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**Performance Assurance Workgroup Minutes**  
**Tuesday 18 February 2014**  
**at Consort House, 6 Homer Road, Solihull. B91 3QQ**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andy Clasper	(AC)	National Grid Distribution
Angela Love	(AL)	ScottishPower
Colette Baldwin	(CB)	E.ON UK
Emma Lyndon	(EL)	Xoserve
Jonathan Kiddle	(JK)	EDF Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Robert Cameron-Higgs*	(RCH)	first utility
Sasha Pearce	(SP)	RWE npower

\*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/PA/180214>

**1. Introduction**

BF welcomed all to the meeting.

**2. Review of Minutes and Actions**

**2.1 Minutes**

The minutes from the previous meeting were approved.

**2.2 Actions**

**PA08/02: Tender Advertisement** - Provide a link to the dedicated area on Ofgem's website.

**Update:** In the absence of an Ofgem representative, the action was carried forward.  
**Carried Forward**

**PA01/01:** Xoserve (AMi) to develop their Performance Assurance methodology proposal and cross reference to this listing to look to identify the real purpose of the specific reporting items to ascertain if they are 'fit for purpose' and actually provide tangible benefits (inc. adding a new column to highlight any Xoserve assumptions and / or where the information may be reported elsewhere in the industry would prove beneficial).

**Update:** EL advised that the reporting spreadsheet had been updated and a new comments column added. Parties were requested to provide feedback at the next meeting. **Closed**

**PA01/02:** ScottishPower (AL) to a) To review the plan and extract the 'key' items (i.e. business rules review and funding considerations) for inclusion on the agenda for the next Workgroup meeting, and thereafter, b) the Joint Office (BF/LD) to ensure that these are included on the published agenda.

**Update:** It was advised that both components had been completed. **Closed**

### 3. Discussion

#### 3.1 Declaration of interest - *by any Party who would look to carry out the academic study or PAF Administrator role*

EL advised that as previously stated, Xoserve are considering their options for the PAF Administrator role and therefore they were declaring an interest.

#### 3.2 Ofgem Update

In the absence of an Ofgem representative, consideration was deferred.

#### 3.3 Funding Considerations

AL explained that whilst she had received an email from J Dixon, Ofgem on this matter, she did not have a meaningful update to provide at this time.

RCH advised that EUK had recently approved the funding for the project, but Transporters and ICoSS have yet to approve the proposed £50k budget. It was noted that Transporters were considering funding Xoserves analysis and support rather than funding the project up front.

It was noted that there are three possible solutions to the question of how best to fund the project; raising of a new UNC Modification, Ofgem provide the funding or scaling back of the project scope.

#### 3.4 Governance Arrangements

Those parties present considered whether or not a form of Overview Board (OB) would prove beneficial in focusing attention on key areas of PAF Workgroup concerns.

During the debate, BF advised that if the Workgroup is advocating a UNC governance type of arrangement, then were they looking at a sub-committee style approach and not an OB based solution. He then pointed out that the UNCC membership comprises the Panel members minus the Consumer Representative.

One proposals put forward was to develop a governance model made up of a combination of the Standards of Service and RbD models. In the end a new action was placed on ScottishPower (AL) and E.ON (CB) to consider existing governance arrangements (i.e. sub-committee/guidelines) and governance in other Codes to consider options and strengths/weaknesses.

**Action PA02/01: ScottishPower (AL) and E.ON (CB) to consider the existing governance arrangements (i.e. sub-committee/guidelines), including governance in other Codes to consider options (i.e. strengths/weaknesses).**

#### 3.5 Business Rules Review

AL provided a brief overview of the Business Rules as published for the 13 December 2013 meeting.

During consideration of the (draft) business rules, BF suggested that once the governance aspects have been resolved, the Workgroup would need to consider whether or not it would be necessary to 're-jig' the business rules.

It was suggested that perhaps a form of dispute resolution mechanism / process whereby an unresolved matters would be escalated to Ofgem could / would prove beneficial. BF suggested that this could be set up similar to the EBCC arrangements whereby any meeting participation is by invitation only (i.e. not a public meeting).

It was noted that the MRA/SPAA publish a 'anomalous' post dispute report in order to raise industry awareness which indirectly provides a 'lessons learnt' mechanism. AL suggested that it might be beneficial to consider splitting the business rules to better reflect the potential three draft modifications. It was also suggested that there could be benefit in having a look at how the electricity market operates and what potential levels of work are involved.

**Action PA02/02: ScottishPower (AL) to split business rules (to better reflect the potential three draft modifications) between risk analysis, framework and administrator.**

**Action PA02/03: npower (SP) to look into the equivalent electricity Performance Assurance Business Rules and look to identify the types of issues, scale of work etc.**

### 3.6 Reporting Options

PAF Reporting Considerations presentation

EL provided an overview of the presentation.

During an extensive debate, the following new actions were assigned accordingly - ScottishPower (AL) to provide an update on the stages agreed and comments made and to also provide clarity in relation to any elements that ScottishPower have raised, but where Xoserve need additional clarity. Additionally, AL is to also flag any areas of concern that relate to the proposal raised by British Gas to A Margan.

EDF Energy (JK) to consider what the iGT reporting requirements might be going forward and report his findings, including max CSEP aspects / impacts in due course.

**Action PA02/04: ScottishPower (AL) to provide an update on the stages agreed and comments made and to also provide clarity in relation to any elements that ScottishPower have raised, but where Xoserve need additional clarity. Additionally, AL is to also flag any areas of concern that relate to the proposal raised by British Gas to A Margan.**

**Action PA02/05: EDF Energy (JK) to discuss capturing what the specific iGT related reporting requirements might be going forward and report his findings (including max CSEP aspects / impacts) back to AL and EL.**

**Action PA02/06: Xoserve (EL) to discuss with her Xoserve colleagues and provide an interim update on potential enhancements to the current reporting provisions (including splitting the report into Phase 1 and 2 aspects) and double checking what elements of the SPAA reports may be worth capturing under PAF reporting going forward.**

**Action PA02/07: Xoserve (EL) to provide an update on what reporting elements of UNC Modification 0434 'Project Nexus – Retrospective Adjustment' would need to be included going forward.**

Performance Assurance Methodology presentation

EL provided an overview of the presentation during which no major issues were raised.

### 3.7 Early Performance Monitoring

Whilst there was no specific update available, AL advised that there were a few things we could look at in relation to the Transporters; correct update of System Average Price, use of the correct weather station and the Transporters undertaking of Must Read activity, plus the update of information between the iGTs and the GTs.

Thereafter, further consideration deferred until the next Workgroup meeting.

### 3.8 Project Plan Update

AL explained that the Project Plan had been updated after the previous meeting before going on to provide a quick overview of the key areas of attention.

In discussing how best to address the funding issues, it was noted that any delay in resolving these would place a risk on the project plan timelines that would potentially result in slippage of key delivery dates.

During a discussion around enhancements to the current reporting provisions, a new action was placed on Xoserve (EL) to consider the future requirements including

double checking what elements of the SPAA reports may be worth capturing under the PAF reporting going forward.

Based on the discussions and feedback provided in considering some of the key elements of the plan, AL was asked to provide a view on potential March / April agenda items.

**Action PA02/08: ScottishPower (AL) to update plan, in particular adding three additional lines for the potential Modifications (risk analysis/incentives, framework and administration) and Xoserve's work on reporting under the current regime.**

**Action PA02/9: ScottishPower (AL) to approach Ofgem to seek a view on potential project slippage dates.**

**Action PA02/10: ScottishPower (AL) to provide a view on potential March / April agenda items.**

### 3.9 Risks and Issues Logs, including new issues

In deferring discussion of this item, AL indicated that she would look to provide a risk and issues log for discussion at the next Workgroup meeting.

### 4. Any Other Business

None.

### 5. Diary Planning

Further meetings of the Performance Assurance Workgroup have been arranged as follows:

Date	Time	Venue	Programme
04 March 2014	10:30	National Grid Office, 31 Homer Road, Solihull. B91 3LT	<i>To be confirmed</i>
01 April 2014	10:30	Room 4, ENA, 52 Horseferry Road, London SW1P 2AF	<i>To be confirmed</i>
06 May 2014	10:30	Solihull	<i>To be confirmed</i>
03 June 2014	10:30	<i>To be confirmed</i>	<i>To be confirmed</i>
01 July 2014	10:30	<i>To be confirmed</i>	<i>To be confirmed</i>
05 August 2014	10:30	<i>To be confirmed</i>	<i>To be confirmed</i>
September 2014	10:30	<i>To be confirmed when Nexus meeting dates known</i>	<i>To be confirmed</i>
October 2014	10:30	<i>To be confirmed when Nexus meeting dates known</i>	<i>To be confirmed</i>
November 2014	10:30	<i>To be confirmed when Nexus meeting dates known</i>	<i>To be confirmed</i>
December 2014	10:30	<i>To be confirmed when Nexus meeting dates known</i>	<i>To be confirmed</i>

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**Action Table – Performance Assurance Workgroup**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
PA08/02	21/08/13	2.1	<i>Tender Advertisement</i> - Provide a link to the dedicated area on Ofgem's website.	Ofgem (JD)	<b>Carried Forward</b>
PA01/01	21/01/14	3.5	To develop their Performance Assurance methodology proposal and cross reference to this listing to look to identify the real purpose of the specific reporting items to ascertain if they are 'fit for purpose' and actually provide tangible benefits (inc. adding a new column to highlight any Xoserve assumptions and / or where the information may be reported elsewhere in the industry would prove beneficial).	Xoserve (AMi)	<b>Closed</b>
PA01/02	21/01/14	3.7	a) To review the plan and extract the 'key' items (i.e. business rules review and funding considerations) for inclusion on the agenda for the next Workgroup meeting, and thereafter, b) the Joint Office to ensure that these are included on the published agenda.	a) ScottishPower (AL) b) Joint Office (BF/LD)	<b>Closed</b>
PA02/01	18/02/14	3.4	To consider the existing governance arrangements (i.e. sub-committee/guidelines), including governance in other Codes to consider options (i.e. strengths/weaknesses).	ScottishPower (AL) and E.ON (CB)	<b>Pending</b>
PA02/02	18/02/14	3.5	To split business rules (to better reflect the potential three draft modifications) between risk analysis, framework and administrator.	ScottishPower (AL)	<b>Pending</b>
PA02/03	18/02/14	3.5	To look into the equivalent electricity Performance Assurance Business Rules and look to identify the types of issues, scale of work etc.	npower (SP)	<b>Pending</b>
PA02/04	18/02/14	3.6	To provide an update on the stages agreed and comments	ScottishPower (AL)	<b>Pending</b>

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			made and to also provide clarity in relation to any elements that ScottishPower have raised, but where Xoserve need additional clarity. Additionally, AL is to also flag any areas of concern that relate to the proposal raised by British Gas to A Margan.		
PA02/05	18/02/14	3.6	To discuss capturing what the specific iGT related reporting requirements might be going forward and report his findings (including max CSEP aspects / impacts) back to AL and EL.	EDF Energy (JK)	<b>Pending</b>
PA02/06	18/02/14	3.6	To discuss with her Xoserve colleagues and provide an interim update on potential enhancements to the current reporting provisions (including splitting the report into Phase 1 and 2 aspects) and double checking what elements of the SPAA reports may be worth capturing under PAF reporting going forward.	Xoserve (EL)	<b>Pending</b>
PA02/07	18/02/14	3.6	To provide an update on what reporting elements of UNC Modification 0434 'Project Nexus – Retrospective Adjustment' would need to be included going forward.	Xoserve (EL)	<b>Pending</b>
PA02/08	18/02/14	3.8	To update plan, in particular adding three additional lines for the potential Modifications (risk analysis/incentives, framework and administration) and Xoserve's work on reporting under the current regime.	ScottishPower (AL)	<b>Pending</b>
PA02/9	18/02/14	3.8	To approach Ofgem to seek a view on potential project slippage dates.	ScottishPower (AL)	<b>Pending</b>
PA02/10	18/02/14	3.8	To provide a view on potential March / April agenda items.	ScottishPower (AL)	<b>Pending</b>

