

Performance Assurance Committee Minutes
Tuesday 03 May 2017
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Angela Love	(AL)	Shipper Member
Colette Baldwin	(CB)	Shipper Member
Fraser Mathieson	(FM)	Transporter Member
Gregory Mackenzie	(GM)	Shipper Member Alternate
Lisa Saycell	(LS)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Rachel Hinsley	(RH)	Observer, Xoserve
Robert Pomroy	(RP)	Transporter Member
Shanna Key*	(SK)	Transporter Member
Shiv Singh	(SS)	Transporter Member Alternate
Tricia Quinn	(TQ)	Ofgem

*via teleconference

Copies of non-confidential papers are available at: <http://www.gasgovernance.co.uk/PAC/030517>

1. Introduction and Status Review**1.1 Confirm Quorate Status**

BF welcomed everyone to the meeting and declared the meeting as being quorate.

BF then pointed out that due to a role change, Kish Nundloll has resigned from his position and that he would write to the AIGTs to request they nominate a replacement representative.

1.2 Apologies for absence

Apologies were received from:

Andy Clasper (Transporter Member);
 Mitch Donnelly (Shipper Member); and
 John Welch (Shipper Member Alternate)

1.3 Note of Alternates

Shiv Singh for Andy Clasper
 Greg Mackenzie for Mitch Donnelly

1.4 Review of Minutes (11 April 2017)

The minutes of the previous meeting were approved.

2. Procurement of a Performance Assurance Framework Administrator (PAFA) - Update

RH explained that whilst she does not have a specific update, she is able to disclose that the procurement negotiations with the 'preferred bidder' are ongoing.

RH noted that in terms of the May update, the procurement process is in the (14 day) 'standstill period', and suggested that once the period is over a formal announcement would be provided – currently this is anticipated to be circa the end of June 2017.

When asked, RH confirmed that an email communication to the PAC members would be issued on this matter in due course.

(This agenda item will remain as a 'place holder' until such time as Xoserve has relevant information to impart to the PAC.)

3. Monthly Review Items

3.1 Risk Register Review *(on hold pending PAFA)*

Currently 'on hold' for consideration at future meetings.

3.2 Issues Register

BF briefly summarised the current issues:

PAC002 – Update due at either the July or August 2017 meeting(s).

During a brief discussion members concluded that July seems a sensible date for feeding into the DSC budget setting considerations. When AL advised that the UNCC have now agreed the principles for commissioning (PAC originated) work, BF suggested that a formal consultation process would be needed to support any large funding requirements.

AL also suggested that it might be beneficial to look at a review of the PAFA scope (i.e. Project Nexus workarounds and their associated risks etc.) at next months meeting, particularly as there appeared to be different views on the number of workaround processes notified. **Carried Forward**

PAC007 - Update due June 2017. **Carried Forward**

PAC008 - Update due October 2017. **Carried Forward**

3.3 Implementation Plan

When AL indicated that she had not been able to provide an updated implementation plan for consideration at the meeting, Committee members agreed to defer further consideration of this item.

3.4 Assumptions Register

Committee members agreed to defer further consideration of this item.

3.5 Ofgem Update

TQ provided a brief status update focusing attention on the recent AUGE (AQ) information publication.

3.6 PARR Schedule 1 Reporting

Following on from the meeting, Xoserve (RH) has provided a high level, non-confidential summary, of the confidential PARR Schedule 1 Reporting discussions including any assigned new actions, as follows:

The meeting reviewed each of the Schedule 1B reports for March 2017.

Report 1B1 - Standard Correction Factors for sites with AQ > 732, MWH

The Committee noted that overall the figure across the industry has reduced. There was discussion around the process of updating the Correction Factor and how to do this. Comments with regards to MAMs included whether MAMs are aware that certain sites need a site specific Correction Factor and whether MAMs have the AQ value.

Shipper member took an action to review the process for updating the correction factor

New Action 0501: Shipper members to detail the process for updating a site specific Correction Factor setting, including the role of various industry parties such as MAMs etc.

Further discussions were based around the process of updating source systems after Nexus implementation, whether there is a trigger to update the Correction Factor after a site crosses the threshold and whether there is a “3 crossing” rule for sites that move above and below the threshold over a short period of time.

New Action 0502: Xoserve (RH) to ascertain if there is a trigger to indicate the Correction Factor needs updating.

Report 1B2 -No Meter Recorded in the Supply Point Register

The Committee noted that overall the figure across the industry has increased.

There was discussion around the legitimate sites where no meter is recorded due to new connections. It was questioned whether the report post Nexus can separate out iGT and GT meter points as iGT meter points are registered early with a Shipper and no meter for potentially a substantial period of time.

CB asked if data is pulled where a site has no meter recorded but Users are attempting to send data flows. There was a view that this information is produced within the Shipperless and Unregistered report pack. Xoserve took an action to review what reports are currently produced and feedback if there is any additional information that can be shared.

New Action 0503: Xoserve (RH) to ascertain if there are reports produced for Shipperless and Unregistered that can be shared, if there are reports that reflect the work of UNC Modifications 0424 and 0425.

Report 1B3 - Shipper Transfer Read Performance

FM asked if there is a way to present the report so it is clear if Users have had more than one confirmation to show the results are not distorted. The Committee did not think this was feasible without reflecting market share information. The Committee noted that performance is mixed across the whole of the industry and decided to focus on users that are performing under 50%. There was discussion about the cause of not obtaining meter reads including location and customers. The Committee questioned the risk with settlement from not obtaining a Shipper Transfer Read. PAC questioned whether the industry should be approached to seek views on what the risks to settlement are, what processes Users adopt with regards to the four reports with an informal Request for information.

Report 1B4 - No Reads received for 2, 3 or 4 years (includes estimated transfer readings)

The Committee noted that overall performance was positive as the lowest figures are 95% of reads being obtained. The Committee noted there was insufficient context as there are no AQ values to evaluate the risk to settlement on the sites that do not have a read. There was a risk identified that were a site moves across the threshold if a reading is not obtained it will not be placed within new AQ band.

PAC discussed Must Reads to establish why sites had not been read for over four years. Xoserve took an action to find out about Contacts that move to a status of ‘Forward to Shipper’ which require Shipper action which could reduce this pot.

New Action 0504: Xoserve (RH) to detail the Must Read process with regards to ‘Forward to Shipper’ Contacts.

4. Annual Workplan and Budget

In recognising that the first PAFA meeting is expected to take place on 11 July 2017, Committee members agreed to defer further consideration of this item on the grounds that it is anticipated the workplan would be reviewed in more detail next month, with a view to finalising it in June, and a consultation in July, to apply for the next Gas Year.

5. Communications Plan

In outlining the existing AUGE communication mechanisms, BF wondered whether or not the Committee would want the PAFA to initially adopt a similar communications process and to then aim to review how it is working at a later date.

Some members felt that a more targeted approach to communications would/could prove beneficial, whereupon BF suggested that perhaps PAC could write out to the industry inviting nominations for inclusion on a 'targeted' PAC distribution listing. When it was suggested that 'New Entrants' might pose an issue, some felt that mimicking the Xoserve Operational Forum style of distribution listings might provide a suitable answer.

When additional concerns were voiced around the potential for parties to ignore the PAC communication emails as they may not recognise the relevance or that they may not be authorised to represent their business views, FM suggested that perhaps the solution lies in engagement with the respective Regulation Managers, especially as these people are tasked with ensuring that their respective companies meet their Licence and Code obligations.

Whilst other options were briefly considered, BF felt that what the Committee is possibly looking at adopting is a two (2) tier communication mechanism that could possibly 'mirror' the DSC Contract Manager distribution listings, especially when bearing in mind that these parties are already 'engaged' in industry business. It was noted by members that care is needed around targeting the correct contacts (i.e. the decision makers) and managing access to information, therefore it was concluded that the Contract Manager option is sensible. It was also suggested that early consideration of what the Committee will be asking the PAFA to consider is important.

New Action 0505: Joint Office (BF) to raise a new DSC Contract Managers meeting agenda item to cover the nomination of PAC points of contact for information provision purposes.

6. Review of Actions Outstanding

PAC 1004: *PARR Schedule 2 Reports* - Xoserve to collate report development questions/recommendations for review by PAC at a future meeting.

Update: RH explained that there have been two Xoserve internal meetings undertaken with a view to providing a list of questions for members to consider at the June meeting.

Carried Forward

PAC 0104: *"Nexus Manual Workaround Report"* - AL and RH to bring to the next meeting for discussion.

Update: Whilst the action is the subject of on going discussions, it was noted that at the recent PNSG meeting it was suggested that 39 workarounds have now been approved, with a further 19 awaiting approval. When asked, RH advised that she has already provided a (Market Trials Library) link to all the (now circa 40) approved manual workarounds and that not all of the workarounds are specific to Xoserve actions. A consolidated list for consideration at the June meeting supported by an accompanying summary would be provided in due course. **Carried Forward**

PAC 0301: *Reference the Implementation Plan (line 15)* – Ofgem (TQ) ~~to consider how the final risk methodology would be agreed.~~ **research equivalent incentive schemes in other industries.**

Update: When TQ explained how the Water industry reviews its incentives and indicated that if requested, could provide a brief two (2) slide presentation on scaling factors and

unidentified gas for incentive purposes, Committee members agreed that this (amended) action had now been completed and as a consequence, can now be closed. **Closed**

New Action 0506: Ofgem (TQ) to look to provide a brief two (2) slide presentation on incentives applied across different industry sectors (i.e. scaling factors and unidentified gas utilised in the gas market sector for incentive purposes etc.).

PAC 0302: Reference the Implementation Plan (line 22) – AL All parties to consider whether the high-level summary is sufficient or do we need a better industry engagement process (i.e. a communications plan based approach).

Update: AL apologised for a lack of progress on this action. **Carried Forward**

PAC 0401: All members to consider what needs to be in the workplan: manual workarounds and the risks arising from them (AL), on-boarding the PAFA (MJ) and setting out the ‘stall’ for expectations/targets and how the framework will work (CB).

Update: CB confirmed that she has completed the draft framework and would send this to MJ for inclusion of additional elements. **Carried Forward**

7. Agree Key Messages and Next Steps

7.1 Key Messages

It was agreed that there are no specific key messages other than to state progress remains ‘on track’.

7.2 Next Steps

The agenda items for the May meeting were agreed (see diary planning table).

8. Any Other Business

8.1 Potential Meeting Clashes with the SPAA Executive

During a brief discussion around the potential date clashes between the PAC and SPAA Executive meetings, now that the future SPAA Executive meeting dates have been moved, it was noted that moving the PAC meeting dates would potentially compromise Xoserve’s ability to provide their reports in a timely manner.

The conclusion of the Committee members was to leave the PAC meeting dates ‘as-are’ for the time being.

9. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

During a brief discussion, it was noted that the location for the 13 June 2017 meeting may need to be changed should the Joint Office be involved in their relocation exercise.¹

Time/Date	Venue	Programme
10:30, Tuesday 13 June 2017	Xoserve Limited, Lansdown Gate, 65 New Road, Solihull, B91 3DL	<i>To be confirmed</i>
10:30, Tuesday 11 July 2017	Rooms LG5/6 combined, Energy UK, Charles House, 5-11 Regent Street, London	<i>To be confirmed</i>

¹ Post meeting note: it has been confirmed that the 13 June 2017 meeting would now take place at the Xoserve Ltd Offices at Lansdown Gate, 65 New Road, Solihull, B91 3DL

	SW1Y 4LR	
10:30, Tuesday 08 August 2017	Solihull – location to be confirmed	<i>To be confirmed</i>
10:30, Tuesday 12 September 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<i>To be confirmed</i>
10:30, Tuesday 10 October 2017	Solihull – location to be confirmed	<i>To be confirmed</i>
10:30, Tuesday 14 November 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<i>To be confirmed</i>
10:30, Tuesday 12 December 2017	Solihull – location to be confirmed	<i>To be confirmed</i>

Action Table (as at 03 May 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 1004	10/10/16 <i>(reworded 08/11/16)</i>	7.	<i>PARR Schedule 2 Reports</i> - Xoserve to collate report development questions/recommendations for review by PAC at a future meeting.	Xoserve (RH)	Carried Forward
PAC 0104	10/01/17 <i>(reworded 14/02/17)</i>	6.	<i>“Nexus Manual Workaround Report”</i> - AL to liaise with RH and bring to the next meeting for discussion.	PAC Member (AL) & Xoserve (RH)	Carried Forward
PAC 0301	14/03/17	6.2	<i>Reference the Implementation Plan (line 15)</i> – Ofgem (TQ) to consider how the final risk methodology would be agreed research equivalent incentive schemes in other industries.	Ofgem (TQ)	Update provided. Closed
PAC 0302	14/03/17	6.2	<i>Reference the Implementation Plan (line 22)</i> – AL All parties to consider whether the high-level summary is sufficient or do we need a better industry engagement process (i.e. a communications plan based approach).	PAC Member (AL)	Carried Forward

Action Table (as at 03 May 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0401	11/04/17	4.0	All members to consider what needs to be in the workplan: manual workarounds and the risks arising from them (AL), on-boarding the PAFA (MJ) and setting out the 'stall' for expectations/targets and how the framework will work (CB).	PAC Members (AL/MJ/CB)	Carried Forward
PAC 0501	03/05/17	3.6	To detail the process for updating a site specific Correction Factor setting, including the role of various industry parties such as MAMs etc.	Shipper Members	Pending
PAC 0502	03/05/17	3.6	To ascertain if there is a trigger to indicate the Correction Factor needs updating.	Xoserve (RH)	Pending
PAC 0503	03/05/17	3.6	To ascertain if there are reports produced for Shipperless and Unregistered that can be shared, if there are reports that reflect the work of UNC Modifications 0424 and 0425.	Xoserve (RH)	Pending
PAC 0504	03/05/17	3.6	To detail the Must Read process with regards to 'Forward to Shipper' Contacts.	Xoserve (RH)	Pending
PAC 0505	03/05/17	5.	To raise a new DSC Contract Managers meeting agenda item to cover the nomination of PAC points of contact for information provision purposes.	Joint Office (BF)	Pending
PAC 0506	03/05/17	6.	To look to provide a brief two (2) slide presentation on incentives applied across different industry sectors (i.e. scaling factors and unidentified gas utilised in the gas market sector for incentive purposes etc.).	Ofgem (TQ)	Pending