA use the PARR for certain actions, whereas Shippers could extract from the same sources for their own reporting and ascertain their own performance to obligations. She commented that it was a good point but suggested it was worth considering if the If PAC did just provide the HPM information they may be inadvertently perceived to tie themselves to that dataset.

KE summarised the question raised to be effectively 'did the PAC trust the PAFA to make the appropriate changes to the reporting'. She believed the feedback in the meeting suggested the answer to this was probably yes, but getting an idea of the costs via ROM was important in ascertaining if the cost was significant. She highlighted that the HPM should still be considered as being 'trialled' somewhat and given the intention to identify where performance is an issue via the HPM the PAC needed to be confident that the metrics in the HPM were spot on.

LG observed that PAC were using the HPM to put Parties on plans and ultimately trying to give Shippers the tools to uplift their performance.

Sallyann Blackett (SB) added that the PAC should avoid measuring parties on data that the PAC *did not then share with them*.

SM questioned if this was all part of the wider stakeholder engagement piece and that the expectations should be to provide output in a plain English and coherent manner. He suggested that the current format was messy and ambiguous, whereas a clear approach would be far easier for parties to then use to manage their own performances.

KE shared her impression that the Committee did not want to change the HPM until the Workshop was held to agree the wider approach, and as such it could be put on hold, with an interim step in which a ROM is requested to provide an understanding as to how material and consideration is required.

SM added that if the costs were effectively de minimis then the changes should be progressed, if, conversely, the costs in the ROM prove high then they raise a wider question as to why, given the current direction of travel in the industry is towards open data as per Ofgem's objectives as it was known from the offset that this reporting was going to be an evolving piece.

ER advised that there had been work in the background already and asked RC to provide the details necessary for the ROM, adding that the ROM would probably not be in the format Committee members were used to, but it would still have the same objectives. She explained that PARR reports were different to DDP and that the CDSP has had discussions with PAFA regarding the DDP data that is already available.

ACTION 0606: CDSP to provide high-level ROM for changes to PARR suggested by PAFA
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4.3 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).

- One Shipper has recorded a positive improvement for Product Class 3 over the last three months, therefore, PAFA recommended that they be taken off 'Active Monitoring'.

- One Shipper has fallen below the score threshold of 15 for Product Class 1 and will therefore receive a request to provide a Performance Improvement Plan in this area, following recommendation by the PAFA.
- It was highlighted that one Shipper currently in the 'Early Engagement' threshold for Product Class 3, have previously been taken off 'Active Monitoring' on a Performance Improvement Plan within the last 12 months. The PAC agreed to send a letter to this shipper to highlight this.

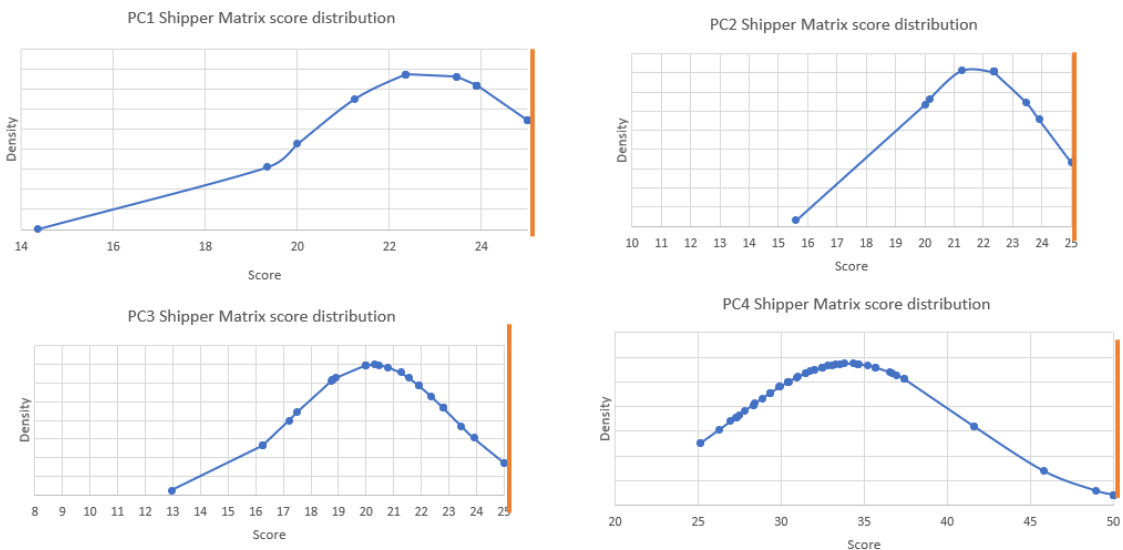
In considering communications to parties whose performance was considered needing a warning SM asked if templates existed for such communications in which standardised text stated that if a party was within a specific range they are warned that PAC may request an improvement plan if the performance worsens.

LH agreed in principle but questioned if parties that had just improved sufficiently to just come off a plan would receive such letters and find them frustrating.

ACTION 0607: The PAFA to draft a letter to send to Shippers who have fallen within the 'Early Engagement' window after previously being taken off 'Active Monitoring' and distribute to PAC members for review.

- Any Performance Assurance Techniques (PATs) for Product Class 4 remain 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.

POOR PERFORMERS IN EACH MARKET



4.4 Risk & Issues Register Update

SM noted the items that were considered low risk and that regularly appeared and for which no action was taken. He questioned if the PAFA needed to consider the time lapsed on these or if they were de minimis anyway, asking if it was the right thing that these remained on the reporting forever. He acknowledged that this was probably a broader question for the Workshop but noted that there had been some significant shifts at times, but they never seemed to merit oversight and wanted to ensure that this was the case.

RC agreed that PAFA would consider this in the Workshop

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

5.1 Review of Modifications with Potential Impacts on Settlement

KE shared a view of a spreadsheet listing the currently live modifications. She highlighted *0876S Updates to the Annual Quantity (AQ) amendment process* and *0877S Alignment of TO Revenue and TO Revenue Adjustment terms to the current Gas Transporter Licence* and asked the Committee if they thought either had an impact on Settlement.

SM noted that 0876S originated from PAC and ER shared her thoughts that there could be something to consider about 'misuse' and reporting which PAC would monitor.

SM added he did not think it 0876S would stay long in the workgroup as it was closing a door on an issue and pretty much does what it says it does. He noted that there had been some challenges that asked why close this door when others were open, which missed the point that a door was being closed on a known defect with a clawback facility.

KE acknowledged this feedback and stated PAC would review it again in July.

The Committee agreed that there did not appear to be a Settlement impact from Modification 0877. *0871 Facilitating IGTs with NTS Entry* was reviewed, with ER commenting that there had been a workgroup that week with more information provided but from what she had heard it needed to be looked at some more.

SM commented that it was focused on entry and exit points on the networks and treatment of pricing and charging for certain activities, which was predominately around biomethane producers rather than IGTs and as such it did not seem to affect settlement.

The Committee agreed to defer a decision on 0871 until July.

KE advised that another time extension had been requested for the workgroup considering *0843 Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert* had been requested so this would be left as TBC.

The Committee continued to watch *0855 Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident* and *0836 Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067*.

KE confirmed that new proposed Modifications will not go on the report until after they have been submitted to Panel and that the report would be used as a working document and reviewed monthly.

6. AOB

6.1 PAC Membership Tenure

KE reiterated the new process regarding PAC Membership tenures in order to ensure there was no risk of losing all members within the same renewal (full details are confirmed in the May PAC meeting Minutes).

KE explained that there was currently one vacancy for PAC Membership, necessitating three current members have their current tenure end so four nominations would be issued.

Through a process of random selection, KE confirmed the following PAC Committee members would have their seats offered for tenure. KE stressed that the existing members were welcome, and indeed encouraged to renominate themselves if they wished, and that only if five or more nominations were received would the positions require a vote.

Louise Hellyer	(LH)	TotalEnergies Gas & Power
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
Paul Murphy	(PM)	ESB Independent

6.2 Annual Review Update

6.3 DDP Dashboard Class 4 Update

ER provided a follow-up to previous a conversation about the AQs for Class 4 supplies and the issues highlighted within DDP. She advised that the bulk of the issue was being managed in the DSC Contract Management Committee but wanted to advise PAC that a two-phased fix was now planned, with the first scheduled for 22 June 2024 and the second for 09 July 2024. She shared that DSC Contract Management Committee questions around assurance will be addressed in presentations that would be provided in the June meeting.

SM shared that his team had raised a question in regard to the CDSP communications that had been provided on the subject and provided the following excerpt:-

“A similar issue was raised back in June 2023. We investigated and deployed a fix, and the issue was deemed resolved in August 2023, PAFA were also informed during this time. We now understand that the June 2023 issue was incorrectly identified as an isolated data replication problem rather than a symptom of the underlying issues we identified in the February 2024 investigation. As this was not identified at the time, the underlying issue was not resolved when the original fix was deployed in August 2023 and the AQ Read Performance dashboard continued to understate performance. **We have now enhanced our processes to ensure upstream data sources are fully revalidated should similar issues happen again**”

SM suggested that the text, and in particular that he had highlighted in bold, it seemed to suggest an approach that expected something to go wrong again, but next time it would be picked up quicker. He explained that the language was not quite right and that something was missed that could have been fixed. He added that every time something like this happens it undermines the PACs credibility, which his colleagues are quick to point out.

He also asked what PAFA were doing regarding the DDP Data issue, as they were the recipients of the data, they needed to ensure the information was fit for purpose. He added that if something goes wrong parties reflexively blame everyone else and accordingly asked where the ownership was and what PAFA was doing to ensure they are getting accurate data.

ER confirmed that the presentation to be provided in the DSC Contract Management Committee this month would explain the CDSP’s process in addressing the issue and everything that had been done to stop a recurrence.

FC added that the main mitigation had been to re-platform DPP to one more suitable to suit the huge volumes of data now used and would ensure file data was not lost, which had been a key aspect of the issue.

6.4 Joint Office Update on Website

KE updated the Committee on the new Joint Office Website, explaining it had been necessary due to the need to replace the current platform, which was now unsupported. She advised that the post-implementation team were working on a catch-up operation where some new documents were being refreshed and asked Committee members to advise the JO if they became aware of any issues.

FC advised that she thought the version of the published PARR appendix was an old version and needed updating. FC also commented that the front page for each Modification complete with a timeline was an improvement and noted all the meetings relating to the Modification were listed below.

ER asked after the definition given on Modifications stating, 'Release Type' and that 0843 had been listed as a minor release which certainly did not feel correct. KE committed to check on this.

FC noted that many of the historical Modifications were no longer visible, with Modification 0601 now being the furthest back visible.

KE acknowledged this, and that this was being discussed and asked that parties who required earlier Modification records forward a request to enquiries@gasgovernance.co.uk

SM expressed his belief that the JO had to have the history of all Modifications visible to all and could not unilaterally remove access. He added that his organisation, including the legal team, did access the historical Modifications and if this had been truncated it is a concern for them.

KE confirmed she would investigate whether access to older documents is possible and would advise accordingly.

LG added that it proved very useful to have the historical view, adding that when he wrote 0819 *Establishing/Amending a Gas Vacant Site Process* he referenced the 2011 Modification around the same subject and was able to review it and all the comments and concerns raised at the time that helped him draft his Modification.

Sally Hardman (SH) confirmed that she supported the view that access to older Modifications needed to be maintained as it provided the context of that change rather than just the legal text.

6.5 PAC Chair

KE advised the Committee that she would transition the role of the Chair to Mark Cockayne (MC) over the following months and Mark would attend PAC meetings regularly to this end.

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 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
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)	Closed
PAC0501	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)	Closed
PAC0502	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	Closed
PAC0601	11/06/24	3.1	CDSP to provide analysis of the potential impact should PAC alter the Applicable Percentage using a sliding scale of potential values from the current 25%	CDSP	Pending
PAC0602	11/06/24	3.1	JO (KE) to provide awareness item on Applicable Percentage in 27 June Distribution Workgroup meeting	JO (KE)	Pending
PAC0603	11/06/24	3.2	JO (KE) to ensure 0851R WGR acknowledges the beneficial nature of the close work performed between the WG, PAFA and PAC in producing the RFI	JO (KE)	Pending
PAC604	11/06/24	3.2	CDSP to provide PAFA with Senior contact details for party that did not respond to RFI. PAFA then to produce letter on behalf of PAC in accordance with requirements defined in 11 June PAC meeting.	CDSP & PAFA	Pending
PAC605	11/06/24	4.1	The PAFA to propose potential dates and location for the PAC Workshop	PAFA	Pending

PAC606	11/06/24	4.2	CDSP to provide high-level ROM for changes to PARR suggested by PAFA	CDSP/PAFA	Pending
PAC0607	11/06/24	4.3	The PAFA to draft a letter to send to Shippers who have fallen within the 'Early Engagement' window after previously being taken off 'Active Monitoring' and distribute to PAC members for review.	PAFA	Pending