

Performance Assurance Workgroup Minutes
Tuesday 17 February 2015
Elexon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Margan*	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Andy Miller	(AMi)	Xoserve
Angela Love	(AL)	ScottishPower
Colette Baldwin	(CB)	E.ON
Edward Hunter	(EH)	RWE npower
Emma Lyndon	(EL)	Xoserve
Fay Morris	(FM)	Xoserve
Jonathan Kiddle	(JK)	EDF Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy*	(RP)	Wales & West Utilities

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/PA/170215>

1. Introduction and Status Review**1.1. Declaration of Interest (by new participants)**

AMi declared that Xoserve may have an interest in an administrative role.

Recognising that Xoserve's position and declaration was likely to remain the same at each meeting, the Workgroup agreed that at future meetings this question would only be asked of new attendees.

1.2. Review of Minutes

The minutes of the previous meeting (04 February 2015) were approved.

1.3. Review of Actions

PA1203: Reference late or incomplete check reads – National Grid Distribution (CW) and Xoserve (EL) to provide a view on drift and check reads for all Transporters.

Update: EL had reviewed the information available to Xoserve and had concluded no appropriate view could be provided. It was suggested that Transporters were better placed to provide a view. It was agreed that responsibility for this action should be reassigned to the Transporters and the action will be amended to reflect this. AC agreed to contact the other Transporters and provide an update at the next meeting.

Amended Action PA1203: Reference late or incomplete check reads – National Grid Distribution (AC) to contact the Transporters and provide a view on drift and check reads for all Transporters. Carried forward

PA0201: *Final Report* - NA to provide the spreadsheet of comments received/changes made for publication.

Update: BF confirmed this had been provided and published. **Closed**

PA0202: *Dynamic Model Ownership* - JD to consider whether Crown Copyright can be established so that the model can be made publicly available.

Update: No update received. **Carried forward**

2. Value Chain Update

FM gave a presentation on the continued development of the Scheme, taking into account the requirements under Modifications 0506 and 0506A. Progress and adjustments made since the last evaluation were reviewed, and further discussions took place with Xoserve responding to questions as raised and noting comments and suggestions for further consideration.

Concluding the presentation, FM confirmed that appropriate revisions would be made as soon as possible to reflect the Workgroup discussions.

A separate session would not be required to evaluate further progress; future updates and any further assessments could be addressed as part of the Performance Workgroup's general business, and will be added to the agenda as and when necessary.

3. Workgroups

3.1. 0506 – Gas Performance Assurance Framework and Governance Arrangements

The Workgroup Report for Modifications 0506 and 0506A is due for submission to Panel on 18 June 2015. Minutes and other meeting papers are located at: <http://www.gasgovernance.co.uk/0506/170215>.

4. Any Other Business

4.1 UNC Performance Assurance related Modifications

AL advised that she had been reviewing the Performance Assurance related modifications to try and assess whether there were any gaps that needed addressing, now that the output from Engage Study Report had been received and considered.

The key points of Modification 0483 (as it exists now) were reiterated and AL questioned whether this now fulfilled its purpose and properly reflected what the Workgroup thinks will be needed. She was concerned that the modifications as they stand might not now all fit together sufficiently well to provide an adequate regime.

BF counselled that the regime should be established first, observing that not much progress had been made with that at present, and pointing out that June should be seen as the last reporting date in order to meet the October implementation date. It would be very difficult to address any additional modifications in the time remaining.

It was suggested that perhaps items/areas that the Committee would need to look at could be logged for its eventual consideration following establishment of the regime to permit this.

AL referred to the outcomes of the Engage Report, and questioned where the performance targets could be set. It was suggested this might be included in one of the existing modifications.

The objectives to be achieved and set up and run in time for Nexus implementation were reiterated and it was important that everything should be aligned as far as possible to provide

what was needed in terms of reporting both before/after Nexus implementation, so that performance could be monitored and so that parties could gain a sense of how they were doing in the 12 months prior (before invoices start to run).

BF observed that as long as either Modification 0506 or 0506A was approved then the regime is established. The Committee can then assess and develop what it wants to be measured.

The changing and setting of targets was discussed. JK referred to the Engage model, which had indicated the need for the setting of different targets/dates for different risks. The model did not set out the targets but indicated the elements where the risks sit. It was the responsibility of the Performance Assurance Committee to assess and set as appropriate given the information available. AL observed that changing targets had been discussed previously, but how they could/should be set in the first place was still the question. It was suggested that Modifications 0506 and 0506A create a regime through which this could be established. Targets should be set first and then it could be decided if incentives were required; detailed reporting on the risks would be needed to assess these appropriately and how the performance was impacting settlement, and only then should any behavioural incentives be set (assuming any were required).

There was a view that Modification 0483 in its present form no longer met the requirements that had evolved since its inception. EL confirmed that some reports would not be available for post Nexus Day 1. The reports specification is included in Modification 0520; none are specified yet, and AMi pointed out that defining the specifications could be quite complex. It was observed that the Engage reports were not specified in Modification 0520, and that perhaps this modification also needed reassessment, along with the others. AMi explained how he thought Modification 0520 could be simplified, so that although a modification would be needed to remove anonymity arrangements, it would not be needed to give effect to the reports.

AL indicated that she would discuss Modification 0483 with the Proposer (AM) to see what might need reviewing/revising.

5. Diary Planning

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

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30, Tuesday 24 February 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0483, 0506, 0509 and 0520.
10:30, Friday 06 March 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0483, 0506, 0509 and 0520.
10:30, Tuesday 24 March 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0483, 0506, 0509 and 0520.
10:30, Wednesday 08 April 2015	31 Homer Road, Solihull B93 9PS	Workgroups 0483, 0506, 0509 and 0520.
10:30, Tuesday 21 April 2015	Energy Networks Association (Room 4 - Note: Maximum	Workgroups 0483, 0506, 0509 and 0520.

	<i>capacity 20 persons)</i>	
10:30, Tuesday 05 May 2015	Energy Networks Association (Room 4 - <i>Note: Maximum capacity 20 persons)</i>	Workgroups 0483, 0506, 0509 and 0520.
10:30, Monday 18 May 2015	Energy Networks Association (Room 4 - <i>Note: Maximum capacity 20 persons)</i>	Workgroups 0483, 0506, 0509 and 0520. Workgroup Reports are due to June Panel.
10:30, Tuesday 16 June 2015	Energy Networks Association (Room 4 - <i>Note: Maximum capacity 20 persons)</i>	<i>To be confirmed</i>
10:30, Tuesday 21 July 2015	Energy Networks Association (Room 4 - <i>Note: Maximum capacity 20 persons)</i>	<i>To be confirmed</i>
10:30, Tuesday 25 August 2015	Elexon (Orange Room - <i>Note: Maximum capacity 30 persons)</i>	<i>To be confirmed</i>

Action Table (17 February 2015)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PA1203 <i>(amended)</i>	16/12/14	3.5	<i>Reference late or incomplete check reads – National Grid Distribution (AC) to contact Transporters and provide a view on drift and check reads for all Transporters.</i>	National Grid Distribution (AC)	Carried forward
PA0201	04/02/15	3.1	<i>Final Report - NA to provide the spreadsheet of comments received/changes made for publication.</i>	Engage (NA)	Closed
PA0202	04/02/15	3.1	<i>Dynamic Model Ownership - JD to consider whether Crown Copyright can be established so that the model can be made publicly available.</i>	Ofgem (JD)	Carried forward