

**UNC Workgroup 0674 Minutes**  
**Performance Assurance Techniques and Controls**  
**Wednesday 11 December 2019**  
**at Gemserv, 8 Fenchurch Place, London, EC2M 4AT**

**Attendees**

Alan Raper (Chair)	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	Gemserv
Jon Dixon	(JD)	Ofgem
Karen Kennedy*	(KK)	British Gas
Leteria Beccano*	(LT)	Wales & West Utilities
Mark Bellman	(MB)	ScottishPower
Michael Lain*	(ML)	E.ON
Sallyann Blackett*	(SB)	E.ON

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0674/111219>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 March 2020.

**1.0 Introduction and Status**

**1.1. Approval of minutes (29 July 2019)**

The Chair, Alan Raper (AR) presented the amended minutes from the last meeting, the Workgroup considered the amendments and approved them.

**1.2. Review of Outstanding Actions**

**Action 0603:** Reference: DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.

**Update:** FC confirmed this action could now be closed as the information had been encompassed in the Modification. **Closed.**

**Action 0702:** Reference: UNC Business Requirements – UNC Parties - Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3.

**Update:** Mark Bellman (MB) and FC confirmed that this action should be transferred to PAC for further discussion and all agreed with this suggestion. **Transferred to PAC. Closed.**

**Action 0706:** Reference: PAC Appointments and Requirements - ~~Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters.~~ CDSP to write out to Contract Managers to ascertain who is the SPoC in their organisation and their authority level.

**Update:** FC said this could be implemented as a retro fit process and encompassed with the shipper on-boarding going forward. MB said it was originally raised from the ICOS issue that the SPoC was not a suitable contact. A lengthy general discussion took place as to the SPoC level and authority, it was again agreed this action should be transferred to PAC and the action should be re-worded to say; *Reference: PAC Appointments and Requirements - Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters.* CDSP to write out to Contract Managers to ascertain who is the SPoC in their organisation and their authority level. **Transferred to PAC. Closed**

**Action 0901:** MB agreed to review UNC parties' section of the Modification requirements and compare it with current Data Permissions detailed UNC Section V5.

**Update:** MB said he did not think that approval was required from the UNC regarding the PARR Reports and he added that the PARR Reports should become PAC documents to give PAC the authority over the PARR Reports, then becoming the sole property of the PAC.

AR said that the delegated authority needed to be discussed in-depth in relation to all the performance related documents. FC agreed with this and said that the reports and specifics needed to be discussed, especially regarding the types of reports and the level of data requested. AR added that the correct level of transparency and clarity was essential.

A brief general discussion took place in relation to the PARR Reports and the information contained in them and that the report specification was very important, together with a uniform approach. MB said that was why he was proposing that the PAC had overall authority, to enable the PAC to see and investigate patterns of performance failures with the ability to see the whole overview of the reporting structure.

AR said in relation to the Summary and Main Documents: the summary was an overview of the more complex Main Document and that the latter was governed by the UNC. A general discussion took place regarding the Summary Document and the fact it was out of date and FC confirmed she would talk to the PAFA the document deleted.

Anne Jackson (AJ) asked how long it would take Xoserve to add to the PARR Reports and FC said it could take some time, however the Data Discovery Platform (DDP) was moving access to information in the right direction and then it would be more straight forward and quicker to add new reports.

Both MB and AJ suggested that it would be more straightforward to specify reporting requirements within the Business Rules of Modifications get the relevant data permissions included in the Legal Text. It was agreed that MB would include this within the Business Rules. This action was then closed. **Closed.**

**Action 0902:** AJ to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC.

**Update:** AJ said that the action needed to be carried forward as the Modification was not yet in a static state, so it was not clear of the impact on the IGTs at this time. It was also agreed that this action should be merged with Action 1002 for the next meeting. So, the new action was reworded to read: *Gemserv (AJ) to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC. Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification.* **Carried forward**

**Action 1001:** Xoserve (JR) to circulate the current Xoserve Prioritisation Process.

**Update:** FC said she knew that JR had circulated the Xoserve Prioritisation Process document and that she would ask JR to get this included onto the Change Managers agenda for the January meeting and this action should be carried forward. **Carried forward**

**Action 1002:** Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification

**Update:** It was agreed that this action should be merged with Action 0902 as above and so this action was then closed as it had now been encompassed within Action 0902.

**Closed**

**Action 1003:** Xoserve (FC) to provide a bullet list detailing the role of the CDSP in relation to Performance Assurance.

**Update:** FC confirmed this document had been produced and MB confirmed he would be adding this information into the Modification and so this action could now be closed.

**Closed**

**Action 1004:** ScottishPower (MB) and Gemserv (AJ) to updated TPD Section V regarding SectionV16.5 and V12 to reflect the proposed governance arrangements to the PARR.

**Update:** AJ confirmed this action needed to be carried forward as this was still work in progress at the present time in relation to the redrafting. **Carried forward**

**Action 1005:** Xoserve (FC) to investigate Document 4 PAFA Scope in relation to relevance of existing content at a Heads of Terms level and determine the document's value.

**Update:** FC confirmed this action was linked to the PAC Action 1109 and that this area was presently being investigated and this action needed to be carried forward.

**Carried forward**

**Action 1006:** ScottishPower (MB) to seek guidance from PAC regarding the alternate process and attendance.

**Update:** MB proposed this should be an agenda item for the next PAC meeting as there had no progression regarding the alternate process and so this action should be carried forward until a definite decision had been confirmed by PAC. **Carried forward**

**Action 1007:** Joint Office (AR) to investigate how the majority decision making in each constituency operates within the PAC meetings administered by the Joint Office.

**Update:** AR confirmed that PAC voting was a simple majority of those members present, and consequently, this action could now be closed as this matter had been resolved.

**Closed**

**Action 1008:** ScottishPower (MB) and Gemserv (AJ) to investigate the PAC Annual Plan, the Annual Review, and the Annual consultation process and provide a re-draft of the document.

**Update:** It was agreed this action should be reworded to aid clarity by including the word 'annual' and then carried forward. **Carried forward.**

## **2.0 Retail Energy Code Performance Assurance Board (REC PAB) proposals**

Jon Dixon (JD) provided an overview to the REC PAB proposal presentation and explained that the main document on this subject would be circulated by Ofgem next week or early in the New Year. The full presentation can be viewed via the link:

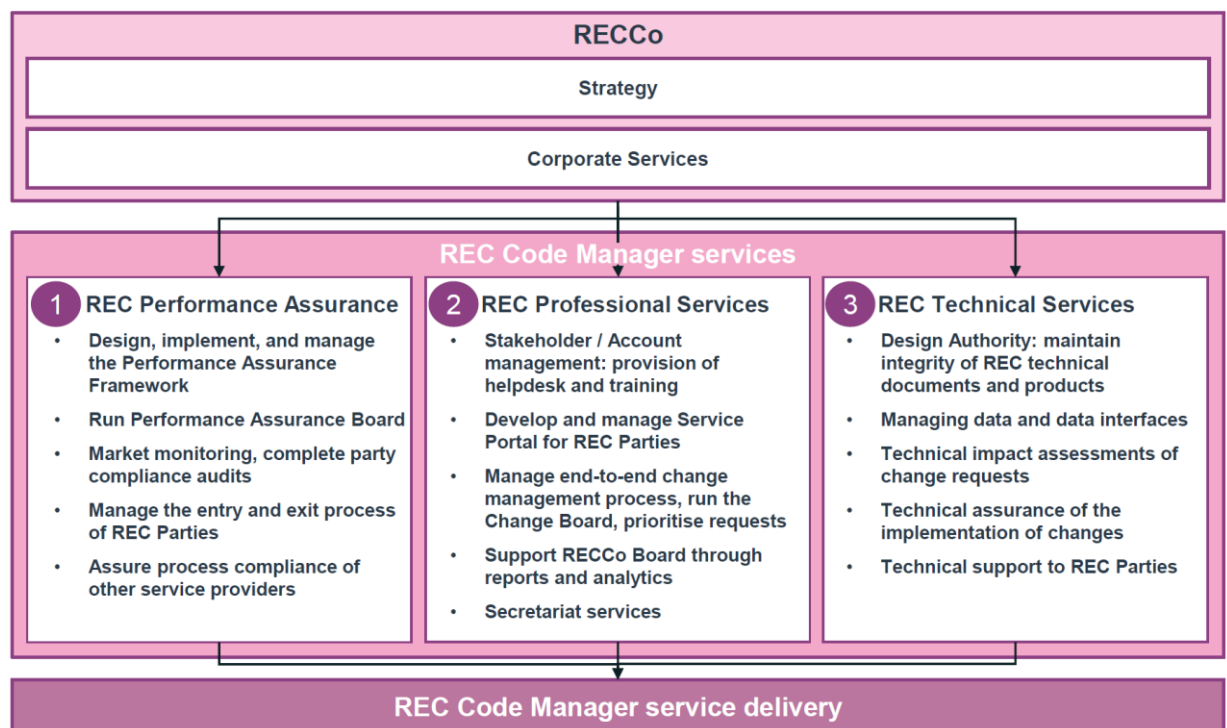
[Modification Proposal 0674 - 11 December Meeting](#)

JD explained that the UNC Performance Assurance Regime would continue to run in parallel to the REC Performance Regime being developed by RECCo with Ofgem. He said the scope of the REC PAF may extend to any service delivered through or pursuant to the REC and this was expected to cover both REC Parties and service providers. He added that the initial focus would be on the establishment of a Performance Assurance Board, which Ofgem were looking to appoint the PAB in the summer 2020, so that it then had circa 9 months to firm up the arrangements ahead of REC v2.0 (April 2021) and CSS go-live (summer 2021).

JD then overviewed the further background to REC v1.1 and explained that a REC Code Manager procurement process was expected to be published week commencing 16 December 2019 and these would be separated into 3 lots, so allowing the flexibility to appoint the best candidates in each category, rather than potentially compromise on one or two.

He said the Legal text had continued to evolve in parallel with the low-level service requirements developed by RECCo. JD said that the view was the mobilisation of each service would then commence in Quarter 3 of 2020, with the overall view that the REC Performance Assurance would be in place early to be able to support the REC PAB for go live in April 2021.

JD then overviewed the schematic as detailed below:



JD then overviewed why REC v1.1 was needed, and elaborated on the points below:

- Allow for establishment of and formal recognition of the PAB:
  - Recruit members;
  - Commission necessary reports;
  - Commission analysis, etc.

- Potential to start aspects of REC Change Management earlier than v2.0
  - Establish Change Panel;
  - Complete lower level documentation;
  - Initiate work on any new/carried over change proposals (recognising substantive decisions must await v2.0)
- Potential for REC Technical Service to embed with Ofgem/PwC programme team to provide continuity around entry testing (and reduce duplication of costs).
- Desire for RECCo to have clear vires for procurement of activities currently overseen by SPAA & DCUSA, e.g.
  - Theft tip-off service
  - TRAS replacement
  - Metering audits, etc
- Change to Company Governance:
  - Establish a nominations committee and recruit new directors;
- Establish charging principles:
  - Shape the content and nature of the 2021/22 RECCo budget consultation and development of associated charging statement.

JD further explained how the REC Performance Assurance Board would be chaired by a RECCo employee and that Ofgem were proposing a mixed board of members with a mix of Industry appointed representatives, and potentially external appointees and he defined the role of the PAB as detailed below:

The role of the PAB would be to:

- Develop evidence-based risk register and methodology;
- Develop and apply Performance Assurance Techniques (matching appropriate technique to each risk and/or associated performance measure);
- Make determinations in relation to other breaches and disputes;
- Oversee REC Sandbox:
  - No initial stage approval required from Ofgem – streamlined process;
  - Definitive outcome (e.g. make derogation permanent through PAB/Code Manager raised change).
- Ensure REC rules remain proportionate and effective

- Ofgem would like the PAB, (supported by the REC Code Manager), to review the REC drafting prior to SCR submission in order to:
  - ensure that it is sufficiently clear what its requirements are;
  - complete and ratify the initial risk register;
  - establish how the necessary monitoring will be undertaken; and,
  - ensure that there are clear and objective criteria for applying any PAT and escalations.

JD also confirmed that, in terms of change management, there would be no restriction on who could raise changes, and that the change manager would be able to reject proposals.

JD overviewed the requirements for the REC Performance Assurance Framework and the Performance Assurance Techniques which encompassed entry qualification and processes, together with applying the switching programme requirements to new entrants. He also drew attention to the performance tables, requirements to produce remedial plans, backed up by liabilities and incentive payments for non-compliance. He added that once action was initiated then the momentum would be maintained until the matter was resolved and said that failure to demonstrate that the issue had been remedied to the PABs satisfaction, would then result in escalation unless the PAB determined otherwise. He also said that appeals may be escalated to the RECCo Board, (which in effect would delegate authority to the PAB).

JD said the content and purpose of the document in relation to the PAB could be seen as contentious and some parties may not like it, due to the defined rules and processes and the fact it will give the PAB permission to deviate from outside their standard operating procedures.

A general discussion then took place in relation to how the board members would be recruited and the time they would have available to devote to the matters for consideration, together with the types of reports and qualification criteria that would be used, along with the restriction of services area. JD said that the escalation process and importance of it was critical and that the rules and performance expectations were expected to be strictly adhered to.

### **3.0 Consideration of Amended Modification**

MB provided an overview of the previously amended Modification and he explained there had been no alterations to the overall solution itself. He said following the REC PAB presentation by Ofgem he was considering whether to add into the Modification 'Restriction of Services' as a technique portfolio type of restriction. A brief general discussion took place regarding this suggestion and it was agreed that this could be added in as a phase 2, rather than into the current proposal.

### **4.0 Consideration of UNCC and PAC Governance Arrangements**

AR said that the governance arrangements needed to be defined in relation to the new Performance Assurance Committee Document, Part 1 and Part 2. He stated it was his understanding that Part 2 would be under the control of PAC and would form an operating manual and that Part 1 would be UNCC controlled and define PAC's authority.

Anne Jackson (AJ) concurred with this view and said that the documents were currently being finalised. She added that if there were any issues with the governance arrangements in relation to the length of time a PAC Member served on the Committee then this needed to be addressed. She said that at present this was a 1-year duration, but that she knew it had been suggested this should be a 3-year period. MB said that he would take this out of the Modification and refer the matter to the UNCC instead.

## **5.0 Review of Legal Text**

It was agreed the Legal Text would be discussed at the January meeting once the overall Modification was in a static state.

## **6.0 Review of Ancillary Documents**

AR said that the Ancillary Documents had now been encompassed within the PAC Documents 1 and 2 and would be undertaken as part of the review of the Modification and so this heading would be removed from future agendas.

## **7.0 Development of Workgroup Report**

AR said work would commence on the Workgroup Report at the January meeting, once the final Modification had been submitted.

## **8.0 Next Steps**

AR outlined the next steps:

- Review of Revised Modification Proposal
- Consideration of Legal Text
- Consideration of a consolidated PAC Document with Part 1 & 2 governance arrangements
- Consideration of the Reporting timeline & Development of Workgroup Report

## **9.0 Any Other Business**

### **9.1. Next Meeting Date**

AR said the next meeting would be held on Monday 27 January 2020 and would be held at Radcliffe House in Solihull.

## **10.0 Diary Planning**

*Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>*

Workgroup meetings will take place as follows:



Time / Date	Venue	Workgroup Programme
Monday 27 January 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda, plus: <ul style="list-style-type: none"> <li>• Review Revised Modification Proposal</li> <li>• Consideration of Legal Text</li> <li>• Consideration of a consolidated PAC Document with Part 1 &amp; 2 governance arrangements</li> <li>• Consideration of the Reporting timeline &amp; Development of Workgroup Report</li> </ul>
Wednesday 26 February 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda, plus: To Be confirmed



Action Table (as at 11 December 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0603	26/06/19	5.0	<i>Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.</i>	Xoserve (LJ)	Closed
0702	29/07/19	2.0	<i>Reference: UNC Business Requirements – UNC Parties</i> Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3	Xoserve/DSC Change Committee	Transferred to PAC /Removed from 0674
0706	29/07/19	3.0	<i>Reference: PAC Appointments and Requirements: - Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters. CDSP to write out to Contract Managers to ascertain who is the SPoC in their organisation and their authority level.</i>	Joint Office	Transferred to PAC /Removed from 0674
0901	17/09/19	2.0	<i>Amended Modification - MB agreed to review UNC parties' section of the Modification requirements and compare it with current Data Permissions detailed UNC Section V5.</i>	ScottishPower (MB)	Closed
0902	17/09/19	3.0	<i>Objectives: Gemserv (AJ) to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC. Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification. – combined with Action 1002</i>	Gemserv (AJ)	Carried Forward
1001	23/10/19	1.0	Xoserve (JR) to circulate the current Xoserve Prioritisation Process.	Xoserve (JR)	Carried Forward

<b>1002</b>	23/10/19	1.0	Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification. – <b><i>combined with Action 0902</i></b>	Gemserv (AJ)	<b>Closed</b>
<b>1003</b>	23/10/19	4.0	Xoserve (FC) to provide a bullet list detailing the role of the CDSP in relation to Performance Assurance.	Xoserve (FC)	<b>Closed</b>
<b>1004</b>	23/10/19	4.0	ScottishPower (MB) and Gemserv (AJ) to investigate the Plan, the Review, and the consultation process and provide a re-draft of the document.	ScottishPower (MB) & Gemserv (AJ)	<b>Carried Forward</b>
<b>1005</b>	23/10/19	4.0	Xoserve (FC) to investigate Document 4 PAFA Scope in relation to relevance of existing content at a Heads of Terms level and determine the document's value. – <b><i>linked with PAC Action 1109</i></b>	Xoserve (FC)	<b>Carried Forward</b>
<b>1006</b>	23/10/19	4.0	ScottishPower (MB) to seek guidance from PAC regarding the alternate process and attendance.	ScottishPower (MB)	<b>Carried Forward</b>
<b>1007</b>	23/10/19	4.0	Joint Office (AR) to investigate how the majority decision making in each constituency operates within the PAC meetings administered by the Joint Office.	Joint Office (AR)	<b>Closed</b>
<b>1008</b>	23/10/19	4.0	ScottishPower (MB) and Gemserv (AJ) to investigate the PAC Annual Plan, the Annual Review, and the Annual consultation process and provide a re-draft of the document.	ScottishPower (MB) & Gemserv (AJ)	<b>Carried Forward</b>