

**UNC Performance Assurance Committee Minutes**  
**Tuesday 16 January 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
<b>Shipper Members (Voting)</b>		
Andy Knowles	(AK)	Utilita Energy
Harry Hailwood for Catriona Ballard	(CB)	Brook Green Trading Limited
Colin Paine	(CP)	ENGIE Gas Shipper Ltd
Graeme Cunningham	(GC)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Paul Murphy	(PM)	ESB Independent
Sallyann Blackett	(SB)	E.ON
Steve Mulinganie	(SM)	SEFE Energy Ltd
<b>Transporter Members (Voting)</b>		
Jenny Rawlinson	(JR)	BU-UK
Sally Hardman	(SH)	SGN
Tom Stuart	(TS)	Northern Gas Networks
<b>Observers (Non-Voting)</b>		
Anne Jackson	(AJ)	PAFA/Gemserv
David Morley ( <i>agenda item 3.1 only</i> )	(DMo)	Ovo Energy
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HBe)	PAFA/Gemserv
Lauren West	(LW)	CDSP
Lee Greenwood	(LG)	Alternate Observation
Neil Cole	(NC)	CDSP
Rachel Clarke	(RC)	PAFA/Gemserv
Tom Jenkins	(TJ)	ESPUG
<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/160124">https://www.gasgovernance.co.uk/PAC/160124</a></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

**Alternates** - Harry Hailwood for Catriona Ballard

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

## **2.2 Approval of Minutes (12 December 2023)**

The minutes from the previous meetings were approved.

Fiona Cottam (FC) mentioned that she requested an update to the Action Table, KE confirmed this has been completed.

## **2.3 Approval of Late Papers**

No late papers.

## **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 added on the launch of the updated Joint Office website.

**Carried Forward**

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

**Update:** Rachel Clarke (RC) advised she will provide an update at the February 2024 meeting.

**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:** This was covered in agenda item 5.2. **Closed**

**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.

**Update:** This was covered as part of agenda item 3.1. **Closed**

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

**Update:** This was completed. **Closed**

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

**Update:** This was covered as part of Agenda item 4.3. **Closed**

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

**Update:** This was covered as part of agenda item 4.2. **Closed**

## **3. Matters for Committee Attention**

### **3.1 0851R – Feedback from Workgroup & RFI Questions**

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 reminded PAC that 0851R is specifically looking at where the Code states that Shippers have 25 Supply Point Systems Business Days after the read date to submit a read for Settlement. Where there is an issue with the reading and time to resolve is needed, this requirement is problematic to Shippers.

AJ clarified that, as part of the December 2023 PAC meeting, PAC members agreed that specific information from the PC3 and PC4 RFI (with Party anonymity) can be shared with the 0851R Review Group. PAC members also agreed that a further RFI should be raised which will provide evidence of how Shippers act regarding the meter reading submission constraints articulated in the UNC and agreed to look at the RFI at the January 2024 PAC meeting.

The Committee considered the suggested questions for the RFI presented by AJ, and the most pertinent points made as follows:

- Confirmation was provided that responses to the RFI would remain anonymous and the anonymity would be limited to PAFA only.
- It was recognised that there is a disjoint between meter readings being used for Consumer invoicing which are not being submitted for Settlement.
- Colin Paine (CP) suggested the addition of a systems-based question: *If your system is not functioning correctly, do you bypass the system to get the reading into Settlement?*
- The Committee agreed that the RFI should focus on volumes of accurate readings submitted for Settlement rather than how compliant parties are in submitting their information not so interested in.
- Concerning the volume of readings that are automated, the Proposer, David Morley (DMo) asked if *“are your readings automatically validated and if so, what % pass validation”* to be included in the RFI.
- DMo also asked for *“if we extend the window beyond 25 SPSBDs, will your processes continue to pass through the majority of your reads within 25 SPSBDs?”* to be included in the RFI.
- ER commented that there are multiple reasons why a read can fail validation, however, this seems to be focussing on the 25 business days, therefore some of the RFI questions might not be applicable.
- LH suggested providing 3 or 4 duration options in the RFI question.
- CP suggested that consideration of what is deemed to be an acceptable frequency to revalidate an AQ. DMo advised he will consider if this should be added to the Modification and discuss it with the Review Group.
- Steve Mulinganie (SM) suggested the following text: *For VALID reads that are not currently able to be submitted or if submitted would be rejected because they are older than the current limit of X SPBD's would an extension of the submission window to Y SPBD's, Z SPBD's or A SPBD's allow for these VALID reads to be submitted. Could you advise what % of additional VALID reads could be submitted against the proposed windows e.g.*
  - *if the window is extended to Y SPBDs then [10%] more VALID reads could be submitted*
  - *if the window is extended to Z SPBDs then [15%] more VALID reads could be submitted*
  - *if the window is extended to A SPBDs then [16%] more VALID reads could be submitted.*
- AJ reminded the Committed that the point of an RFI is to gather evidence for the Review Group based on their remit, but it seems that the questions that are wanted, are based more around what is the best submission period which is not the remit that was originally asked for.
- It was suggested that Q1 be split by profile class.
- Ellie Rogers (ER) clarified that the obligation in UNC section M is about what has been submitted and that CDSP can only judge what % has been provided and when, at the end of the submission windows, so this may have to be portfolio-specific rather than User obtained.

- DMO shared the Review Group's current thinking of the Meter Reading submission timescales:
  1. ***not less than 25 % are submitted by the 20th Supply Point Systems Business Day after the Read Date;***
  2. ***not less than 50% are submitted by the 40th Supply Point Systems Business Day after the Read Date***
  3. ***not less than 75% are submitted by the 60th Supply Point Systems Business Day after the Read Date***
  4. ***not less than 100% are submitted by the 80th Supply Point Systems Business Day after the Read Date***
- When DMO noted that the % are just made up but need to be led by PAC ER suggested that the Code obligations need to be very explicit, then PAC can decide on the tiers.
- It was noted that PAC would not consider this clause because it does not affect Settlement accuracy.
- AJ noted that PAC could make this a 'mandatory' RFI because the more complex the questions are, the less likely to get respondents.
- AJ agreed to revise the questions based on the Committee feedback, amend them, and send them out to PAC. Committee members will then need to provide feedback before the final version is shared with the Review Group.
- KE reminded the Committee that PAC can raise a Modification if the requirements are not clear.
- It was noted that the final version of the PAC RFI for the next 0851R Workgroup will be submitted at short notice.

### Next Steps

KE confirmed the next steps to be:

- AJ to review and amend the RFI questions following feedback. The final version is to be shared at the next 0851R Workgroup meeting, 25 January 2024, at short notice.
- CDSP to understand if it has a positive or negative impact on Settlement risk.
  - ER commented that how many rejections there are could be looked at. Fiona Cottam (FC) noted there are circa 15k rejections per month for readings submitted outside of the window.

KE thanked DMO for joining PAC to discuss the RFI questions.

<b>New Action 0101:</b> PAFA (AJ) to review and amend the RFI questions based on the Committee comments, share the final version with PAC and submit to the next 0851R Workgroup meeting, on 25 January 2024, (at short notice).
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## 4. Monthly Performance Assurance Review Items

### 4.1 Early Engagement Letters:

PAFA raised concerns regarding the issuing of Early Engagement Letters as currently, under the agreed policy, parties will be issued with letters when they are one point above the score threshold (16 PC1 – 3, 25 PC4) and parties could subsequently drop below the score threshold before they have time to take any action.

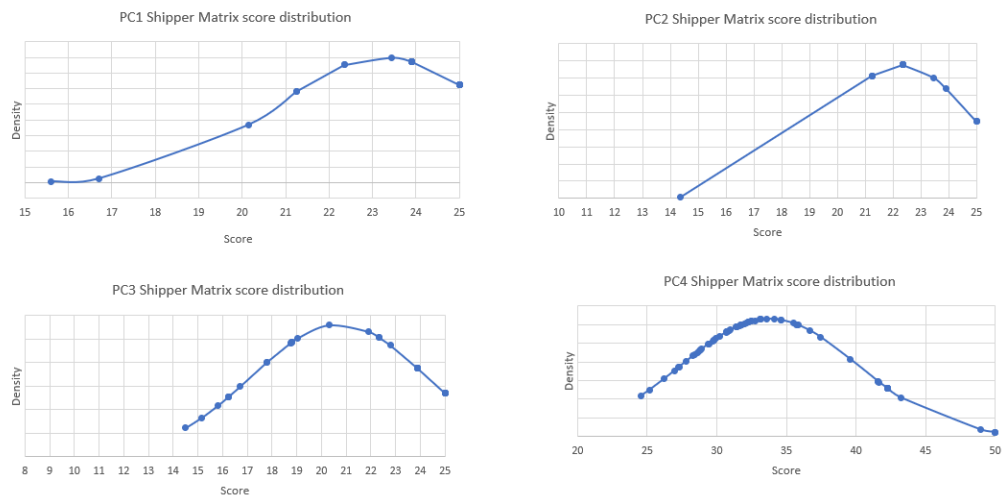
**ACTION** – PAFA to review the Early Engagement Letter trigger score and bring it to PAC next month.

**4.2 PARR – Shipper Performance Analysis (Holistic Matrix)**

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 has fallen onto the PAC-approved score of 25 and below for Product Class 4 and following approval by PAC will be issued with a PIP request.
- 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 three months and will be issued with letters to advise that ‘active’ monitoring of the Party against their agreed Plan be discontinued while the Party continues implementing it.
- Two Shipper parties have now submitted a Product Class 3 PIP which PAC approved following a recommendation by the PAFA.
- PAC confirmed the rule-based approach to PIP approvals and the ceasing of active monitoring of PIPs and going forward these will not require an individual decision but will be automatically approved, as long as no opposing views, are based on recommendation by the PAFA.
- 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 is shown on the extreme right and the poor-performing Shipper outliers are shown towards the left.

**POOR PERFORMERS IN EACH MARKET**



The Committee voted unanimously in favour of issuing a Performance Improvement Plan (PIP) for 2 Parties, as follows:

<b>Vote: Issue PIP request for 2 Parties</b>			
<b>Shipper Representatives</b>		<b>Voting Count</b>	<b>For/Against</b>
1	Alison Wiggett	NP	-
2	Andy Knowles	1	F
3	Harry Hailwood	1	F
4	Colin Paine	1	F
5	Graeme Cunningham	1	F

6	Louise Hellyer	1	F
7	Paul Murphy	1	F
8	Sallyann Blackett	1	F
9	Steve Mulinganie	1	F
<b>Total</b>		<b>8</b>	<b>For</b>
<b>Transporters Representatives</b>		<b>Voting Count</b>	<b>For/Against</b>
1	Jenny Rawlinson	1	F
2	Sally Hardman	1	F
3	Tom Stuart	1	F
<b>Total</b>		<b>3</b>	<b>For</b>
<b>Voting Outcome:</b> PIP Request to be issued for 2 identified Parties.			

The Committee voted unanimously in favour of taking 2 Parties off Active Monitoring, as follows:

<b>Vote: Take 2 Parties off Active Monitoring</b>			
<b>Shipper Representatives</b>		<b>Voting Count</b>	<b>For/Against</b>
1	Alison Wiggett	NP	-
2	Andy Knowles	1	F
3	Harry Hailwood	1	F
4	Colin Paine	1	F
5	Graeme Cunningham	1	F
6	Louise Hellyer	1	F
7	Paul Murphy	1	F
8	Sallyann Blackett	1	F
9	Steve Mulinganie	1	F
<b>Total</b>		<b>8</b>	<b>For</b>
<b>Transporters Representatives</b>		<b>Voting Count</b>	<b>For/Against</b>
1	Jenny Rawlinson	1	F
2	Sally Hardman	1	F
3	Tom Stuart	1	F
<b>Total</b>		<b>3</b>	<b>For</b>
<b>Voting Outcome:</b> 2 Parties to be taken off Active Monitoring.  2 Parties to be taken off Active Monitoring			

### 4.3 Risk & Issues Register Update

Performance Assurance Committee (PAC) members were presented with an update in respect of seven risks. The PAFA presented the following, for their attention:

- **Line in the Sand (LIS):** RC reported a decrease in the Value at Risk (VAR) by 21% across 2022 -2023. The Percentage of 'no reads submitted by 4 years' across PC3 and 4 has



increased whilst the average AQ of MPRNs in PC3 and 4 with reads not submitted by year 4 has decreased which is reflected in the decrease in energy impact of the risk.

- The risk rating in the register is 5 (highest priority). No specific risk mitigation is recommended at this point, however, PAFA will continue to monitor. The risk will be reviewed at the next refresh point (April 2024).
- **PC1 Reads:** RC reported a decrease in the Value at Risk (VAR) by 39% across 2022 - 2023. Read Performance has increased over the reporting period even though the average number of sites has increased which is positive. The average AQ has decreased which is reflected in the decrease in energy impact of the risk.
- The risk rating in the register is 5 (highest priority). No immediate action is recommended at this juncture. The risk will be reviewed at the next refresh point (January 2024).
- **PC2 Reads:** RC reported an increase in the Value at Risk (VAR) by 59% across 2022 - 2023. Read Performance has increased over the reporting period even though the average number of sites has increased which is positive. The average AQ has decreased which is reflected in the decrease in energy impact of the risk.
- The risk rating in the register is 3 (medium priority).
- A question was asked about whether the increase in Read Performance was due to the new PC2 SPs. The CDSP will review this, however, did confirm that there has been an overall increase in Read Performance for all SPs in PC2 due to the implementation of UNC Modification 0664VVS - Transfer of Sites with Low Meter Reading Submission Performance from Classes 2 and 3 into Class 4. The risk will be reviewed at the next refresh point (April 2024).
- **No Meter Recorded:** RC reported an increase in the Value at Risk (VAR) by 22% across 2022 – 2023, this is primarily due to the increasing volume of SPs with no meter recorded.
- The risk rating in the register is 2 (lower priority). The CDSP is continuing to work with Shipper parties whereby dataflows about meters and meter readings are being submitted but no meter is recorded. This will be reviewed at the next refresh point (April 2024).
- **Smart Meter Exchanges:** RC reported a decrease in the Value at Risk (VAR) by 8% across 2022 - 2023. It is the large decrease in the average number of exchanges within the reporting period which has resulted in the decrease in VAR.
- The risk rating in the register is 1 (lowest priority). No immediate actions are recommended at this juncture. This will be reviewed at the next refresh point (April 2024).
- **NDM Sites at DM Threshold:** RC reported a moderate increase in the Value at Risk (VAR) by 11% across 2022 – 2023, due to a decrease in the average number of SPs in both 'Met' and 'Not Met' categories and an increase in the average associated AQ.
- The risk rating in the register is 4 (high priority). No immediate actions are recommended at this juncture. This will be reviewed at the next refresh point (June 2024).
- **Incorrect Read Factor:** RC reported an increase in the Value at Risk (VAR) by 42% across 2022 – 2023, which is primarily due to the increasing volume of SPs with an associated incorrect read factor.
- The risk rating in the register is 3 (medium priority). Shipper parties are requested to review instances where any SPs hold an incorrect read factor and take remedial action. This will be reviewed at the next refresh point (May 2024).

The PAFA presented an update regarding the large increase in the use of AQ Correction Code 2 'Change in Consumer Plant' in November 2023, where they contacted a couple of parties to establish reasons behind the use of this code.

**New Action PAC0103:** PAFA to draft a letter to issue to parties incorrectly utilising AQ Correction Code 2 'Change in Consumer Plant' and issue to PAC for approval.

Any questions/feedback on the content of the slides presented, please email [PAFA@gemserv.com](mailto:PAFA@gemserv.com).

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

### 5.1 Review of New Modifications

Modification	Purpose
0867 - Gas Demand Side Response (DSR) Aggregation Arrangements	Enable additional daily metered Consumers to participate in gas DSR by introducing the role of an 'aggregator' to group Consumers' DSR into a portfolio and offer it to National Gas Transmission (NGT).
0866 - Amendments to Demand Side Response (DSR) Arrangements	To introduce further enhancements to Gas DSR arrangements for daily metered consumers following experience of recent reforms and based on consumer feedback.
0865S – Permitting DNOs to charge Shippers negative Supplier of Last Resort (SoLR) unit rates at FMR	UNC TPD (Transportation Principal Document) Section Y part B only permits Distribution Network Operators (DNOs) to charge positive unit rates to Shippers, this modification permits negative rates.

The Committee agreed that none of the Modifications listed above would have an impact on Settlement.

KE informed the Committee of the suggestion that Workgroups need to explore if there is a Settlement Risk within Workgroup meetings, therefore the standard Terms of Reference and the Workgroup Report will be updated accordingly.

**New Action 0104:** Joint Office (KE) to update the Terms of Reference and the Workgroup Report Template to include Workgroup Impact Assessment of Settlement.

### 5.2 Review Modifications with Potential Impacts on Settlement

KE thanked Ellie Rogers and Fiona Cottam who have provided an update on the current Modifications which may have a settlement impact and noted the following approach:

- Modifications that Ofgem have rejected, or the Proposer has withdrawn will not be included on the report.
- Modifications that have known impacts will be included on an active watch list.
- Modifications that CDSP do not think there is an impact and PAC need to determine will be discussed at PAC.
- Modifications that will have an impact and are in flight with CDSP, will be included in the report and will have trigger dates for review.

KE noted that the Distribution Workgroup have been informed that Modification 0819 - Establishing/Amending a Gas Vacant Site Process is on PAC's radar, and a PARR has been drafted.

Lee Greenwood (LG) asked that once the decision is made by Ofgem for Modification 0819, is there any way of monitoring misuse of the AQ Correction Code for Vacant sites? ER commented that she is unsure of how this would be identified.

SM noted that the Modification was supported with the comfort there is a robust performance assurance process.



ER advised, that because the guidance requires the Shipper to keep evidence, in theory, the audit Performance Assurance technique (PAT) could be utilised, which may incentivise Shippers to use the process correctly.

ER supported Modifications coming to PAC before they go to the UNC Panel if the Workgroup thinks there will be an impact on Settlement.

KE noted the action recorded from the December UNC Panel where a quarterly report from PAC to be presented to the Panel has been requested. The report has been updated with this information and a trigger date included.

## 6. Any Other Business

### 6.1 Confidentiality Letters

KE advised that the Joint Office will be writing out to those members who have not yet returned their letters.

Some members have not yet advised of their Alternate, again, the Joint Office will reach out to those members without an Alternate.

## 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](http://www.gasgovernance.co.uk/events-calendar/month)

Time/Date	Paper Publication Deadline	Venue	Programme
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 the Gas Performance Assurance Portal (GPAP).	Joint Office (KE)	Carried Forward

<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>Closed</b>
<b>PAC1102</b>	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)	<b>Closed</b>
<b>PAC1201</b>	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 onward communication to the 0851R Workgroup.	PAFA (AJ)	<b>Closed</b>
<b>PAC1202</b>	12/12/23	3.2	Joint Office (KE) to provide a post-meeting update note from PAC for the 0851R Workgroup.	Joint Office (KE)	<b>Closed</b>
<b>PAC1203</b>	12/12/23	4.0	PAFA to draft a letter for respondents of the RFI for Product Class 2 and send it to PAC members for approval.	PAFA (AJ)	<b>Closed</b>
<b>PAC1204</b>	12/12/23	6.3	Dashboard Monitoring – PAFA (AJ) to investigate the reason for using AQ Correction Reason Code 2.	PAFA (AJ)	<b>Closed</b>
<b>PAC0101</b>	15/01/24	3.1	PAFA (AJ) to review and amend the RFI questions based on the Committee comments, share the final version with PAC and submit to the next 0851R Workgroup meeting, on 25 January 2024, (at short notice).	PAFA (AJ)	<b>Pending</b>
<b>PAC0102</b>	15/01/24	4.1	PAFA is to review the Early Engagement Letter trigger score and bring it to PAC next month	PAFA (RC)	<b>Pending</b>
<b>PAC0103</b>	15/01/24	4.3	PAFA to draft a letter to issue to parties incorrectly utilising AQ Correction Code 2 'Change in Consumer Plant' and issue to PAC for approval.	PAFA (RC)	<b>Pending</b>
<b>PAC0104</b>	15/01/24	5.1	Joint Office (KE) to update the Terms of Reference and the Workgroup Report Template to include Workgroup Impact Assessment of Settlement	Joint Office (KE)	<b>Pending</b>