

UNC Performance Assurance Committee Minutes
Tuesday 12 December 2023
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Shipper Members (Voting)		
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
Transporter Members (Voting)		
Sally Hardman	(SH)	SGN
Tom Jenkins	(TJ)	ESPUG (Alternate for Jenny Rawlinson)
Tom Stuart	(TS)	Northern Gas Networks
Observers (Non-Voting)		
Anne Jackson	(AJ)	PAFA/Gemserv
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Lee Greenwood	(LG)	Alternate Observation
Neil Cole	(NC)	CDSP
Peter Ratledge	(PR)	PAFA/Gemserv
Rachel Clarke	(RC)	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: https://www.gasgovernance.co.uk/PAC/121223</i></p>		

1. PAFA Contract (09:30 – 10:00)

Separate minutes are available for PAC Members.

2. Introduction

Kate Elleman (KE) welcomed all parties to the meeting.

2.1 Apologies for absence, Note of Alternates, Quoracy Status

Apologies - Alison Wiggett, Jenny Rawlinson, Paul Murphy and Anthony Diccico.

Alternates - Tom Jenkins for Jenny Rawlinson

Quoracy Status - Quorate (at the commencement of the meeting).

2.2 Approval of Minutes (14 November 2023)

The minutes from the previous meetings were approved.

2.3 Approval of Late Papers

One late paper for item 4.2 was approved.

2.4 Review of Outstanding Actions

PAC1001: Joint Office (KE) to add the location of the Gas Performance Assurance Portal (GPAP).

Update: <https://thegpap.co.uk> link to be checked on the launch of the updated Joint Office website.

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 issued PC3/PC4 letters, responses received. **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: Time allowed for PAC members to provide feedback. Closure agreed. **Closed.**

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

Update: Ongoing. 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: Review being undertaken by CDSP. **Carried Forward.**

PAC1102: 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.

Update: Updated response considered. See item 3.3. **Closed.**

3. Matters for Committee Attention

3.1 Annual Review 2023

Rachel Clarke (RC) provided an overview of the 2022/2023 Annual Review & Engagement Event Report, providing an update on the responses to the consultation as well as feedback and key observations from the engagement event.

For full details please refer to the member presentation provided.

PAC members discussed the consultation responses the suggested mitigating actions and suggested responses.

The following elements were considered:

- Performance insights, and the lag in reporting data. It was noted that the performance reports are retrospective to allow for various read windows to close and for PAFA to analyse and summarise the data.
- The responses are not solely from the CDSP.
- Performance areas impacting operational and industry issues, and the encouragement to contact PAFA and the CDSP.
- Improvement Plans and positive engagement

- The appropriate message to be relayed to the industry in that the UNC requirements are contractual obligations and the performance against these are monitored by the Performance Assurance Committee (PAC). A consistent message was required to encourage all parties to meet these requirements. It was noted that if parties perceive the obligations in the UNC to be unrealistic this can be analysed/reviewed via the UNC Modification Governance Process.

An update on the Engagement Day was also provided by PAFA, noting 13 participants attended, and the key areas included:

- The Importance of industry performance,
- Views on the Performance Assurance regime,
- Views on areas which would improve settlement accuracy.
- The shift in responses and reduced number of participants.

RC summarised the key observations and takeaways. Please refer to page 31 of the presentation.

The Committee considered the confidence in the regime, that meter read performance remains a key area having the greatest impact on settlement accuracy, and the need for transparency/awareness of the regime.

The Committee considered the significant shift in views noting that the sample size of delegates in attendance and participation in the survey had reduced significantly and that the context of the responses needs to be considered.

The Committee voted unanimously in support of publishing the Annual Review Response following the discussed and agreed amendments:

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Andy Knowles	1	For
Catriona Ballard	1	For
Colin Paine	1	For
Graeme Cunningham	1	For
Louise Hellyer	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
Total	7	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Tom Jenkins	1	For
Tom Stuart	1	For
Total	3	For

3.2 0851R – Feedback from Workgroup

Anne Jackson (AJ) provided an update on the 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window Request, which is due to Report to the UNC Modification Panel by 18 July 2024.

AJ provided an overview of the Modification explaining that the UNC states that Shippers have 25 Supply Point Systems Business Days (SPSBD) after the read date to submit a read for settlement. AJ explained that the proposing organisation does not submit meter reads that fall outside of the 25 Supply Point System Business Days and has noted that Meter Read Performance could be improved if more reads could be submitted.

The Key Messages from the Workgroup were:

- The issue relates mainly to small supply points.
- Monthly read sites could be included in the scope of the Modification.
- RFIs and Shipper insights have been suggested to better understand materiality.
- Financial incentives have been ruled out for a speedier solution.
- Read submission windows and performance publications to be considered.
- The inclusion of PAC / PAFA Commentary within the Workgroup Report.
- How to provide pertinent information to PAC.

AJ highlighted two actions requested by the Workgroup for PAC/PAFA and the suggested PAC Decisions required:

WG Action 0111: PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute.

WG Action 0411: PAFA (AJ) to review PAC RFI data and ascertain if there was sufficient detail for review purposes. If not ask if PAC would issue an RFI on behalf of the Review Group.

- What views do PAC have in response to Action 0111 and how should PAC views be relayed to the Review Group?
- The Workgroup has requested that pertinent information from the PC3 and PC4 RFIs be shared with the Workgroup, would PAC authorise this (with Party anonymity)?
- If an RFI is deemed necessary, would PAC issue the RFI on behalf of the Review Group?

Helen Bevan (HB) clarified that the Workgroup is looking at expanding the window for read submissions from 25 to circa 60 SPSBDs, and discussed staggered percentage benchmarks as follows:

- Not less than 25% submitted by [20th] SPSBD after read date
- Not less than 50% submitted by [40th] SPSBD after read date
- Not less than 100% submitted by [60/80th] SPSBD after read date

The Committee considered the purpose and limitations of the current process and the Modification, noting there are no PARR reports to monitor a shift in submitted/rejected reads. Fiona Cottam (FC) wished to note the target 50% of the obtained reads, would be difficult to monitor until the number of obtained reads is understood.

FC clarified that UK Link is built on population size and obligations in the UNC. In terms of existing system capability, it's capable of receiving 4.4m reads per day with 4 peaks in the range of 10-11m. As the system is scaled to 32m there appears to be plenty of headroom for read submissions.

The Committee considered how to better understand the benefit of the Modification and the value of providing the number of rejections triggered after the 25th SPSBD read obligation window. It was noted that the report is plausible, however, if Shippers avoid the submission of reads to avoid rejections, the report may not be a true reflection of the potential materiality. Shipper insight would be required for this area.

PAC considered the read submission analysis, potential interim checkpoints, the delays in settlement, and latency/visibility of the data.

PAC considered the impact and accuracy of the AQ. Ideally, the aim should be for the process to accept all valid meter reads submitted, and not be restricted due to falling outside the settlement read window. PAC did not want to discourage reads being submitted and encouraged the provision of reads to improve settlement.

The Committee considered the 25-day window noting suppliers have more reads for billing customers than the number of meter reads submitted for settlement. It was also noted that the sooner the reads are provided the more accurate settlement would be. The preference was not to slow settlement down. PAC recognised it would be better to allow the population of reads, but it would need a view from Shippers to understand the scale of potential improvement, along with a view on how much longer Shippers would require to submit more valid meter reads. It was noted there needs to be a balance for greater read submission against any unintended consequential impacts by extending the read window, for example, delayed settlement, impact on WAR Bands and billing timelines.

The Committee considered problems with read files being received and the manual interventions. PAC wanted to understand the potential improvements on settlement, and the optimum window to move to without having a consequential impact that dilutes any benefit.

The Committee considered the Request for Information (RFI) and issuing an RFI with suitable questions. It was agreed that PAC would support a request for the provision of information and would provide the Workgroup with views on what the request should include.

New Action 1201: PAFA (AJ) to provide a view on the questions they would recommend for the Shipper RFI for consideration in January and onward communication to the 0851R Workgroup.

New Action 1202: Joint Office (KE) to provide a post-meeting update note from PAC for the 0851R Workgroup.

The Committee considered the sharing of information with the 0851R Workgroup and this would be aggregated data to understand the potential scale of improvement.

3.3 Overview of PARR Timeline (data sharing timeliness)

Fiona Cottam (FC) provided an overview of reporting timelines for PAC clarifying the availability of data to PAFA/PAC. FC provided an overview of the read submission obligations, including cyclic and opening reads, with an illustration and example timeline which included the CDSP, PAFA activities and the PAC meeting paper publication deadline. FC also explained the timing of data on DDP.

The Committee considered publishing the information on the PAC central page for reference.

It was agreed to make [Information Performance Assurance Reporting Timelines](https://www.gasgovernance.co.uk/PAC) available at: <https://www.gasgovernance.co.uk/PAC>

4. Monthly Performance Assurance Review Items

Rachel Clarke (RC) provided the Shipper Performance Analysis PARR Dashboard update. PAFA supplied the following observations for this section:

4.1 PARR – Shipper Performance Analysis (Holistic Matrix)

UNC 0654S - NDM Sample Data Analysis

The PAFA provided an update for the latest October 2023 submission window data. PAFA confirmed that there has been a marked improvement in the latest submission data since an overview was provided to PAC on the April 2023 submission window data, with an increase in the percentage of successful file submissions from 56.52% (April 2023) to 79.17% (October 2023).

In August 2023 eight Shipper parties were contacted that had failed to provide an NDM sample submission for at least one submission window to request a submission for October 2023. Of these eight parties, three failed to provide the requested NDM sample submission. The PAC approved PAFAs recommendation to formally contact Senior Performance Assurance Contact Representatives at these three Shipper parties to request an explanation as to non-compliance.

There were two Shipper parties noted that had failed to submit an NDM sample submission in October 2023 of which were not contacted by PAFA in August 2023, PAC approved that these parties be contacted via a formal PAC letter to request a data submission to be made in April 2023.

The Committee voted unanimously in favour of PAFA issuing formal PAC letters, as follows:

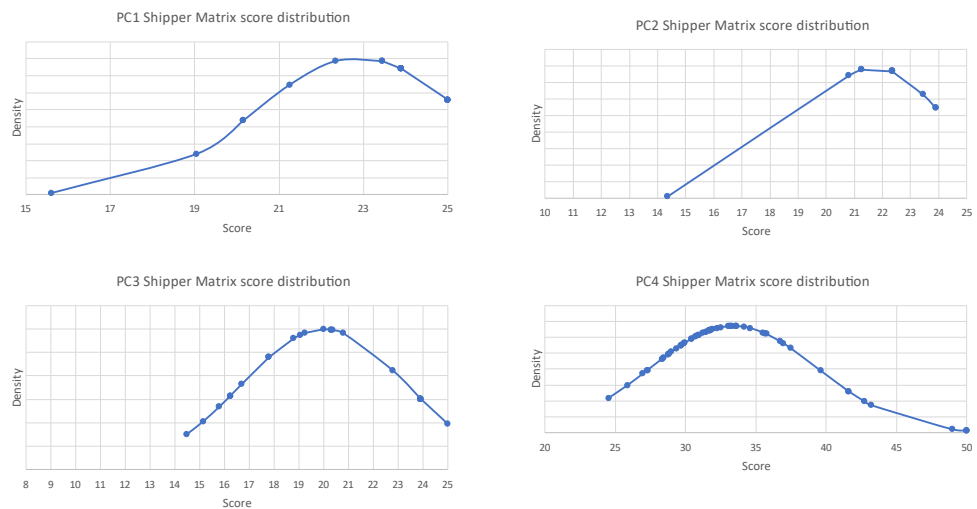
Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Andy Knowles	1	For
Catriona Ballard	1	For
Colin Paine	1	For
Graeme Cunningham	1	For
Louise Hellyer	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
Total	7	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Tom Jenkins	1	For
Tom Stuart	1	For
Total	3	For

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).

- One Shipper previously issued with a request for a Product Class 3 PIP and one Shipper issued with a request for a Product Class 4 PIP have shown positive improvements in their HPM score and overall performance over the last couple of months. PAFA will continue to monitor their performance for the next month.
- Two Shippers previously issued with a request for a Product Class 3 PIP have been issued with letters to advise that 'active' monitoring of the Party against their agreed Plan be discontinued while the Party continues implementing it after showing an extremely positive shift in their HPM score and overall performance.
- One Shipper party have now submitted a combined Product Class 2 and Product Class 3 PIP which PAC approved following a recommendation by the PAFA.
- PAFA are due to issue a first set of Early Engagement letters to three Shipper parties in early December 2023 to indicate to the relevant party that its HPM scores are declining and heading towards a score upon which a PIP would be issued. Further letters will be issued later in December 2023 following the output and review of the October 2023 HPM data.
- 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



PC2 RFI Results:

PAFA presented PAC with an overview of the analysis from the Product Class 2 Request for Information (RFI) that was previously issued to five parties that were sitting within 'bracket 2' scoring of the HPM to better understand any challenges faced in achieving UNC requirements. PAC agreed that an initial letter should be issued to respondents to acknowledge their responses and provide details of the analysis.

New Action PAFA 1203: to draft a letter for respondents of the RFI for Product Class 2 and send to PAC members for approval.

Post Meeting Note: The Customer Lifecycle team have confirmed that: one shortcode had been novated to 'X Limited' whilst 'XY Limited' owned a different shortcode. There is a requirement for a 1-2-1 relationship of statutory company to shortcode, and not to have multiple shortcodes. There are a few bespoke cases which are either Ofgem appointed or as a last resort user for a short term.

The Committee voted unanimously in favour of the provided PIP, the combined Improvement plan for PC2/PC3, as follows:

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Andy Knowles	1	For
Catriona Ballard	1	For
Colin Paine	1	For
Graeme Cunningham	1	For
Louise Hellyer	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
Total	7	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Tom Jenkins	1	For

Tom Stuart	1	For
Total	3	For

4.2 Risk & Issues Register Update

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 [Risk Update presentation](#) is available for review [here](#).

The presentation highlights six risks for December 2023:

Unregistered Supply Points

- 73% increase in Value at Risk across 2022-23 due to a combination of a decrease in the number of Unregistered SPs and an increase in the site average AQ volume.
- The Risk Rating in the register is 3 (medium priority).
- No immediate action required. The next Review refresh point is June 2024.

Shipperless Supply Points

- 7% increase in Value at Risk across 2022-23 due to a combination of a decrease in the number of Shipperless SPs and an increase in the site average AQ volume.
- The Risk Rating in the register is 2 (lower priority).
- No immediate action required. The next Review refresh point is June 2024.

AQ Corrections

- 43% decrease in Value at Risk across 2022-23 due to a combination of the number of AQ corrections for reason codes 3 and 4 remaining relatively static over the reporting period and reason code 2 dropping and a decrease in revised AQs for reason code 2 'Change in Consumer Plant'.
- The Risk Rating in the register is 3 (medium priority).
- PAFA will continue to monitor monthly. The next Review refresh point is March 2024.

Drift (Check Read Provision)

- 17% decrease in Value at Risk across 2022-23. The count of Class 1 and Class 2 Check Reads not received within the last year as remained largely the same, whilst the count of Class 3 and 4 Check Reads has increased. Reads received across both class groups have increased. The net effect of these is reflected in the decrease in energy impact of the risk.
- The Risk Rating in the register is 2 (lower Priority).
- No immediate action required. The next Review refresh point is March 2024.

Transfer Read Performance

- 13% decrease in Value at Risk across 2022-23 due to a combination of an increase in transfers occurring across the past 12 months and a marginal increase in transfer reads submitted.
- The Risk Rating in the register is 1 (lowest priority).
- No immediate action required. The next Review refresh point is March 2024.

Replaced Reads

- 11% decrease in Value at Risk across 2022-23 due to the use of replacement reads continuing to decline over the reporting period.
- The Risk Rating in the register is 1 (lowest priority).
- No immediate action required. The next Review refresh point is March 2024.

Any questions/feedback on the content of the document can be sent to PAFA@gemserv.com

4.3 PC2 RFI Results

Helen Bevan (HB) provided an overview of the results and the response analysis on the five issues.

The Committee discussed the Operational Workshops and Meter Expert Group, which is reviewing data item discrepancies. It was noted that one of the Meter Expert Group meetings was cancelled to allow the relevance of the data items to settlement to be considered. Steve Mulinganie (SM) gave an example that some data corrections such as changing a letter within a meter reference number would not affect settlement.

It was agreed that PAC should respond to the information that has been provided with a summary of the analysis undertaken.

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

5.1 Review of New Modifications

Modification	Workgroup Report Date
0865 - Permitting DNOs to charge Shippers negative Supplier of Last Resort (SoLR) unit rates	TBC following 14 Dec 23 Panel Meeting. No Performance Assurance impacts expected

5.2 Review Modifications with Potential Impacts to Settlement

Ellie Rogers and Fiona Cottam intend to provide an update on the current Modifications which may have a settlement impact, to those provided below:

Modification	Proposing Organisation	Description of Settlement Impact
0816S - Update to AQ Correction Processes	E.ON Next	Would introduce new AQ Correction reasons - could increase the number of AQ Corrections which could impact live AQs and therefore NDM Allocations and UIG.
0819 - Establishing/Amending a Gas Vacant Site Process	British Gas	Would enable sites to be flagged as Vacant and removed from Settlement. Incorrect or out-of-date flags could increase UIG.
0831 - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method	SSE	Would amend the sharing rules for UIG but would not affect the total amount of daily UIG at either D+5 or post-reconciliation.

6. Any Other Business

6.1 Publication of PAC Minutes

The Committee considered the future publication of PAC minutes and whether these should only be available to PAC Members via GPAP (<https://thegpap.co.uk>).

The Committee considered the triggers, the ceasing of active monitoring, the level of detail within the minutes and where these should be made available. PAC discussed whether a more detailed set of minutes should be produced for PAC and whether key messages are used for insight.

Members considered industry engagement and that there needs to be a level of transparency. It was agreed commercially sensitive and escalation meetings will remain confidential.

6.2 Cessation Letter Content

Rachel Clarke (RC) asked for a steer on the differing views she had been provided on the content of the letter.

Ceasing active monitoring was discussed. It was noted that the text as drafted implies it is a requirement but there is no governance/justification to monitor beyond the point of cessation. From this point forward holistic business-as-usual monitoring would apply, which if triggered, would require a new PAT and if relevant a new PIP which may be different to the previous one.

It was noted there are many parties not meeting the UNC obligations.

The Committee agreed the appropriate wording for the letter to relay monitoring will return to normal monitoring rather than active monitoring.

Approval of the cessation letter was agreed unanimously by those present, as follows:

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Andy Knowles	Not present	Not present
Catriona Ballard	1	For
Colin Paine	1	For
Graeme Cunningham	1	For
Louise Hellyer	1	For
Sallyann Blackett	1	For
Steve Mulinganie	1	For
Total	7	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Tom Jenkins	1	For
Tom Stuart	1	For
Total	3	For

6.3 Dashboard Monitoring – AQ Correction Reason Code 2

Ellie Rogers (ER), referring to the AQ corrections, noted the significant increase in Code 2 – change in consumer plant, and if this needed to be investigated.

Fiona Cottam (FC) noted the data related to one party where sites were not consuming gas. It was agreed to seek clarification on the reason for using Reason Code 2.

New Action 1204: Dashboard Monitoring – PAFA (AJ) to investigate the reason for using AQ Correction Reason Code 2.

7. Key Messages

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

8. Diary Planning

PAC meetings are listed at: <https://www.gasgovernance.co.uk/PAC>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday	17:00 Monday	Microsoft Teams	Standard Agenda

16 January 2024	08 January 2024		
10:00, Tuesday 13 February 2024	17:00 Monday 05 February 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 12 March 2024	17:00 Monday 04 March 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 16 April 2024	17:00 Monday 08 April 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 14 May 2024	17:00 Monday 06 May 2024	Microsoft Teams	Standard Agenda
10:00, Tuesday 11 June 2024	17:00 Monday 03 June 2024	Microsoft Teams	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 Gas Performance Assurance Portal (GPAP).	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	Closed
PAC1007	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	Closed
PAC1008	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)	Carried Forward
PAC1009	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)	Carried Forward
PAC1102	14/11/23	3.1	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.	CDSP (FC)	Carried Forward
PAC1201	12/12/23	3.2	PAFA (AJ) to provide a view on the questions they would recommend for the Shipper RFI for consideration in January and	PAFA (AJ)	Pending

			onward communication to the 0851R Workgroup.		
PAC1202	12/12/23	3.2	Joint Office (KE) to provide a post-meeting update note from PAC for the 0851R Workgroup.	Joint Office (KE)	Pending
PAC1203	12/12/23	4.0	PAFA to draft a letter for respondents of the RFI for Product Class 2 and send to PAC members for approval.	PAFA (AJ)	Pending
PAC1204	12/12/23	6.3	Dashboard Monitoring – PAFA (AJ) to investigate the reason for using AQ Correction Reason Code 2.	PAFA (AJ)	Pending