

Performance Assurance Committee Minutes

Tuesday 10 January 2017

Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andy Clasper	(AC)	Transporter Member
Angela Love	(AL)	Shipper Member
Colette Baldwin	(CB)	Shipper Member
Fiona Cottam	(FC)	Observer, Xoserve
Fraser Mathieson	(FM)	Transporter Member
Jon Dixon*	(JD)	Ofgem
Lisa Saycell	(LS)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Rachel Hinsley	(RH)	Observer, Xoserve
Richard Pomroy	(RP)	Transporter Member
Shanna Key*	(SK)	Transporter Member
Tricia Quinn*	(TQ)	Ofgem

Apologies

John Welch	(JW)	Shipper Member Alternate (non voting)
Hilary Chapman	(HCh)	Transporter Member

*via teleconference

Copies of non-confidential papers are available at: www.gasgovernance.co.uk/PAC/100117

1. Introduction and Status Review

LJ welcomed everyone to the meeting.

1.1 Confirm Quorate Status

The meeting was declared quorate.

1.2 Apologies for absence and note of Alternates

John Welch (Shipper Member, non-voting) apologies received.

Edd Hunter (Shipper Member, non-voting) absent.

Fraser Mathieson, as Alternate for Hilary Chapman (Transporter Member).

1.3 Review of Minutes (13 December 2016)

The minutes of the previous meeting were approved.

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

It is recognised that the provision of information is limited in order to maintain the confidentiality requirements of the procurement process.

FC advised that the process was on track.

Shipper representation at the planned Evaluation Panel meetings was discussed, and a replacement representative who was able to commit to attend all meetings was agreed; FC indicated she would provide appropriate documentation for signature.

Further updates on progress made will be provided when appropriate. (This agenda item will remain as a 'place holder' until such time as Xoserve has relevant information to impart to the PAC.)

3. Terms of Reference - Review and recommendation for approval

The draft Terms of Reference (ToR) were reviewed on screen and discussed. Further changes were agreed and finalised, and the PAC then gave its approval.

LJ confirmed that he would publish the ToR as version 2 (*post meeting correction: as v2.2, which would become v3.0 when approved*), and these would now be submitted to the January Uniform Network Code Committee (UNCC) for its consideration and approval.

4. Performance Assurance Framework (PAF) Document for the (Gas) Energy Settlement Performance Assurance Regime (Framework Document)

LJ displayed the draft document on screen for Members to review the recent amendments.

LJ's suggestion to separate out the associated documents from the main framework was considered. It was noted that this was as the document was intended in its original form; it would provide greater flexibility and make it easier to update the various individual documents when necessary. The main framework document (currently drafted as version 1.7) will therefore conclude at the current Section 10 (page 8), and the associated documents will be individually published alongside and be under PAC control as described in the current live version.

The actions specifically relating to the PAF Document (PAC 0804a, 0806, 1003a, 1003b, and 1104) were then reviewed and updates were provided (see 8, below).

Risk Rating Scale

Noting that JW was unavoidably absent, LJ drew attention to the information for discussion (in response to Action PAC 1103) provided in advance of the meeting. The way forward was discussed and the following answers to JW's questions agreed:

- *"Is a full re-write preferred, or are we happy with the amended format presented here (once tidied up)?"* – PAC is happy for the draft to be tidied up.
- *"I removed the final appendix which was a draft of a visual heat map format which included community impact. Do we want a visual map such as this for our agreed methodology? If so I can create one."* - Yes please, include a simple summary map.
- *"Does the PAC agree with the idea of adding a control factor into the risk score as is used in the electricity PAB regime, the basis of which I briefly outline above?"* - Yes, PAC agreed that a control factor as described should be included.

LJ confirmed that he would inform JW of the PAC's responses to enable him to complete the drafting for inclusion in the PAF Document, to be reviewed at the next meeting.

Finalising the PAF Document for UNCC approval

LJ summarised the position, confirming that the main framework document (currently drafted as version 1.7) will therefore conclude at the current Section 10 (page 8), and the associated documents will be individually published alongside it; all documents will be kept together and published in the same location on the website.

An updated version will be published when all draft inclusions have been received.

LJ asked PAC Members if a wider consultation on the document should be recommended; PAC Members did not believe this would be necessary since the intent of the enabling

modification had not been impacted.

Noting that there were still outstanding actions (PAC 0804a and 1103) in relation to the provision of revised content it was agreed that the objective should be to finalise the PAF Document at the February 2017 meeting, with the intention of submitting it to the February UNCC for its consideration and approval.

5. **UNC Standards of Service Report - Review and assessment**

In response to Action PAC 1204, RH provided a detailed overview of each of the Transportation Standards and Liabilities (TSLs), and the PAC considered whether retention or removal would be most appropriate in each case.

TSL 1 - Retain.

TSL 2a and 2b - Retain.

TSL 3 and 4 - Discussed. It will be removed on Nexus implementation. If the service line is removed does the standard then 'fail'? Should it be stopped in some way? The reporting requirement should cease as the service will no longer exist. Will a modification be required? FC and RH agreed to check what happens with the standard in the future once it is removed.

Action PAC 0101: SoS Report TSL 3 and 4 - Xoserve to check what happens to the reporting on the standard in the future once it is removed.

TSL 5 and 6 - Retain.

TSL 7 - Discussed. It will be removed on Nexus implementation but it may need to be replaced with something more appropriate. Remove.

TSL 8a and 8b - Retain.

TSL 9a and 9b - Retain.

TSL 10a and 10b - Remove.

TSL 11a and 11b - Retain. RH to establish why reporting on TSL 11b has stopped.

Action PAC 0102: SoS Report TSL 11b - Xoserve to establish why the reporting on TSL 11b has stopped.

TSL 12a and 12b - Remove.

TSL 13a - 14d - May be included in a CDSP reporting pack. May need to be replaced with something more appropriate. Remove.

MTSL 18a, 18b, 19a and 19b - Retain.

Having reviewed the information provided the PAC recommended that certain reporting requirements, which were obsolete/would no longer apply under the changing circumstances, should be formally removed. RP volunteered to, if necessary, draft a self-governance 'house keeping' modification to address the changes deemed to be required.

Action PAC 0103: SoS Report - Removal of obsolete/inappropriate TSLs - RP to establish what is driving the Transporter Standards and review what action is required/draft a self-governance 'house keeping' modification.

6. **Review Implementation Approach/Plan**

An updated draft Plan had been provided.

Performance Assurance Committee - month-to-month activity

The PAC reviewed the Q1 activities line by line, and AL noted the amendments to dates (February and March).

It was suggested that PAC might firstly revisit the Engage Report work, and that it would be useful if the summary and the slides could be re-published for the next meeting.

The PAC was advised to be aware of 'scope creep'.

AL will update the Workplan to reflect the changes.

7. Issues Register

LJ briefly summarised the current issues and the PAC reviewed the status.

PAC001 - Agreed closed.

PAC002 - Update due 01 May 2017. Carried forward.

PAC004 - Agreed closed.

PAC005 - Agreed closed.

It was suggested that a new issue be raised, relating to "Transporter Standards of Service and Liabilities", to be added to the Issues Register and assigned as Issue PAC007. AL noted that although several TSLs were recommended for removal on the basis that the Nexus and/or FGO modifications removed the relevant code sections, it did not automatically follow that the need behind each standard had also gone away. She observed that the Contract Management Steering Group (or equivalent) had an outstanding action to consider the CDSP metrics (which broadly aligned to the TSLs met by Xoserve in the existing pack) and asked how/when would the residual Transporter Standards (of those removed) be reviewed. RP will establish what is driving the Transporter Standards and review what action is required (see new Action PAC 0103 at 5, above).

AL referred to another outstanding concern from some Shipper parties about the risks to Settlement that arose from the various manual workarounds that would be in place after Nexus go-live. It was unclear where/how these risks should be managed – was it, for instance, a project control under PNSG? – and AL undertook to canvass views more widely on this.

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

8. Review of Actions Outstanding

PAC 0804a: Framework document - CB to produce a draft section on the Budgeting process, and provide to the Joint Office by 30 December 2016.

Update: CB confirmed that she would be providing a draft of this section by the end of the week. **Carried forward**

PAC 0806: Pre Nexus - RH to produce a schedule of reports against the PARR (from Modification 0520A) setting out availability and delivery.

Update: RH advised that the Schedule 1 reports were to become available in February 2017. **Closed**

PAC 1003a: Issue PAC004 Annual Industry Workplan and Budget Statement - JD/TQ to review the output from the CMA and communicate items of relevance to PAC's work.

Update: TQ believed this to be an ongoing responsibility, with information to be communicated as it became available. An enduring agenda item would be created going forwards for an Ofgem update. **Closed**

PAC 1003b: *Issue PAC004 Annual Industry Workplan and Budget Statement* - LS to prepare and submit a draft insertion 'Forward Workplan and Budget' for inclusion in the Framework Document.

Update: Provided. **Closed**

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

Update: Ongoing; deferred to next meeting. **Carried forward**

PAC1103: *PAF Framework Document* – JW to provide a risk rating scale based on throughput, and suggested amendments to the current section wording; and also provide a separate Risk Approach document.

Update: Information for discussion was provided in advance of the meeting; see 4, above. A way forward was agreed and JW will provide a draft for review at the next meeting.

Carried forward

PAC1104: *PAF Framework Document* - Xoserve (RH) to establish if the EQR Templates are already part of the CDSP process and if the framework can simply refer to the relevant documents rather than replicating and maintaining parallel changes.

Update: RH confirmed that the PAC should use the process as set out in the framework document. FC drew attention to the change process illustrated in the previous presentations made to PAC, observing that it is subtly different to the CDSP process and as such provides the PAC with greater flexibility. **Closed**

PAC 1201: *Performance Assurance Framework (PAF) Document* - All members review the wording in Document 5 and provide comments to RP for consideration in advance of the next meeting.

Update: Document format/content agreed. **Closed**

PAC 1202: *Electricity Incentive Regime* - GM to prepare and present information on this at the March 2017 meeting.

Update: To be presented on 14 March 2017. **Carried forward**

PAC 1203: *Draft Project Plan* - AL to update the Plan items and produce a high level timeline to show potential programme of work assigned to each Quarter.

Update: See discussions at 6, above. **Closed**

PAC 1204: *SoS Report* - RH to confirm that the standards included in this report are relevant/valid obligations (or that reassessment/removal is required).

Update: See discussions at 5, above. **Closed**

9. Agree Key Messages and Next Steps

9.1 Key Messages

It was agreed that the following information should be communicated:

- The PAFA (PA Framework Administrator) procurement process is on track.
- The PAC Terms of Reference (ToR) have been revised and will be submitted to January UNCC meeting for approval.
- The review of the PA scheme Framework Document is on track to be submitted to February UNCC for approval.
- The Transportation Standards of Service Liabilities report has been reviewed in light of the Nexus and FGO modifications and some current reporting requirements may no longer apply. (The PAC will review next steps at the next meeting.)
- The PA Report Register (PARR) Schedule 1 Reports (i.e. pre-Nexus, covering January 2017 data) will be available in February 2017.

9.2 Next Steps

Observing that the PAC's workplan and activities were steadily evolving, LJ displayed a revised structure for the agenda. This was reviewed and accepted.

Items scheduled for the next meeting (February):

- Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Regime" (Framework Document) - *Finalise document (for submission to February UNCC)*
- Procurement of a Performance Assurance Framework Administrator (PAFA) - *Progress update if appropriate*
- Risk Register - *Review the risks described in the Engage Report documentation*
- Regular monthly review/update items (Issues List; Implementation Plan; Ofgem update; UNC Standard of Service Report; and PARR Schedule 1 Reporting)
- Review of Actions outstanding
- Agree Key Messages and Next Steps.

10. Diary Planning

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

Time/Date	Venue	Programme
10:30, Tuesday 14 February 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	See 9.2, above. The main focus will be to finalise the "Performance Assurance Framework Document for the (Gas) Energy Settlement Performance Assurance Regime" (Framework Document), and to review the risks described in the Engage Report documentation (to create a draft Risk Register).
10:30, Tuesday 14 March 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	Electricity Incentive Regime presentation <i>Other items to be confirmed</i>
10:30, Tuesday 11 April 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<i>To be confirmed</i>
10:30, Tuesday 09 May 2017	Room LG8, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<i>To be confirmed</i>

10:30, Tuesday 13 June 2017	Solihull	<i>To be confirmed</i>
10:30, Tuesday 11 July 2017	Rooms LG5/6 combined, Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<i>To be confirmed</i>
10:30, Tuesday 08 August 2017	Solihull	<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	<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	<i>To be confirmed</i>

Action Table (as at 10 January 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0804a	31/08/16	4.	<i>Framework Document</i> - CB to produce a draft section on the Budgeting process, and provide to the Joint Office as soon as possible .	CB	Carried forward
PAC 0806	31/08/16	5.	<i>Pre Nexus</i> - RH to produce a schedule of reports against the PAR (from Modification 0520A) setting out availability and delivery.	RH	Closed
PAC 1003a	10/10/16 <i>(reworded 13/12/16)</i>	6.	<i>Issue PAC004 - Annual Industry Workplan and Budget Statement</i> - JD/TQ to review the output from the CMA and communicate items of relevance to PAC's work.	Ofgem (JD/TQ)	Closed
PAC 1003b	13/12/16	8.	<i>Issue PAC004 - Annual Industry Workplan and Budget Statement</i> - LS to prepare and submit a draft insertion 'Forward Workplan and Budget' for inclusion in the PAF Document.	PAC Member (LS)	Closed

Action Table (as at 10 January 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 1103	08/11/16 <i>(reworded 13/12/16)</i>	3.	<i>PAF Framework Document</i> – Provide a risk rating scale based on throughput, and suggested amendments to the current section wording; and also provide a separate Risk Approach document.	PAC Member (JW)	Carried forward
PAC 1104	08/11/16	3.	<i>PAF Framework Document</i> - Xoserve (RH) to establish if the EQR Templates are already part of the CDSP process and if the framework can simply refer to the relevant documents rather than replicating and maintaining parallel changes.	Xoserve (RH)	Closed
PAC 1201	13/12/16	3.	<i>Performance Assurance Framework (PAF) Document</i> - All members review the wording in Document 5 and provide comments to RP for consideration in advance of the next meeting.	ALL Members	Closed
PAC 1202	13/12/16	4.	<i>Electricity Incentive Regime</i> - GM to prepare and present information on this at the March 2017 meeting.	PAC Member (GM)	<i>Present on 14 March 2017</i> Carried forward
PAC 1203	13/12/16	4.	<i>Draft Project Plan</i> - AL to update the Plan items and produce a high level timeline to show potential programme of work assigned to each Quarter.	PAC Member (AL)	Closed
PAC 1204	13/12/16	6.	<i>SoS Report</i> - RH to confirm that the standards included in this report are relevant/valid obligations (or that reassessment/removal is required).	Xoserve (RH)	Closed
PAC 0101	10/01/17	5.	<i>SoS Report - TSL 3 and 4</i> - Xoserve to check what happens to the reporting on the standard in the future once it is removed.	Xoserve (FC/RH)	Pending
PAC 0102	10/01/17	5.	<i>SoS Report TSL 11b</i> - Xoserve to establish why the reporting on TSL 11b has stopped.	Xoserve (FC/RH)	Pending

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PAC 0103	10/01/17	5.	<i>SoS Report - Removal of obsolete/inappropriate TSLs</i> - RP to establish what is driving the Transporter Standards and review what action is required/draft a self-governance 'house keeping' modification.	PAC Member (RP)	Pending
PAC 0104	10/01/17	6.	<i>"Nexus Manual Workaround Report"</i> - AL to bring to the next meeting for discussion.	PAC Member (AL)	Pending