

**UNC Performance Assurance Committee Minutes**  
**Tuesday 14 November 2023**  
**via Microsoft Teams**

<b>Attendees</b>		
Penny Garner until 1pm then Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
<b>Shipper Members (Voting)</b>		
Alison Wiggett	(AW)	Corona Energy
Andy Knowles	(AK)	Utilita Energy
Catriona Ballard	(CB)	Brook Green Trading Limited
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Ltd
<b>Transporter Members (Voting)</b>		
Jenny Rawlinson	(TJ)	BU UK
Sally Hardman	(SH)	SGN
Tom Stuart	(TS)	Northern Gas Networks
<b>Observers (Non-Voting)</b>		
Anne Jackson	(AJ)	PAFA/Gemserv
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Lauren West	(LW)	CDSP
Neil Cole	(NC)	CDSP
Rachel Clarke	(RC)	PAFA/Gemserv
Peter Ratledge	(PR)	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: <a href="https://www.gasgovernance.co.uk/PAC/141123">https://www.gasgovernance.co.uk/PAC/141123</a></i></p>		

**1. Introduction**

Penny Garner (PG) welcomed all parties to the meeting.

**1.1 Apologies for absence, Note of Alternates, Quoracy Status**

**Apologies**

None received

**Alternates**

None

**Quoracy Status**

The Committee meeting was confirmed as being quorate (at the commencement of the meeting).

## **1.2 Approval of Minutes (17 October 2023)**

The minutes from the previous meetings were approved.

## **1.3 Approval of Late Papers**

No late papers to consider.

## **1.4 Review of Outstanding Actions**

**PAC1001:** Joint Office (KE) to add the location of GPAP to the PAC web page.

**Update:** This will be added when the updated version of the Joint Office website goes live. **Carried Forward**

**PAC1002:** PAFA to draft a letter to be issued to the seven Shippers in relation to Meter Read Validity. The draft is to be emailed to the PAC for approval.

**Update:** PAFA advised this is going through internal review and should be issued to PAC this week for approval by email. **Carried Forward**

**PAC1003:** Performance Improvement Plan (PIP) Update - PAFA to add the HPM score at the point active monitoring started and the current score.

**Update:** PAFA confirmed this has been completed and will be included in the update for agenda item 4.1. **Closed**

**PAC1004:** PAFA to write to the parties involved in the RFI to thank respondents and provide a summary of what has been identified and highlighted so far.

**Update:** PAFA confirmed this is complete. The draft was published and is covered within the RFI section of the agenda. **Closed**

**PAC1005:** PAC members are to review and consider the 'Further Areas of Consideration' presented within the slide pack (Disputed Improvement Plan Request, Combining Plans, Stretch Targets and Continuous Improvement) and to feedback on any comments they may have in relation to these to [PAFA@gemserv.com](mailto:PAFA@gemserv.com).

**Update:** PAFA confirmed no comments have been received. The appeals process will be discussed within the agenda. **Closed**

**PAC1006:** Joint Office (KE) to write to SEC about the issues raised in the RFI.

**Update:** The Joint Office confirmed that an email has been sent to the SEC with the details that came out of the RFI subgroup. **Closed**

**PAC1007:** PAC members to consider the principles around the Further Areas of Consideration and feedback to PAFA:

- Disputed Improvement Plan request;
- Combining Plans
- Stretch Targets
- Continuous Improvement

**Update:** **Carried Forward**

**PAC1008:** PAFA (PR) to consider how the Holistic Performance Matrix could work based on Shipper size (e.g. small medium large).

**Update:** PAFA confirmed this is ongoing and a monthly update will be provided. **Carried Forward**

**PAC1009:** Joint Office (KE/HB) to create a log of outstanding Modifications that may impact Settlement to be used for PAC review at each meeting.

**Update:** The Joint Office confirmed this is currently being created and will be provided at the December PAC meeting for review. **Carried Forward**

## 2. PAC Escalation Meeting

### 2.1 Pre-Discussion ahead of the Confidential Session

A discussion ahead of the escalation meeting was held.

### 2.2 Escalation Meeting

## 3. Matters for Committee Attention

### 3.1 Annual Review 2023 – Consultation Feedback

Rachel Clarke (RC) provided an overview of the 2022/2023 Annual Review & Engagement Event Report advising that this is now an industry event to specifically engage with the industry and had been changed to an online survey for better accessibility. It has received more engagement than methods used in previous years.

RC provided a view of the 2023 Annual Review feedback received and the response in each case.

When SM asked, RC agreed to refer to the Performance Assurance Parties (PAP) as either 'parties' or 'stakeholders' rather than PAP.

PAC members discussed the comments made regarding out-of-date data. Fiona Cottam (FC) noted that the main cause for a delay to more up-to-date data is the read performance with a 25 business day window for meter reads to be submitted.

FC took action to revisit the CDSP response to Q6.

**New Action:** CDSP FC: to rephrase the response *from* CDSP where it is suggested that *the retrospective nature of PAC reports means that by the time data is presented at PAC it is around 6 to 10 weeks out of date.*

The members discussed various ways of how, if at all, the data presented can be more up-to-date, and it was suggested that Agile Working is discussed at the December 2023 PAC meeting.

In the interest of time, it was suggested, that the rest of the report will be reviewed at the December meeting.

### 3.2 Appeals Process

RC explained that Entry and Exit criteria have been discussed previously and the Appeals Process is an area that has come out of those discussions for PAC consideration.

#### Existing Disputes Process

RC explained the existing process is only used for very specific situations and asked PAC Members to consider if the existing process is applicable.

#### Further areas of consideration

RC asked of the PAC members, is this appeals process appropriate for appeals against Performance Improvements Plans (PIPs) or is there an alternative appeal approach that can be used.

It was confirmed that a Modification would need to be raised should the scope of paragraph 16.8.1 need to be increased.

When it was noted that it is quite an onerous process for appeal, RC suggested including that PAFA and the party can work collaboratively to overcome any issues in the first instance.

RC noted that generally, parties are good at keeping PAFA informed and that PAFA would provide PAC with regular updates.

PAC members agreed that if and when the Appeals Process needs to be utilised, the discussion can be re-opened.

#### 4. Monthly Performance Assurance Review Items

##### PARR – Shipper Performance Analysis (Holistic Matrix)

##### Holistic Performance Assurance Matrix (HPM):

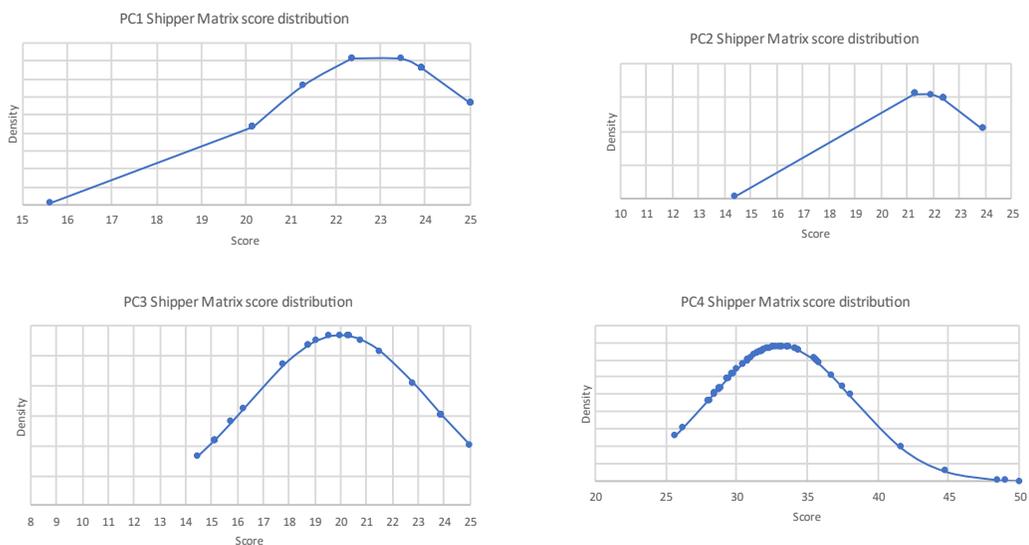
PAFA provided an update in terms of the output of the HPM in the four Product Class categories and also provided an update in respect of Performance Improvement Plans (PIPs).

Three new Parties have fallen on or below the Performance Improvement Plan criteria for Product Class 3. PAC voted to issue these Parties with a PIP.

It was noted that two Shippers previously issued with a request for a Product Class 3 PIP have shown an extremely positive shift in their HPM score and overall performance. PAFA recommended that PAFA's 'active' monitoring of the Party against their agreed Plan be discontinued while the Party continues implementing it. PAC were in favour of this approach and letters will be issued to Shippers to advise of this outcome.

To encourage continuous performance improvement, PAC plan to keep the Holistic Performance Matrix (HPM) scores and thresholds under review. 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.

## POOR PERFORMERS IN EACH MARKET



Discussions were undertaken on Parties falling just above the agreed score threshold with suggestions about how and when to request resolution plans from these Parties. The pre-Performance Assurance Technique (PAT) application engagement route as presented, discussed and agreed at the October PAC was reviewed in the context of these Parties. PAC was in favour of issuing letters to these Parties to highlight their low scores over the previous three months.

CDSP confirmed that Read Performance in Product Class 1 has recently seen a big improvement and is looking positive.

The PAFA confirmed that they are currently reviewing options regarding the HPM and accessibility to the industry

#### **4.1 Risk & Issues Register Update – deferred to December meeting**

The Risks and Issues Register Update agenda item was by exception for this month. As there were no significant issues to highlight no updates were provided, however, the presentation is available for review here.

The presentation highlights seven risks for November 2023:

##### **PC3 Reads**

33% decrease in Value at Risk across 2022-23 due to a combination of an increase in Read Performance and a decrease in the average number of sites and associated average AQ.

The Risk Rating in the register is 3 (medium priority).

PAFA will continue to monitor closely. The next Review refresh point is February 2024.

##### **PC4 Monthly Reads**

- 8% decrease in Value at Risk across 2022-23 due to an increase in Read Performance.
- The Risk Rating in the register is 5 (highest priority).
- PAFA will continue to monitor closely. The next Review refresh point is February 2024.

##### **PC4 Annual Reads**

- 31% decrease in Value at Risk across 2022-23 due to a combination of an increase in Read Performance and a decrease in the average number of sites and associated average AQ.
- The Risk Rating in the register is 5 (highest priority).
- PAFA will continue to monitor closely. The next Review refresh point is February 2024.

##### **AMR Monthly Reads**

- 27% decrease in Value at Risk across 2022-23 due to a combination of an increase in Read Performance and decrease in the associated average AQ.
- The Risk Rating in the register is 2 (lower Priority).
- Review at next refresh point of February 2024.

##### **AMR Annual Reads**

- 111% increase in Value at Risk across 2022-23 due to a combination of a decrease in Read Performance and substantial increase in the associated average AQ.
- The Risk Rating in the register is 2 (lower priority).
- The next Review refresh point is February 2024.

##### **Rejected PC4 Annual Reads**

- 28% decrease in Value at Risk across 2022-23 due to a combination of the decrease of rejected read volumes, the number of Supply Points (SPs) within this category and the associated average AQ.
- The Risk Rating in the register is 3 (medium priority).
- The next Review refresh point is February 2024.

**Rejected PC4 Monthly Reads**

- 119% increase in Value at Risk across 2022-23 due to a combination of the increase of rejected read volumes, the number of SPs within this category and the associated average AQ.
- The Risk Rating in the register is 3 (medium priority).

Any questions/feedback on the content of the slides presented, please email [PAFA@gemserv.com](mailto:PAFA@gemserv.com)  
 PAFA presented PAC with an overview of AQ at Risk calculations and how these are undertaken by the CDSP, as previously requested by Shipper Parties.

PAC raised concerns around AQ at Risk and the potential to disproportionately disadvantage larger portfolios. Suggestions raised included PAFA highlighting to Parties with certain sites with high AQs that may be problematic to Settlement to establish reasons for No Reads.

PAFA requested PAC email PAFA ([PAFA@gemserv.com](mailto:PAFA@gemserv.com)) with any suggestions or questions in relation to AQ at Risk/PARR Reports.

**4.2 RFI Approach – deferred to December meeting**

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

**5.1 Review of New Modifications**

The current batch of new UNC Modifications were highlighted but not discussed:

<b>Modification</b>	<b>Current Status</b>
0864 - Update of UNC Code Communication Methods	Reporting to November 2023 UNC Modification Panel.
0863 - Erroneous Transfers Exception Process	Reporting to November 2023 UNC Modification Panel.
0862 - Amendments to the current Unidentified Gas Reconciliation Period arrangements	Reporting to November 2023 UNC Modification Panel.

0861 - Clarification of Provisions Regarding Utilisation of the System Without Holding System Capacity	Reporting to November 2023 UNC Modification Panel.
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## 5.2 Review Modifications with potential impacts to Settlement

The Joint Office confirmed this is currently being created and will be provided at the December PAC meeting for review.

## 6. Any Other Business

None.

## 7. Key Messages

Published at: <http://www.gasgovernance.co.uk/pac/summarykeymessages>

## 8. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday 12 December 2023	17:00 Monday 04 December 2023	Teleconference	Standard Agenda

## PAC Action Table

Action Ref	Meeting Date	Min Ref	Action	Owner	Status Update
PAC1001	17/10/23	3.2	Joint Office (KE) to add the location of GPAP to the PAC web page.	Joint Office (KE)	Carried Forward
PAC1002	17/10/23	4.0	PAFA to draft a letter to be issued to the seven Shippers in relation to Meter Read Validity. The draft is to be emailed to the PAC for approval.	PAFA	Carried Forward
PAC1003	17/10/23	4.1	Performance Improvement Plan (PIP) Update - PAFA to add the HPM score at the point active monitoring started and the current score.	PAFA	Closed
PAC1004	17/10/23	4.3	PAFA to write to the parties involved in the RFI to thank respondents and provide a summary of what has been identified and highlighted so far.	PAFA (AJ)	Closed
PAC1005		4.3	PAC members are to review and consider the 'Further Areas of Consideration' presented within the slide pack (Disputed Improvement Plan Request, Combining Plans, Stretch Targets and Continuous Improvement) and to feedback any	PAC Members	Closed

			comments they may have in relation to these to <a href="mailto:PAFA@gemserv.com">PAFA@gemserv.com</a> .		
<b>PAC1006</b>	17/10/23	4.3	Joint Office (KE) to write to SEC about the issues raised in the RFI.	Joint Office (KE)	<b>Closed</b>
<b>PAC1007</b>	17/10/23	4.3	PAC members to consider the principles around the Further Areas of Consideration and feedback to PAFA: Disputed Improvement Plan request; Combining Plans Stretch Targets Continuous Improvement	PAC members	<b>Carried Forward</b>
<b>PAC1008</b>	17/10/23	4.3	PAFA (PR) to consider how the Holistic Performance Matrix could work based on Shipper size (e.g. small medium large).	PAFA (PR)	<b>Carried Forward</b>
<b>PAC1009</b>	17/10/23	5.1	Joint Office (KE/HB) to create a log of outstanding Modifications that may impact Settlement to be used for PAC and PAFA review at each meeting.	Joint Office (KE/HB)	<b>Carried Forward</b>