

UNC Performance Assurance Committee Minutes
Monday 06 August 2018
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Carl Whitehouse*	(CW)	Shipper Member
Fiona Cottam	(FC)	Observer, Xoserve
Graham Wood*	(GW)	Shipper Member Alternate
John Welch	(JW)	Shipper Member
Lisa Saycell	(LS)	Shipper Member
Mark Bellman	(MB)	Shipper Member
Neil Cole	(NC)	Observer, Xoserve
Nirav Vyas	(NV)	PAFA
Rob Johnson*	(RJ)	Transporter Member
Sally Hardman	(SH)	Transporter Member
Sallyann Blackett	(SBa)	Shipper Member
Shanna Key*	(SK)	Transporter Member

Apologies

Mitch Donnelly	(MD)	Shipper Member
Rachel Hinsley	(RH)	Observer, Xoserve

* *via teleconference*

Copies of non-confidential papers are available at: <http://www.gasgovernance.co.uk/PAC/060818>

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

Bob Fletcher (BF) welcomed everyone to the meeting and declared the meeting as being quorate.

1.2 Apologies for absence

Apologies were noted as above.

1.3 Note of Alternates

Graham Wood for Mitch Donnelly

1.4 Review of Minutes (10 July 2018)

The minutes of the previous meeting were approved.

2. Monthly Review Items**2.1 Risk Register Review**

Nirav Vyas (NV) explained that an update would be provided in due course on the two new risks that Mark Bellman (MB) has raised in June. NV explained that he was still awaiting the Correction Factor data analysis in order to quantify these two risks, and then these would be formally included in the Risk Register and presented to Performance Assurance Committee (PAC).

A lengthy general discussion then ensued and both Sallyann Blackett (SB) and John Welch (JW) said that as this data was still not available, and in order to move this matter forward, could a rough estimate not be used in the meantime. MB as the Proposer also agreed with this suggestion as the PAC could provide guidance based on a rough cut before extensive was spent on analysis. BF suggested that it could be described as 'draft' in the initial stages and then 'live', when the data was available, all were in agreement with this way forward and JW further suggested the risks themselves could be labelled accordingly within the Risk Register.

A further general discussion then took place regarding gaining access to the data that was required and that the timeline at present was very elongated. MB asked if it would be possible for the PAC to formally write to Xoserve and impress upon the importance of getting access to the site specific correction factor data for PARR related reports.

NV said that presently the volume was not yet included within the PARR reports and so the value of the risks could not yet be determined from a bench marking process. SB said that she had carried out some high-level data analysis internally in relation to the LDZ data, and she said that the initial results showed a 2% higher consumption than standard Correction Factors and with the associated impacts on Unidentified Gas (UIG). NV said that a high-level overview would be very useful from an initial estimate perspective and that an Industry viewpoint would be needed. SB said that at least an estimate would enable this matter to be progressed and would avoid wasting even more time, especially as the two new risks had been raised in June, and MB agreed saying that waiting for the data from Xoserve was very frustrating.

Sally Hardman (SH) said in relation to the Risk Register itself she wanted to know what the status was in connection to Risk 006 – *Use of Winter Annual Ratio (WAR) Bands*, and how this and other risks were being evaluated and progressed, especially in a scale of severity and urgency. BF noted that there were related Modifications on this topic. JW and SB both agreed that the Risk Register needed to be revisited and the risks themselves needed to be re-categorised.

BF said in relation to the PARR Reporting itself that the level 2 reporting was only just starting to be available and that some of the risks themselves needed this data reporting to be progressed and suitably evaluated. NV said that there was already a process in place to access this data. He then reiterated that when the Risk Register was originally created, there had been little appetite from the PAC Members on the specific criteria regarding the issues, as the data was needed to provide evidence, content and context. MB and JW both said they appreciated this fact, however the timeframe was continually being elongated with no progression to a resolution.

MB further added that he had been in discussion with Carl Whitehouse (CW) offline about resurrecting Modification 0635 – *Reforms to incentivise accurate and timely DM reads for Class 2 Meter Points to improve the accuracy of Unidentified Gas allocation*, which had previously been withdrawn in February 2018.

MB said his suggestion of re-raising this modification was due to the fact the DM reads process has taken over 6 months to resolve which was unacceptable. He then overviewed the performance process that is operated and adhered to within the Electricity sector and how this was strictly managed and adhered to, with the associated monitoring of performance.

NV said that a more managed and ownership procedure had been discussed within the PAC PRID(e) Workshop Day 1 and that he was now working on the content to raise a new modification, which would propose a defined process along similar lines to the Electricity performance monitoring and Rules of Engagement. NV also said initially that PAC had not wanted parties to be singled out and required to present their case to PAC, unlike the procedure within the Electricity sector and he asked the PAC Members if this was now the expectation.

JW and SH both said that the presenting to PAC direct Should not be discounted, but that initially once the PAFA had the defined process, then this could be further discussed and viewed if this might be a requirement in the future. NV said that it would be helpful if all PAC members could review the existing Risk Register and the how to report a risk.

New Action PAC 0801: All PAC members to review the Risk Register and the reporting of how a new risk is to be included into the Risk Register.

A brief general discussion took place regarding the two new risks and Fiona Cottam (FC) said that she had done a high-level assessment of the two new risks and had found that 15% - 16% did not have a site specific Correction Factor currently that should, which was less than 2% of the DM Demands. SB said in that case, that was understating the energy used which would have an effect on the UIG making the assumptions 2% of the total throughput. FC added that the throughput of these sites was 3% and it would need to be seen how it mapped against the UIG levels against the LDZ references.

New Action PAC 0802: Xoserve (FC) to provide further data and information on the correct application of site and standard Correction Factors

2.2 Issues Register

BF overviewed the existing issues as detailed below:

2.2.1. PAC09 – Data quality and issues with the submission of readings result in higher levels and fluctuations in (UIG) Unidentified Gas

Item was not discussed at this meeting.

2.2.2. PAC10 – Product Class 2 and 3 Meter Read Submission Performance

JW explained that a new modification regarding this topic would be submitted to the August Panel. BF said the modification itself needed more detail and development, in relation to how a site would be chosen and ranked in the options. BF also explained that the Business Rules needed more definition regarding read performance targets and the relevance in relation to UIG. FC said that presently Xoserve were not happy with the reports at present, in respect of the swapping of Class 2 and to Class 4 from monitoring perspective. BF said that a clearer view would be forthcoming at the August Panel in relation to the overall modification itself and any additional questions that Workgroup might be asked to consider.

BF said that regarding the risks themselves, that if these were elongated from a timeline period then these should be documented and assessed from a risk becoming an issue perspective, and that both would need quantifying by the PAC and PAFA respectively.

New Action PAC 0803: PAFA (NV) to document and provide information on the process of moving a Risk to an Issue and how it will be defined and monitored.

2.3 Project Plan

NV explained that he had provided an overview of the Project Plan within the PAC PRID(e) Workshop Day 1. He said that following on from the Workshop he was now working on the wording for a new modification would clarify the future role of PAC with a target of September Panel. NV said this content would overlap the PRID(e) model on the existing Performance Assurance Framework and would enhance it and MB agreed to be the proposer of this new modification.

2.4 Assumptions Register

BF brought attention to Assumption 4, as detailed below:

4. A significant number of supply points will be elected into product 2 and 3 as a result of the mandated smart and AMR rollout (Engage Report Assumption 5)

A brief general discussion then took place regarding the use of Class 2 and Class 3 and the overall settlement process and Lisa Saycell (LS) said that due to the fact the AMR programme had been rolling out for a considerable time now, the Shippers should be adhering to the correct Class where their systems allowed.

It was then agreed that this area was covered in the Risk Register and so this item could be taken off future agendas and that Assumption 4 and the Assumption Log could now be closed.

NV said that he would encompass this area as part of the Risk Register Review along with the original Engage Report to ensure all areas were fit for purpose.

New Action PAC 0804: PAFA (NV) to conduct a Risk Register Review to encompass the Assumptions Register and the original Engage Report to ensure all are fit for purpose.

2.5 Ofgem Update

BF said there was no Ofgem representative present and so there was no update.

2.6 Review of Monthly PARR Schedule 2 Reporting Update

NV explained there was no Monthly PARR Schedule 2 Reporting update this month as discussions were presently taking place with Xoserve regarding the formatting and figures themselves and that he would provide an update at the September meeting.

New Action PAC 0805: PAFA (NV) and Xoserve (FC) to discuss the formatting and figures contained within the Monthly PARR Schedule 2 Reporting Update in readiness for the September meeting.

2.7 Review of PAC Related and New Modifications

JW explained the Workgroup 0657S - *Adding AQ reporting to the PARR Schedule reporting suite* had been concluded last week and that it would be going out to consultation in readiness for the September Panel, with a Self-Governance status. He said there had been a slight issue with the Rough Order of Magnitude (ROM) in respect of the governance and BF added that the DSC Change Management Committee would need to decide on the implementation based on the intent of the modification itself, together with the linked DSC change proposal.

Sallyann Blackett (SB) said that Modification 0654 - *Mandating the provision of NDM sample data*, also had a recommended Self-Governance status and would be reporting to the August Panel.

BF explained that Modification 0659S - *Improvements to the Composite Weather Variable* was still in the development process and had a long lead time.

Graham Wood (GW) explained that Modification 0660 - *Amendment to PARR permissions to allow PAC to update with UNCC approval* was presently being amended with input from the PAFA and would be available for further discussion at the Distribution Workgroup on 23 August 2018.

Mark Bellman (MB) said that he intended to raise a modification in due course to incentivise Shippers to meet read performance obligations by allocating a higher UIG for failing to meet the target in Product Class 4. He said he was preparing the content for this new modification and presently awaiting some supporting data.

3. Annual Work Plan and Budget

3.1 Draft Work Plan and Budget Actions Update

Members agreed this item would be discussed in depth during the PRID(e) Project Plan workshop day 2, to be held on 03 September 2018.

4. Communications Plan

NV said the main key messages from each meeting continued to be produced by the PAFA and these were distributed via the usual channels.

5. Any Other Business

5.1 Review of the Performance Assurance Framework - All

BF noted that the PAC Framework document should be further explored prior to the PRID(e) Project Plan workshop day 2, to be held on 03 September 2018 and any feedback should be directed to the PAFA.

JW enquired when the PAFA Yearly Review would be presented and NV confirmed this would be in the September meeting, once sign off had been obtained.

5.2 Smart Meters (exchanges and read submissions statistics) – All

JW proposed that this item was kept on the agenda as a 'watching brief', in relation to Modifications 0570 - *Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum* and Modification 0638V - *Mandate monthly read submission for Smart and AMR sites from 01 April 2018*.

5.3 Consideration of the Ofgem Decision Letter for UNC 0619/A/B – All

MB explained that he had requested that this item be added to the agenda as he felt that this topic needed greater discussion and exploration. BF said that this was also the August Panel agenda, as Ofgem had challenged the Panel's previous decision in relation to the relevant objectives within Modification 0619/A/B - *Application of proportionate ratchet charges to daily read sites, Protection from ratchet charges for daily read customers with an AQ of 73,200kWh and below, Application of proportionate ratchet charges to daily read sites*. In addition, Ofgem wanted to see an answer to this issue that did not I disincentives Class 2 while ensuring network resilience was maintained.

A lengthy general discussion then took place as to what next steps should be taken from the PAC's perspective and it was agreed that a Request should be raised to investigate Ratchet charges and associated incentives/disincentives on Class 2 products. . BF proposed this Request would need to be discussed and developed within the UIG Workgroup.

MB added that PAC needed to have a more forceful approach in relation to this matter and that he would produce a response on behalf of PAC and would circulate to all PAC members for their agreement.

New Action PAC 0806: Shipper Member (MB) to produce a draft letter to Panel on behalf of PAC regarding the Ofgem decision letter in relation to Modification 0619/A/B, and this to be circulated to all PAC Members for feedback and agreement.

6. Any Other Business

Xoserve UIG Task Force

NV said he had added this item as he wanted to discuss if the PAFA could be included within the Xoserve UIG Task Force meetings, as he felt that there should be a PAFA representative involved and included,.

FC explained the Xoserve UIG Task Force was an internal group and that it was not an Industry Forum and that it was only involving Xoserve and the Data Science Provider and that the task force itself would only be operational for a 6 – 7 months period.

She said the results and findings would be shared with the DSC Change Management Committee on a regular basis, as the committee was funding the work. FC then said she would approach the DSC Change Management Committee to seek advice about what information could be given to the PAFA and if they could attend any of the task force meetings.

New Action PAC 0807: Xoserve (FC) to approach the DSC Change Management Committee and enquire what information the PAFA could be given in relation to the Xoserve UIG Task Force and to advise if the PAFA could attend any of the meetings for that specific item.

NV asked if the Task Force would have any detrimental impacts from a resource and PARR Reporting perspective and FC confirmed this would not have an impact.

FC said that the issues phase of the Task Force was being developed presently and that she would be able to supply more information at the September meeting on this topic.

7. Review of Actions Outstanding

PAC0501: Xoserve (FC) to investigate Schedule 33 data with Electralink/TRAS and see if this data could be shared with Xoserve.

Update: FC requested that this action be carried forward, as further discussions were still taking place with SPAA in relation to discrepancies of data sets and so she asked for this action to be carried forward. **Carried forward**

PAC 0601: Xoserve (RH) to investigate the status of the sites with a standard correction factor and MAMCoP.

Update: FC said this matter had been discussed at the August MAMCoP meeting in relation to the correction factors and AQ's and she asked for this action to be carried forward. **Carried forward**

PAC 0602: Xoserve (FC) to provide feedback via the Customer Account Managers on the Shippers performance with a RAG status, including the current level of engagement with each Shipper.

Update: FC said this action needed to be carried forward as RH was not able to attend the meeting. **Carried forward**

PAC 0605: Xoserve (FC) to provide information regarding the pre Nexus USRV process.

Update: FC said this action could now be closed as the pre Nexus USRV process had now been discussed at the workshop day held on 25 July 2018. **Closed.**

PAC 0606: Xoserve (RH) to investigate the current EBCC defined process EBCR framework structure and provide feedback.

Update: FC said this action could now be closed as this matter had been discussed at the workshop day which was held on 25 July 2018. **Closed.**

PAC 0607: Xoserve (FC) to write to Ofgem and summarise what actions have been taken so far and request the assistance of Ofgem with the resolution to the consumption adjustment issue.

Update: FC said this was still in process and she had had a conversation with Jon Dixon and she was now preparing a document regarding the background on Pot 1, and so this action should be carried forward. **Carried forward.**

8. Next Steps

BF proposed that the actions from the Workshop Day 1 would be discussed at the Workshop Day 2, on 03 September 2018, as he said it was more sensible to keep these actions separate to avoid confusion.

BF said the next formal PAC meeting would be held on 11 September 2018 in London.

8.1 Key Messages – PAFA

It was agreed the PAFA would provide the Key Messages communications for this and future meetings, as per the summary below:

- The PAC discussed PAC Issue 010 – “Product Class 2 and 3 failure to submit meter readings” and associated draft modification for transfer of sites with low read submission performance from Classes 2 and 3 into Class 4
- The PAC identified the need to define a process from raising a PAC Risk and developing that into a PAC Issue. The PAFA will provide a process for PAC consideration at the next month’s PAC meeting
- A Modification Panel update was provided for Modification 657S - Adding AQ reporting to the PARR Schedule reporting suite, stating the modification has been amended following the Distribution Workgroup on 26 July 2018
- A Modification Panel update was provided for Modification 660 - Amendment to PARR permissions to allow PAC to update with UNCC approval, stating that this will be considered by the Distribution Workgroup on 23 August 2018
- The PAC discussed Ofgem’s decision letter for Modification 619/A/B and considered what next steps to take, if any, pending the UNC Panel’s views of the letter
- The PAC discussed the CDSP’s set up of the UIG Task Force. The CDSP noted that the creation of the task force will not adversely impact them providing the PAC and PAFA with information and data requests
- The PAFA will present the methodology behind the risk model at next month’s PAC meeting
- The initial PRIDe in Gas Model workshop was held on 25 July 2018 to discuss the techniques and model
- The next PRIDe in Gas Model workshop will take place on 3 September 2018
- The PAFA didn’t present the PARR reports due to the delay in receiving data from the CDSP
- The next PAC meeting will take place on 11 September 2018

9. Diary Planning

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

Time/Date	Venue	Programme
10.30, Tuesday 11 September 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> • Monthly Review Items • Annual Work Plan & Budget • Communications Plan • Smart Meter Exchanges & Read Submission Statistics • PAC Related Modifications

10.30, Tuesday 09 October 2018	Solihull – Venue TBC	<ul style="list-style-type: none">• <i>To be confirmed</i>
10.30, Monday 05 November 2018	Elexon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none">• <i>To be confirmed</i>
10.30, Tuesday 11 December 2018	Solihull – Venue TBC	<ul style="list-style-type: none">• <i>To be confirmed</i>

Action Table (as at 06 August 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0501	08/05/18	2.1	Xoserve (FC) to investigate Schedule 33 data with Electralink/TRAS and see if this data could be shared with Xoserve.	Xoserve (FC)	Carried forward
PAC 0601	12/06/18	2.1	Xoserve (RH) to investigate the status of the sites with a standard correction factor and MAMCoP.	Xoserve (RH)	Carried forward
PAC 0602	12/06/18	2.1	Xoserve (FC) to provide feedback via the Customer Account Managers on the Shippers performance with a RAG status, including the current level of engagement with each Shipper.	Xoserve (FC)	Carried forward
PAC 0605	12/06/18	2.3	Xoserve (FC) to provide information regarding the pre Nexus USRV process.	Xoserve (FC)	Closed
PAC 0606	12/06/18	2.3	Xoserve (RH) to investigate the current EBCC defined process EBCR framework structure and provide feedback.	Xoserve (RH)	Closed
PAC 0607	12/06/18	5.5	Xoserve (FC) to write to Ofgem and summarise what actions have been taken so far and request the assistance of Ofgem with the resolution to the consumption adjustment issue.	Xoserve (FC)	Carried forward
PAC 0801	06/0818	2.1	All PAC members to review the Risk Register and the reporting of how a new risk is to be included into the Risk Register.	ALL	Pending
PAC 0802	06/0818	2.1	Xoserve (FC) to provide further data and information on the correct application of site and standard Correction Factors .	Xoserve (FC)	Pending
PAC 0803	06/0818	2.2.2	PAFA (NV) to document and provide information on the process of moving a Risk to an Issue and how it will be defined and monitored.	PAFA (NV)	Pending
PAC 0804	06/0818	2.4	PAFA (NV) to conduct a Risk Register Review to encompass the Assumptions Register and the	PAFA (NV)	Pending

Action Table (as at 06 August 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			original Engage Report to ensure all are fit for purpose.		
PAC 0805	06/0818	2.6	PAFA (NV) and Xoserve (FC) to discuss the formatting and figures contained within the Monthly PARR Schedule 2 Reporting Update in readiness for the September meeting.	PAFA (NV)	Pending
PAC 0806	06/0818	5.3	Shipper Member (MB) to produce a draft letter to Panel on behalf of PAC regarding the Ofgem decision letter in relation to Modification 0619/A/B, and this to be circulated to all PAC Members for feedback and agreement.	Shipper Member (MB)	Pending
PAC 0807	06/0818	6.0	Xoserve (FC) to approach the DSC Change Management Committee and enquire what information the PAFA could be given in relation to the Xoserve UIG Task Force and to advise if the PAFA could attend any of the meetings for that specific item.	Xoserve (FC)	Pending