

**UNC Workgroup 0674 Minutes  
Performance Assurance Techniques and Controls  
Tuesday 28 September 2021  
via Teleconference**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Dan Fittock	(DF)	Corona Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Guv Dosanjh	(GD)	Cadent
Kundai Matiringe	(KM)	BUUK
Louise Hellyer	(LH)	TotalEnergies
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Sally Hardman	(SH)	SGN
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	Gazprom Energy

Copies of all papers are available at: <https://www.gasgovernance.co.uk/067280921>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

## 1.0 Introduction and Status

Alan Raper (AR) welcomed all to the meeting and provided an overview of the meeting schedule as below:

### Meeting Schedule

Meeting #1	23 August 2021	High-level governance and relationship with UNCC
Meeting #2	06 September 2021	Other governance
Meeting #3	28 September 2021	Performance Assurance Objective
Meeting #4	26 October 2021	Costs

AR advised this approach was initiated to provide a comprehensive and focused approach during the production and population of the Supplemental Report and to aid the production of the Variation Report and amended Modification.

Meeting Number	Issue Number	Question	Reference Documentation
4	4	<del>Discuss the advantages and disadvantages of greater levels autonomy for PAC with regard to management of its functions and authorship of the PAFD.</del> <b>Completed</b>	16.2.4 Functions – 16.4 PAFD – 16.7 GTB4.3.1
4	2	<del>Provide views on the adoption of GTD-like governance arrangements.</del> <b>Completed</b>	16.3 & 16.6 GTD
4	3	<del>Comment on the role of the UNCC where a Party appeals its referral to Ofgem.</del> <b>Completed</b>	16.8
2	4	<del>Comment on the right for the PAC to raise performance-related Modification proposal.</del> <b>Completed</b>	MR6.1.1(e)
2	5	<del>Discuss business rule 2a and the corresponding legal text.</del> <b>Completed</b>	16.1.1
2	6	<del>Provide views on the facility for PAC to co-opt PAFA personnel to chair &amp; secretary PAC meetings.</del> <b>Completed</b>	16.6.3 & 16.3.4
2	7	<del>Identify &amp; clarify any IGT requirements should the mod be directed for implementation.</del> <b>Completed</b>	IGT138
2	8	<del>Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information.</del> <b>Completed</b>	16.1.5 & GTB4.4.2
2	9	<del>Clarify the rules with respect to quoracy.</del> <b>Completed</b>	16.6.2
3	10	Comment on the Performance assurance Objective (PAO) and its effect on Code Parties.	16.1.1(b) & 16.1.2
3	11	Comment on the PAO and its effect on non-Code Parties.	16.1.1(c) & 16.1.2(b) & (d)
3	12	Comment on the interaction, (if any), on the requirements of the PAO and the "Relevant Objectives".	16.1.1(b)
3	13	Comment on the interaction, (if any), on the requirements of the REC Performance Assurance Framework and those set out in this proposal.	REC Schedule 6 & REC Code Manager Performance Assurance Consultation (April 2021)
4	14	Comment on the effect the application of the PAO could have on operating costs.	
4	15	Clarify the CDSP's, (and other parties'), implementation costs.	

## 2.0 Review minutes from previous meeting

The minutes from the meeting held on 06 September 2021 were approved.

## 3.0 Review of Outstanding Actions

**Action 0801:** ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward**

**Action 0803:** ScottishPower (MB) to include in the arrangements that the PAC may be required to consult on any changes requested to the PAFD in an open meeting.

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward**

**Action 0804:** ScottishPower (MB) to produce a process flow/diagram to map the PAFD changes processes.

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward**

**Action 0805:** ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward.

**Update: Carried forward**

**Action 0901:** Review of Supplemental Report - Joint Office (AR) to look at the sign-off process of the Supplemental Report to ensure there is a completeness check.

**Update:** AR said he is continuing to carry out the completeness check with each revised version of the Supplemental Report and this action should be carried forward until the overall completion of the Supplemental Report. AR confirmed the next version would be v0.3 and should be available on the Joint Office website around the 08 October. **Carried forward**

**Action 0902:** Review of Supplemental Report - Joint Office (AR) to ensure that parties are contacted to ensure meeting attendance.

**Update:** AR confirmed this action could now be closed as the number of attendees and participation had now increased. **Closed**

**Action 0903: Question 1:** *Comment on the right for the PAC to raise performance-related Modification proposal* - ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text.

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward**

**Action 0904: Question 2:** *Discuss business rule 2a and the corresponding legal text*- ScottishPower (MB) to update the Business Rule to reflect the Legal Text.

**Update:** MB said that this area was being amended to reflect the reference to Users and the 'reasonable test' rather than an 'absolute test' and he would update the Business Rule accordingly. This action was carried forward. **Carried forward**

**Action 0905: Question 3:** *Provide views on the facility for PAC to co-opt PAFA personnel to Chair & Secretary PAC meetings:* Joint Office (AR) to arrange discussion on this topic with Penny Garner.

**Update:** AR and MB said that a meeting would be arranged in due course to discuss this area, once the Supplemental Report was completed. This Action was carried forward. **Carried forward.**

**Action 0906: Question 5:** *Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information -* ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business' (please to refer to the specific consultation response provided by SM for further reference).

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward/**

**Action 0907: Question 6:** *Clarify the rules with respect to quoracy:* ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.

**Update:** Mark Bellman (MB) advised this is currently being considered and would be included in the Variation Request / amended Modification and so should be carried forward. **Carried forward**

#### **4.0 Review of updated Supplemental Report**

AR provided an overview of the input so far into the Draft Supplemental Report. He noted specific comments and discussions during the meetings were subsequently being captured within it.

AR confirmed that this content would then be used to construct the Variation Request and amended Modification, which should be ready for submission to the December 2021 Panel.

#### Rough Order of Magnitude (ROM)/Costs

Steve Mulinganie (SM) asked if the Rough Order of Magnitude (ROM) had been revised and repriced. AR said that the CDSP was investing this area in relation to the implementation of 0674 and to see if any revisions were required for PAFA costs. FC confirmed that discussions were taking place with Gemserv, (the PAFA), and the costs would be discussed at the next meeting on the 26 October 2021.

FC said that these would be defined as the extra cost associated with providing the new Business as Usual (BAU) operating procedures arising from the implementation of Modification 0674, which would require additional discussions. SM said that any additional or audit costs needed to be known and any cost implications should be specified in advance. In order to allay concerns on this matter, MB said that he thought the word 'audit' was a little misleading as generally the Performance Assurance Technique, (PAT), deployed in these instances would be to support and advise in order to assist the Shipper improve performance, well in advance of initiating an audit. He said he felt it was more about compliance engagement and assistance, rather than an investigative audit.

FC concurred with this description in this context, and she agreed to provide a summary of this area to be included within the Supplemental Report, as it was more a training and education on the use and structure of file formats.

Sallyann Blackett (SB) also noted that if a Shipper was adhering to their objectives, then there would be no need for any form compliance engagement or audit.

## 5.0 Performance Assurance

AR opened the discussion for:

**Question 10:** *Comment on the Performance assurance Objective (PAO) and its effect on Code Parties.*

AR referred Workgroup to the text within the Legal Text 16.1.1 b) *"Performance Assurance Objective" is in relation to a Day the objective of achieving accurate and timely Settlement for the Day;*

SM noted there was some conflict within the Business Rules (BR) in relation to this area and said if this was the defined wording in the Legal Text was correct, then the BR needed to be amended. MB agreed and said that he was addressing and rewording the BR accordingly.

### Discussion Completed

**Question 11:** *Comment on the PAO and its effect on non-Code Parties.*

MB confirmed that there was general contractual principal that the UNC did not 'overreach' on third parties and, similarly, there was no intention for the PAO to overreach to third parties either.

AR added this was no different to other instances where sub-contractors are made aware they need to deliver to agreed performance levels to meet their contractual obligations.

SM said that he would have a further conversation with his legal team about this area to make sure there was no objection. Dan Fittock (DF) commented that as the current wording appears to imply an 'absolute test', and this was being replaced with a 'reasonableness test', this had now alleviated his previous concerns.

### Discussion Completed

**Question 12:** *Comment on the interaction, (if any), on the requirements of the PAO and the "Relevant Objectives".*

DF said as the "overreach" of the PAO into areas of governance where the relevant objective had primacy was being removed from the Business Rules, then this matter was no longer of concern.

### Discussion Completed

**Question 13:** *Comment on the interaction, (if any), on the requirements of the REC Performance Assurance Framework and those set out in this proposal.*

AR said that REC had been mentioned in some consultation representations regarding potential interaction but that he was unable to identify specific instances of concern. SM said he thought the concerning related to the way PAC operated as a committee but that REC Performance Assurance reported to a board, and differences in the governance arrangements for a committee and a board. MB said this matter had now been resolved and amendments included in the BR. DF confirmed he was now happy with the proposed amendments.

### Discussion Completed

## 6.0 Costs

AR said that the costs would be further discussed at the 26 October meeting which would encompass the questions below.

**Question 14:** *Comment on the effect the application of the PAO could have on operating costs.*

**Question 15:** *Clarify the CDSP's, (and other parties'), implementation costs.*

## 7.0 Next Steps

AR said his aspirations for the October meeting were:

- Further Discussion on Costs.
- Review of Supplemental Report v0.3.
- Work will continue the Variation Request and amended Modification.
- The minutes from today will be reflected in the Supplemental Report which will be published around 08 October.
- Next confirmed meeting is Monday 29 November 2021 (*Monday 08 November 2021 – provisional meeting, if required*).

## 8.0 Any Other Business

None.

## 9.0 Diary Planning

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10.00 Tuesday 26 October 2021	Microsoft Teams	Standard Agenda, plus: <ul style="list-style-type: none"> <li>• Review and update the Supplemental Report</li> <li>• Review the Variation Request</li> </ul>
10.00 Monday 08 November 2021	<b><i>Provisional</i></b>	Standard Agenda, plus: <ul style="list-style-type: none"> <li>• Review and update the Supplemental Report</li> <li>• Review the Variation Request</li> <li>• Review the Variation Modification</li> <li>• Review of amended Legal Text</li> </ul>
10.00 Monday 29 November 2021	Microsoft Teams	Standard Agenda, plus: <ul style="list-style-type: none"> <li>• Review and update the Supplemental Report</li> <li>• Review the Variation Request</li> <li>• Review the Variation Modification</li> <li>• Review of amended Legal Text</li> </ul>

**Action Table (as of 28 September 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	23/08/21	2.0	ScottishPower (MB) to add into the arrangements the reference to the PAC open, closed, and confidential closed meetings.	ScottishPower (MB)	Carried forward
0803	23/08/21	2.0	ScottishPower (MB) to include in the arrangements that the PAC may be required to consult on any changes requested to the PAF D in an open meeting.	ScottishPower (MB)	Carried forward
0804	23/08/21	2.0	ScottishPower (MB) to produce a process flow/diagram to map the PAF D changes processes.	ScottishPower (MB)	Carried forward
0805	23/08/21	2.0	ScottishPower (MB) to contact Ofgem regarding Ofgem representation at the PAC meetings.	ScottishPower (MB)	Carried forward
0901	06/09/21	4.0	Joint Office (AR) to look at the sign-off process of the Supplemental Report to ensure there is a completeness check	Joint Office (AR)	Carried forward
0902	06/09/21	4.0	Joint Office (AR) to ensure that parties are contacted to ensure meeting attendance	Joint Office (AR)	Closed
0903	06/09/21	5.0 Q1	<b>Question 1:</b> <i>Comment on the right for the PAC to raise performance-related Modification proposal</i> – ScottishPower (MB) to make this more explicit in the report and the Business Rules may need amending slightly. MB to carry out a review of the mod and text	ScottishPower (MB)	Carried forward
0904	06/09/21	5.0 Q2	<b>Question 2:</b> <i>Discuss business rule 2a and the corresponding legal text</i> - ScottishPower (MB) to update the Business Rule to reflect the Legal Text	ScottishPower (MB)	Carried forward



<b>0905</b>	06/09/21	5.0 Q3	<b>Question 3:</b> <i>Provide views on the facility for PAC to co-opt PAFA personnel to Chair &amp; Secretary PAC meetings - Joint Office (AR) to arrange discussion on this topic with Penny Garner</i>	Joint Office (AR)	<b>Carried forward</b>
<b>0906</b>	06/09/21	5.0 Q5	<b>Question 5:</b> <i>Provide views on PAC's right to request, and the parties' obligation to provide, performance assurance related information - ScottishPower (MB) to confirm wording in the proposed Legal Text (V16.1.5), where it refers to 'own business', (please to refer to the specific consultation response provided by SM for further reference.)</i>	ScottishPower (MB)	<b>Carried forward</b>
<b>0907</b>	06/09/21	5.0 Q6	<b>Question 6:</b> <i>Clarify the rules with respect to quoracy: : ScottishPower (MB) to review the Business rules and the proposed legal drafting (V16.6.2) and the existing PAC rules and ensure alignment.</i>	ScottishPower (MB)	<b>Carried forward</b>