

Performance Assurance Committee Minutes
Friday 30 June 2017
Via Teleconference

Attendees

Andy Clasper	(AC)	Transporter Member
Angela Love	(AL)	Shipper Member
Bob Fletcher (Chair)	(BF)	Joint Office
Colette Baldwin	(CB)	Shipper Member
Darren Jackson	(DJ)	Observer, Xoserve
Fiona Cottam	(FC)	Observer, Xoserve
Fraser Mathieson	(FM)	Transporter Member
Gregory Mackenzie	(GM)	Shipper Member Alternate
John Welch	(JW)	Shipper Member Alternate non-voting
Jon Dixon	(JD)	Observer, Ofgem
Karen Visgarda (Secretary)	(KV)	Joint Office
Lisa Saycell	(LS)	Shipper Member
Lizzie Montgomerie	(LM)	PAFA
Mark Jones	(MJ)	Shipper Member
Nirav Vyas	(NV)	PAFA
Rachel Hinsley	(Rhi)	Observer, Xoserve
Richard Pomroy	(RP)	Transporter Member
Rob Johnson	(RJ)	Transporter Member
Sue Prosser	(SP)	Observer, Xoserve
Tricia Quinn	(TQ)	Ofgem

Apologies

Ed Hunter	(EH)	Shipper Member non-voting
Mitch Donnelly	(MD)	Shipper Member
Shanna Key	(SK)	Transporter Member

Copies of non-confidential papers are available at: <http://www.gasgovernance.co.uk/PAC/300617>

1. Introduction and Status Review**1.1 Confirm Quorate Status**

BF welcomed everyone to the meeting and declared the meeting as being quorate.

FC then announced that the new Performance Assurance Framework Administrator (PAFA) was Gemserv Limited. She stated that this was for an initial two-year term and that Gemserv would now begin a three-month mobilisation phase, and would attend future Performance Assurance Committee meetings from 11 July onwards. FC also said that Xoserve Limited would like to thank members of the Performance Assurance Committee who supported Xoserve's procurement exercise as Stakeholder representatives for their time and expert input.

FC advised that the PAFA representatives attending this meeting were observing only.

1.2 Apologies for absence

See above table.

1.3 Note of Alternates

John Welch for Ed Hunter

Gregory Mackenzie for Mitch Donnelly

2. Matters for the Committee

2.1 Estimated readings not being provided for DM sites

FC drew attention to presentation entitled: 'Overview of Unidentified Gas Issues' and she explained this content had already been discussed at the Distribution Workgroup on 22 June 2017, in relation to the Unidentified Gas (UIG), including the summary of discussions held at the Project Nexus Incident Review Group (IRG) in June.

FC then high-lighted the summary of issues that had been experienced to date (15/06) for the nine Gas Days that have closed out post-Nexus implementation and these were as below:

- Shippers report the following concerns:
 - UIG proportion of Nominations changing noticeably between first and last run on Nominations;
 - Noticeable difference in UIG between last run on Nominations and first run of Allocations;
 - UIG proportion of Allocations changing noticeably between first and last run on Allocations (D+1 to D+5);
 - UIG as an unexpectedly large positive or negative proportion of LDZ total for some days/LDZs.
- Known issues include a large number of DMs being allocated on estimates – due to site set-up inaccuracies.

FC then overviewed the process and results for Gas Allocation Pre Nexus and Post Nexus, which were itemised on separate schematics which showed the negative UIG in each scenario and also included the known causes of UIG in Allocations. She talked through the schematic for the National/LDZ UIG – 03 to 09 June 2017 example of Allocated UIG by Gas Day for 13 LDZ's, together with the D+5 UIG v Weather schematic.

FC then overviewed the results of the simulations of UIG and explained these were estimates only. A general discussion took place surrounding the D-7 and the consumption levels and FC said if anyone had an issue, then they should raise a 'ticket' in the normal manner to Xoserve.

FC then provided the summary of the observations which were itemised below:

- Key objective of Nexus regime was to make UIG more visible and raise the priority;
- Nexus regime went live in early summer – simulation suggested UIG more likely to be negative;
- Most UIG components are resolved by meter point reconciliation and other BAU processes;
- Still a very limited track record of UIG;
- Xoserve monitoring UIG levels daily, resolving input data issues within D+5;
- Ongoing use of estimates for many DM sites is a major cause of uncertainty – affects c 20% of the market in AQ terms.

FC then provided the summary of the discussions at the Incident Review Group (IRG) and she drew attention to the main areas of interest regarding the various discussions and she itemised the next steps that had been agreed from IRG. These were as below:

- Xoserve actions:
 - Xoserve investigating Shipper reports of DM D-7 estimates returning zeros;
 - Xoserve reviewing list of DM sites not able to load actuals to identify patterns/Shipper-specific hotspots;
 - Xoserve to continue to monitor daily UIG figures pre-close-out and investigate/resolve anomalies;
 - Xoserve to review level of UIG within Nominations process and track trends if possible;
- Shippers to raise tickets where they believe that D-7 estimation is not working as intended:
 - If last actual read gave zero consumption this would roll forward as D-7 until next actual loads – not an error.

A lengthy and general discussion then took place following a review of the report highlighting those parties with sites with DM sites that were failing to provide reads, as shown in the specific and detailed confidential data and some individuals said they were still receiving estimated readings which was very unsatisfactory, despite the fact the sites in question had been updated.

A further discussion took place regarding the DMSP and how new loggers had now been installed, and yet some sites were still getting estimates and read rejections, and that this process had been working correctly prior to Nexus. It was noted that Cadent, Northern Gas Networks and Wales & West Utilities use a different provider to SGN.

FC then discussed some specific sites and the associated data and a lengthy discussion then took place surrounding the read rejections and the question was asked if there was a rejection did the DMSP and Xoserve get to see and analysis and reasons for these rejections and FC, confirmed this was the case. This area of discussion continued and encompassed the data rejection/mis-match issue and questions were asked how this had now only become an issue post Nexus. It was also stated that the DMSP were stating that the rejections issues/estimates were being investigated and resolved, when in actual fact, this was not the case.

JD proposed that the 'organisation' directly impacting settlement needed to be written to prior to the meeting on 11 July 2017 and a response was needed from each as to how these issues were going to be resolved in an expedient manner. He also stated this would high-light that the Performance Assurance Committee were now taking a 'deep dive' investigation regarding these issues.

It was then agreed that a communication should be sent to relevant DSC Contract Managers requesting an update on the resolution to these present issues and that this would be sent by the Joint Office. The content and context of the message would be produced by Xoserve, (FC) stating that this needed to be actioned and drawing attention to the fact the next escalation stage would be the CEO's.

New Action 0611: Xoserve (FC) to produce the communication content and context for the DM's data mis-match and estimates to be sent by the Joint Office to relevant DSC Contract Managers.

2.2 Potential impacts of CV defect on UIG

FC confirmed that there were some data mis-matches and calorific value mis-matches specifically for East Midlands LDZ, but that this would be addressed by a system

correction, and said it had occurred due to a set of corrections that had then been sent late into Gemini and that these would be reconciled in future correction runs.

FC then provided an overview of the current process and explained the technical reason why this had initially occurred. AL wanted to know what was the exposure level of these mis-matches and FC said she would have to investigate that specific area in more detail, to be able to confirm this. Only Shippers active in East Midlands LDZ would be impacted.

Members agreed that this issues was of limited concern and would not require further discussion.

2.3 Additional sites with an AQ of 1KWh

FC overviewed the 'Rolling AQ – Initial Calculation' presentation and drew specific attention to the Successful Calculations slide within the presentation.

A lengthy general discussion took place surrounding the overall process and why these errors were occurring to create negative AQs and what should be the resolution process. A debate then ensued with mixed opinions regarding if a new modification should be raised in order to address this in a formal manner.

BF said that this had been flagged as a priority issue for discussion within the Distribution Workgroup and that if this was not resolved in a satisfactory manner then a new modification would need to be raised by an industry party. JW said he would raise the modification if this was required, but he also stated that Xoserve had suggested this matter should be discussed at the UNCC meeting on 20 July 2017 as it might be resolved by submitting and amendment to the UNC Validation Rules.

SP said that from an Xoserve perspective that most of the Supply Points with such an AQ did not have any recorded usage and where a meter reading was submitted it usually generated a negative AQ which defaulted to an AQ '1', however, that as a consequence of meter exchanges and the consumption listings migrating, that a change would be needed, in relation to the negative consumption profiles and to ensure meter records were up to date.

A protracted general discussion took place surrounding the overall topic of the Rolling AQ issue and FC said that a 'read replacement' process would address this problem, however that this would require a read re-calculation too with no backstop. SP said that currently an 'interim' solution was required, but that the issue would resolve itself at a later date, but that unfortunately this might take up to 12 months, as presently as a consumption greater than '1', could not presently be defined. RP asked if the Shippers inputted amended reads would this solve the situation and if there was a Licence condition to undertake this data fix. AL said it was not in the Shipper's interest to undertake this kind of data fix.

It was agreed that a new action should be raised for Xoserve to conduct further analysis of sites with an AQ of '1' and where and when these occurred, with negative consumption. FC said she try to obtain some information considering the short timescales in readiness for the next meeting on 11 July 2017, but stated that this data would have to anonymised.

New Action 0612: Xoserve (FC) to investigate and provide further data extracts of AQ's of 1 and negative consumption.

3. Agree Key Messages and Next Steps

3.1 Key Messages

It was agreed that following Key Messages should be communicated:

- **Estimated readings not being provided for DM sites**
 - The PAC is to write to the DSC Contract Managers seeking reports on the steps being taken to progress/correct this issue. Responses are requested by 06 July 2017, to enable the information provided to be considered at the

next PAC meeting on 11 July 2017. The PAC will then consider next steps and whether the issue should be escalated to CEOs.

- **Potential impacts of CV defect on UIG**
 - The PAC were advised of a CV data error which impacted East Midlands LDZ. It was noted that corrective action is in progress and that there were no ongoing concerns for the PAC.
- **Additional sites with an AQ of 1KWh**
 - The PAC is considering if there are any changes required to the AQ process to correct erroneous AQs of 1KWh. Additional reports have been requested to allow the risk to be assessed and a further update is to be provided following the next PAC meeting on 11 July 2017.

3.2 Next Steps

Standard agenda items will be required for the 11 July 2017 meeting (see diary planning table).

4. Any Other Business

None

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time/Date	Venue	Programme
10.30, Tuesday 11 July 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<ol style="list-style-type: none"> 1. Monthly Review Items <ol style="list-style-type: none"> 1.1. Risk Register Review 1.2. Issues Register 1.3. Implementation Plan 1.4. Assumptions Register 1.5. Ofgem update 1.6. PARR Schedule 1 Reporting 2. Estimated readings not being provided for DM sites 3. Review analysis of an AQ of '1' 4. Annual Workplan and Budget 5. Communications Plan 6. Review of Action 7. Agree Key Messages
10:30, Tuesday 08 August 2017	Xoserve, Lansdowne Gate, 65 New Road, Solihull B91 3DL	<i>To be confirmed</i>
10:30, Tuesday 12 September 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<i>To be confirmed</i>
10:30, Tuesday 10 October 2017	Radcliffe House, Blenheim Court, Solihull B91 2AA	<i>To be confirmed</i>
10:30, Tuesday 14	Room LG8, Energy UK,	<i>To be confirmed</i>

November 2017	Charles House, 5-11 Regent Street, London SW1Y 4LR	
10:30, Tuesday 12 December 2017	Radcliffe House, Blenheim Court, Solihull B91 2AA	<i>To be confirmed</i>

Action Table (as at 30 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 1004	10/10/16 <i>(reworded 08/11/16)</i>	7.	<i>PARR Schedule 2 Reports</i> - Xoserve to collate report development questions/recommendations for review by PAC at a future meeting.	Xoserve (RHi)	Carried Forward
PAC 0104	10/01/17 <i>(reworded 14/02/17)</i>	6.	" <i>Nexus Manual Workaround Report</i> " - AL to liaise with RHi and bring to the next meeting for discussion.	PAC Member (AL) & Xoserve (RHi)	Carried Forward
PAC 0302	14/03/17	6.2	<i>Reference the Implementation Plan (line 22)</i> – AL to consider whether the high-level summary is sufficient or do we need a better industry engagement process (i.e. a communications plan based approach).	PAC Member (AL)	Carried Forward
PAC 0401	11/04/17	4.0	All members to consider what needs to be in the workplan: manual workarounds and the risks arising from them (AL), on-boarding the PAFA (MJ) and setting out the 'stall' for expectations/targets and how the framework will work (CB).	PAC Members (AL/MJ/CB)	Carried Forward
PAC 0506	03/05/17	6.	To look to provide a brief two (2) slide presentation on incentives applied across different industry sectors (i.e. scaling factors and unidentified gas utilised in the gas market sector for incentive purposes etc.).	Ofgem (TQ)	Carried Forward
PAC 0601	13/06/17	3.6	Standard Correction Factors for sites with AQ > 732, MWH -Shippers to raise the issue at MAM CoP.	Shipper Members	Carried Forward
PAC 0602	13/06/17	3.6	Standard Correction Factors for sites with AQ > 732, MWH - Xoserve to consider Gazprom presentation to ensure the process is reflected correctly for onward communication to Shippers.	Xoserve (FC)	Carried Forward

Action Table (as at 30 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0603	13/06/17	3.6	Standard Correction Factors for sites with AQ > 732, MWH - PAFA to write out to Shippers for an update on actions being undertaken	PAFA	Carried Forward
PAC 0604	13/06/17	3.6	Standard Correction Factors for sites with AQ > 732, MWH - Xoserve to establish if it is feasible to identify how many sites have a corrector in situ.	Xoserve (FC)	Carried Forward
PAC 0605	13/06/17	3.6	JO to create a contract list containing all the DSC Contract Managers and issue an email for each organisation to provide an appropriate contact for PAC and PAFA communications.	Joint Office	Carried Forward
PAC 0606	13/06/17	3.6	DSC Contract Managers to provide a nominated PAC contact.		Carried Forward
PAC 0607	13/06/17	3.6	No Meter Recorded - PAFA to send request for update.	PAFA	Carried Forward
PAC 0608	13/06/17	3.6	Shipper Transfer Read Performance - PAC members to bring views on what reporting changes need to be made.	Shipper Members	Carried Forward
PAC 0609	13/06/17	4.0	Annual Workplan and Budget to be produced	Shipper Member (FM)	Carried Forward
PAC 0610	13/06/17	6.0	Unsuccessful Must Read Process to be logged as a new issue and PAC members to consider an education exercise to improve the high volumes of CMS auto closures.	Shipper Members	Carried Forward
PAC 0611	30/06/17	2.1	Xoserve (FC) to produce the communication content and context for the DM's data mis-match and estimates to be sent by the Joint Office to relevant DSC Contract Managers.	Xoserve (FC)	Pending
PAC 0612	30/06/17	2.3	Xoserve (FC) to investigate and provide further data extracts of AQ's of 1 and negative consumption.	Xoserve (FC)	Pending