

**Performance Assurance Committee Minutes**  
**Tuesday 12 December 2017**  
**at Energy UK, Charles Street, 5-11 Regent Street, London SW1Y 4LR**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andrew Margan	(AM)	Shipper Alternate
Andy Clasper	(AC)	Transporter Member
Anne Jackson	(AJ)	PAFA
Fiona Cottam	(FC)	Observer, Xoserve
Hilary Chapman*	(HC)	Transporter Member
John Welch	(JW)	Shipper Member
Lisa Saycell	(LS)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Rachel Hinsley	(RH)	Observer, Xoserve
Richard Pomroy	(RP)	Transporter Member
Shane Denny	(SD)	PAFA

**Apologies**

Jon Dixon	(JD)	Ofgem
Lizzie Montgomerie	(LM)	PAFA
Mitch Donnelly	(MD)	Shipper Member
Nirav Vyas	(NV)	PAFA
Rob Johnson	(RJ)	Transporter Member
Shanna Key	(SK)	Transporter Member
Tricia Quinn	(TQ)	Ofgem

\* *via teleconference*

Copies of non-confidential papers are available at: <http://www.gasgovernance.co.uk/PAC/121217>

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

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

**1.2 Apologies for absence**

Apologies were noted.

**1.3 Note of Alternates**

Andrew Margan for Mitch Donnelly

Richard Pomroy for Hilary Chapman – (for the afternoon period of the meeting only)

**1.4 Review of Minutes (04 October and 10 October 2017)**

The minutes of the previous meetings were approved.

**2. Performance Assurance Framework Administrator (PAFA)****2.1 Risk Register - Consultation Summary**

SD provided an overview of the 'Performance Assurance Framework Risk Register Consultation Summary' document. He explained that the consultation had run from

the 13 October 2017 and closed on 09 November 2017, where Industry members were asked a set of questions to capture the overall thoughts of the PAF Risk Register. He noted that no comments had been in conflict with each other. He then provided an overview of the themes of the comments that had been supplied as below:

- *Themes from comments ranged from:*
  - *Include additional reports to either monitor or produce as a control mechanisms*
  - *Refinement to wording for Risk Descriptions, Causes and Consequences*
  - *PAC to consider if current Modifications can contribute to existing risks or creation of new risks*
  - *PAC to consider over Allocation in addition to under Allocation*
  - *Concern on age of data used for the risk model and risk register*
  
- *PACR001 - A respondent would like to see further detail provided for the Potential Causes of the risk which is in part monitored by the SPAA Theft Code of Practice and linked to meter theft.*  
 BF explained that Stefan Leedham from Electralink was likely to be scheduled to present at the 09 January 2018 meeting to provide an overview in relation to TRAS.
  
- *A respondent pointed out a concern regarding the age of the data used to model risks in the PAF Risk Register, as the data was originally used for a study conducted in 2014. They indicate that any improvement to processes and figures occurring in the last three years has not been accounted for*  
 All members agreed with this statement and that it would be worthwhile reviewing the data available, particularly as Nexus has been implemented. AJ agreed this was a valid concern and explained that the PAFA would need release Authority to gain access to and use this additional data.
  
- *A respondent indicated for PACR002, a Change Proposal (CDSP ref XRN4525) has been raised. This introduces additional metrics for the Performance Assurance Reports Register (PARR) which will deliver more effective controls which should be considered by the PAC*  
 JW explained that the Rolling AQ proposal was not included in the report currently and it was in relation to the Modification 081 reports and these needed to be refined and in the shortest time frame to be of benefit to the Industry.
  
- *A respondent indicated that for risk PACR009, PAC may wish to review outputs from MOD0431 – “Shipper/Transporter - Meter Point Portfolio Reconciliation”*
  
- *PAC to consider whether PACR005 can benefit from the SPAA Schedule 22 proposal to update the meter schedule reporting and to introduce annual asset reconciliation with the MAMs*  
 A general discussion took place in relation to who ‘held’ the data and what the data cleansing process was, including the process between the suppliers and the CDSP. BF reiterated that at this present time, this was only a proposal and that this had not yet reached implementation at SPAA therefore could only be fully assessed once implemented.
  
- *PAC to consider current raised modifications to resolve issues with UIG and if some of those modifications should be linked to existing risks or if new risks should be created that relate to these modifications*  
 JW said that this was a valid comment regarding UIG and the area of a DM replacement read modification, and question whether one new modification would address and resolve this issue, or whether another subsequent modification would be required, and he noted again that PAC was unable to raise a modification. AJ

proposed that the discussions about the need for new modifications would be captured in the relevant minutes.

BF again suggested that it was unwise to make potential judgements on a modification and its content prior to it following the overall modification process and he suggested the PAC could propose specific comments into the relevant workgroup during its assessment stage or perhaps a response to the consultation.

- *PAF Risk Register is currently aimed solely at areas that could result in an under allocation of gas to certain parties, whereas the over allocation of gas should also be considered. Additional factors mentioned that should be considered are:*
  - *System status of site does not reflect actual status of site (e.g. where withdrawn registrations are incorrectly recorded) resulting in misallocation of gas;*
  - *Erroneous Registrations between Shippers resulting in misallocation;*
  - *Incorrect application of allocation algorithms by Xoserve (e.g. temperature data, profile, missing files, etc); and*
  - *Incorrect allocation of MPRNs to Product Class, EUC resulting in incorrect profiling of advance to gas days and application of incorrect UIG weighting factors.*

SD explained that the above points were not specifically related to the Gas Industry and RP added that the word 'incorrect' in the last bullet point, should in actual fact, be 'inappropriate' in this context.

SD then overviewed Question 1 – 7 and made some slight word or context changes which were proposed within the general discussion.

SD explained following the overview of the comments by PAC, the amended PAF Risk Register would be completed for sign off by the PAC. He overviewed the PRID(e) in Gas Model, together with the Performance Assurance Approach, as a sense check.

The link to the full Consultation Summary document can be found at:  
<https://www.gasgovernance.co.uk/PAC/121217>

## 2.2 Risk Register

SD overviewed the amended Risk Register and explained that certain areas had been updated to include the addition of various extra 'Tabs' to provide further information and clarity. He explained that some wording in the risks themselves had now also been updated.

A general discussion took place and it was agreed that a 'Track Changed' version of the Risk Register should be produced so the changes and alterations could clearly be identified, especially in relation to the comments that were suggested in the consultation responses. BF also proposed that this should now have version control to enable updates to be visible and logged accordingly by the PAFA.

**New Action PAC 1201: PAFA (AJ/SD) to produce a 'track changed' version of the Risk Register, including version control and a Summary Log for 09 January 2018 for approval.**

A general discussion took place in relation to the DM read estimates numbers and related issues and whether these should be linked to the risks and the associated modifications. BF said there was a likelihood that these might 'cut across' certain areas, but there would be little impact in their entirety, especially as there would be no impact until a specific modification was formally implemented. He also said that from the PAC perspective the Committee had more of a Gate Keeper role, in this context in managing risks to prevent them becoming issues.

### 2.3 Huddle Workspace Access for PAC Members Update

It was agreed that this topic could now be taken off the agenda as the Huddle Workspace and associated access was now fully operational.

## 3. Monthly Review Items

### 3.1 Risk Register Review

SD stated that the Risk Register was currently being reviewed following the comments supplied from the consultation and this was work in progress.

### 3.2 Issues Register

JW said that following on from the presentation, 'Further Developments for the Gas Performance Assurance Regime' that had been submitted by AL, a previous PAC member, he felt it was important to add to these comments and suggestions.

JW then overviewed the 'PAC – some current issues for consideration' slides, he drew attention to the PAF timeline from January 2014 to the present date, with the associated Milestones that has subsequently been completed.

JW provided a snap shot of the Current Issues and his views on the PAC Open Meetings regarding UIG as below:

#### Current Issues

- Process around requesting industry participants comply.
- No current powers to obligate the attendance of parties who may be contributing to a risk etc.
- Availability of reporting shouldn't stop the committee – agree interim process?
- Previously wrote to shippers re: DM issues requesting feedback.
- Any concerns? CEO level appropriate as escalation? Did it have an effect?
- Incentives – Modifications(s) required – when should we start that review?
- Lessons learned – communications issues with informing DM shippers of DM exception meeting.
- Reports and data – situation improving, anything else need to be done?

#### Open Meetings

- Were they successful?
- Some thoughts:
- Pros: Additional voices and contributions; enables links to the industry.
- Cons: Potential for 'lobbying' of positions; inappropriate to make decisions in 'open' session?
- Future open meetings?
- Regular open and closed sessions in future? Open meetings alternate months, or every 2-3 months, with closed session to follow?

He said he felt that in some instances that PAC had been a little tentative or had been lacking the most efficient path to progress certain topics and said that this could be down to a lack of maturity of the Committee, and the fact that some areas or subjects, had not been addressed previously, so there was a lack of knowledge.

JW then overviewed the potential modifications and imminent decision points, which included; Rolling AQ named report, Reconciliation named report, Potential to obligate Winter reads, and/or Winter consumption values and the Potential to raise an incentive modification to force DM sites into Class 4, where estimates exceeded

a certain threshold or timescale. He said that the areas for consideration moving forward were the approach to Shipper performance, specific incentives and an agreed interim process, together with a decision on imminent actions and the potential modifications as detailed above.

A general discussion took place regarding the DM Reads issues, risks and reporting areas, and whether the PAC Annual Workplan could potentially be used as vehicle to address some of these issues in a structured process. It was suggested that a Xoserve could undertake an in-depth Operational Risk Review of non-compliant Sites or poor performers and then present that data to PAC. A brief discussion took place surrounding the PAC Terms of Reference in relation to post Nexus processes and the reviewing of settlement performance.

FC said that from an issues perspective the next area to address would be the WAR Bands and the associated training/educational material, that was presently being produced, as this had been discussed already in Workgroup 0631R. FC added that she would be sharing some data at the PAC February meeting, regarding the WAR Bands and the Winter consumption estimates.

Discussions then moved on to the Open Meetings and the usefulness of these, from a content, context and overall resolution perspective of UIG. All agreed the first meeting was constructive and worthwhile, however many felt the second two meetings lacked commitment and progress.

BF said he was disappointed by the lack of structure, after the first meeting and he overviewed the way the Energy Balancing Credit Committee (EBCC) progressed issues through to a suitable resolution and he questioned if the PAFA could be utilised in this particular process to do a more hands on audit of poor performers. JW agreed and said that a clear aim and defined vision was needed, in order to progress issues in the appropriate manner. FC again reiterated the fact that Xoserve were still having daily calls and discussions with regards to UIG related issues and more specifically around the DM's Reads issue.

### **3.3 Implementation Plan**

This matter was deferred until the January meeting.

### **3.4 Assumptions Register**

This matter was deferred until the January meeting.

### **3.5 Ofgem Update**

There was no update submitted by Ofgem, as they deemed there no was change.

### **3.6 PARR Schedule 1 Reporting**

RH explained that Xoserve needed a sponsor to raise a new modification as PARR Schedule 2 was going to be released in July 2018 and owing to the fact the iGT related permissions Modification would now be implemented in February 2018, there was now a need for a new modification to be raised, as there was insufficient time to add in the stipulations as defined in Modification 0520A into release 2. FC explained that this modification was required as all the present Performance Reports included the iGT data and so an iGT permissions modification was required, in order to separate this data.

LS confirmed she would be the sponsor for this new modification and she understood it would be discussed within the Distribution Workgroup on 05 January 2018, then going straight out to consultation with and reporting to Panel in February 2018.

JW said he would be preparing a pre modification summary document on the Rolling AQ's for the January Distribution Workgroup meeting, with the modification reporting

to Panel in February 2018.

It was agreed that a summary of outstanding PAC actions would be collated from the presentations provided by AL and JW, so that they can be prioritised against the workplan and feed into the consultation process.

#### 4. Issues

None discussed.

#### 5. Annual Work Plan and Budget

##### 5.1 Draft Work Plan Actions Update

This matter was deferred awaiting confirmation and approval of the Risk Register.

#### 6. Communications Plan

RH said that she had been made aware by some visitors to Xoserve that some PAC information and Summary Bullet Points seemed not to have been circulated. BF confirmed the last Summary Update that the Joint Office had done was in September 2017 following the closed PAC meeting. He said that he had understood the PAFA would be producing the post meeting Summary following its mobilisation, he added that the Open PAC meetings held in November did not warrant a Summary, as any actions were captured in the minutes. AJ said that the PAFA were not aware that this had been their remit and that this would now be addressed following this meeting and would be sent to the Contract Managers and the Joint Office to circulate to the wider UNC general distribution listings.

**New Action 1202: PAFA (AJ/SD) to produce a post meeting Summary of the key points of discussion from each PAC meeting.**

#### 7. Any Other Business

##### 7.1 Theft of Gas Update

BF explained that prior to AL leaving PAC, *she had had discussions with Electralink on this matter and Members agreed that Stefan Leedham would be allowed to attend the PAC meeting on 29 November 2017, to give an overview on the Theft of Gas, and that this would be the first item on the agenda.*

The 29 November 2017 meeting had been an Open UIG meeting and so it was not an appropriate meeting for Stefan Leedham to attend. The intention now is that he will now be attending the meeting on 09 January 2018 and providing an overview on TRAS.

##### 7.2 Xoserve Performance Monitoring

It was agreed that this area was a DSC Contract Management matter.

##### 7.3 BSC – PAB Stakeholder Engagement Consultation

It was noted that the PAB were consulting with relevant parties and that it would be useful to review the outcomes in case there were benefits for PAC..

##### 7.4 Further Developments for the Gas PAC Regime

BF explained that this presentation that had been submitted by AL a former PAC member, as she had concerns due to the churn/change of original PAC members and wanted to reiterate the purpose, principles and remit of the PAC, as it was originally defined and to ensure longer term goals were not missed. JW agreed that this was useful and that it had covered areas in greater depth than the areas he had touched on. BF suggested that the PAC members could incorporate some of these points in the generic log, as many of the areas would feed into the broader remit moving forward, together with the Budget, when this was approved. BF said he would add

these into the log and that volunteers were needed to actually write the Workplan itself.

**New Action 1203: Joint Office (BF) to encompass the points referred to in the 'Further Developments for the Gas PAC Regime' presentation into a log.**

## 7.5 Current Issues for consideration

FC presented the 'Update on DM Reads Rejections as of 06/12/17' presentation and explained the current status in relation to Pot 1 and Pot 2 and explained that the Industry average was 22 calendar days to close – which excluded the current outstanding sites, she said that these updates were now going to be included within the Weekly Xoserve Communications. However, it was not yet understood if new sites had been in the pot previously.

A general discussion took place and it was agreed that a 'watching brief' would now be in place regarding the current status of these sites and their performance.

Please see the link below to view the schematics enclosed in the presentation:  
<https://www.gasgovernance.co.uk/PAC/121217>

## 7.6 Modification 0625 - Extension of 4 months to 10 months to transfer non-mandatory sites from Class 1

RP said that more information and reporting was needed in respect of the migration of sites to other classes, especially in relation to Class 2 Sites. MJ also added that the status of Class 3 Sites was also needed. FC confirmed she would provide data in relation to Class 3 Sites and what Daily Reads were being submitted.

**New Action 1204: Xoserve (FC) to provide data on who is in Class 3 and what Daily Reads are being submitted.**

## 8. Review of Actions Outstanding

**PAC 0104: "Nexus Manual Workaround Report"** - AL and RHi to bring to the next meeting for discussion. Update: AL said this had now been further explained with more information and so could now be closed. **Closed.**

**PAC 0601:** Standard Correction Factors for sites with AQ > 732, MWH - Shippers to raise the issue at MAM CoP.

**Update:** It was noted that Xoserve had raised this issue at MAMCoP. All agreed this action could now be closed. **Closed**

**PAC 0907:** All PAC Members to consider and identify who should take the lead on the risk register log and communications plan work area.

**Update:** This action can be closed as it was agreed that the PAFA are to take the lead on the Risk Register Log and Communications Plan. **Closed**

**PAC 1001:** In relation to the incorrect / missing asset data on the Supply Point Register risk - Xoserve (RH) to consider providing a list of MDD attributes that have been either validated or disregarded.

**Update:** RH requested that this action be carried forward, as Xoserve were presently producing a list about file flows. **Carried forward**

**PAC 1003:** PAFA (NV) to provide a high-level synopsis of the Risk Register Consultation responses at the 29 November meeting and to then present the formal changes to the Risk Register at the 12 December meeting.

**Update:** SD said this action could now be closed as the consultation responses had now been presented to PAC. **Closed**

**PAC 1006:** ScottishPower (AL) to raise a Permissions Modification to allow the iGT's Site data to be included in the overall Reporting Function.

**Update:** It was agreed that this action could now be closed as E.ON Kirsty Dudley were sponsoring this modification. **Closed**

**PAC 1007:** Xoserve (FC) to produce a formal proposal document on the D-7 process for formal agreement by PAC via email.

**Update:** RH said this action could now be closed as this matter had now been superseded by Modification 0634. **Closed**

**PAC 1008:** ScottishPower (AL) to provide an update on the Xoserve Performance Monitoring via email.

**Update:** It was agreed this action could be closed as the Performance monitoring will be managed by the Contract Managers. **Closed**

**PAC UIG 1113:** Xoserve (FC) to meet with the PAFA to sense check the Risk Register and the PAFA Contract in order to determine materiality.

**Update:** FC proposed this action was carried forward and said that this was presently in progress. **Carried forward.**

## 9. Agree Key Messages and Next Steps

### 9.1 Key Messages

It was agreed the PAFA would provide the Key Messages communications for this and future meetings.

## 10. Next Steps

BF said that his expectations were that the 09 January 2018 meeting was a Closed meeting for PAC members only and that standard agenda items together with the amended and track changed Risk Register would be amongst the items for discussion.

## 11. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Time/Date	Venue	Programme
10.30, Tuesday 09 January 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>Standard Agenda items</li> </ul>
10.30, Monday 05 February 2018	Xoserve, Lansdown Gate, 65 New Road, Solihull. B91 3DL	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Monday 05 March 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 10 April 2018	Solihull – Venue TBC	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 08 May 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 12 June 2018	Solihull – Venue TBC	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 10 July 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Monday 06 August 2018	Solihull – Venue TBC	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 11 September 2018	Elaxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 09 October 2018	Solihull – Venue TBC	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>



10.30, Monday 05 November 2018	Elxon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>
10.30, Tuesday 11 December 2018	Solihull – Venue TBC	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>

**Action Table (as at 12 December 2017)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0104	10/01/17	6.	"Nexus Manual Workaround Report" - AL and RHi to bring to the next meeting for discussion.	PAC Member (AL) & Xoserve (RH)	<b>Closed</b>
PAC 0601	13/06/17	3.6	Standard Correction Factors for sites with AQ > 732, MWH - Shippers to raise the issue at MAM CoP.	Shipper Members	<b>Closed</b>
PAC 0907	12/09/17	6.	All PAC Members to consider and identify who should take the lead on the risk register log and communications plan work area.	All	<b>Closed</b>
PAC 1001	04/10/17	2.2	In relation to the incorrect / missing asset data on the Supply Point Register risk - Xoserve (RH) to consider providing a list of MDD attributes that have been either validated or disregarded.	Xoserve (RHi)	<b>Carried Forward</b> <i>(Added from the PAC Sub Mtging on 04/10/17)</i>
PAC 1003	10/10/17	2.1	PAFA (NV) to provide a high-level synopsis of the Risk Register Consultation responses at the 29 November meeting and to then present the formal changes to the Risk Register at the 12 December meeting.	PAFA (NV)	<b>Closed</b>
PAC 1006	10/10/17	3.6	ScottishPower (AL) to raise a Permissions Modification to allow the iGT's Site data to be included in the overall Reporting Function.	ScottishPower (AL)	<b>Closed</b>
PAC 1007	10/10/17	4.1	Xoserve (FC) to produce a formal proposal document on the D-7 process for formal agreement by PAC via email.	Xoserve (FC)	<b>Closed</b>
PAC 1008	10/10/17	7.2	ScottishPower (AL) to provide an update on the Xoserve Performance Monitoring via email.	ScottishPower (AL)	<b>Closed</b>
PAC 1201	12/12/17	2.2	PAFA (AJ/SD) to produce a 'track changed' version of the Risk Register, including version control and a Summary Log for 09 January 2018 for approval.	PAFA (AJ/SD)	<b>Pending</b>
PAC 1202	12/12/17	6.0	PAFA (AJ/SD) to produce a post meeting Summary of the key points of discussion from each	PAFA (AJ/SD)	<b>Pending</b>

**Action Table (as at 12 December 2017)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
			PAC meeting.		
PAC 1203	12/12/17	7.4	Joint Office (BF) to encompass the points referred to in the 'Further Developments for the Gas PAC Regime' presentation into a log.	Joint Office (BF)	<b>Pending</b>
PAC 1204	12/12/17	7.6	Xoserve (FC) to provide data on who is in Class 3 and what Daily Reads are being submitted.	Xoserve (FC)	<b>Pending</b>

**Action Table PAC – UIG DM Read Issues (as at 12 December 2017)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>PAC UIG 1103</b>	01/11/17	2.1	Xoserve (LW) to provide an update on the review of the DM resynchronisation process.	Xoserve (LW)	<b>Closed</b>
<b>PAC UIG 1113</b>	14/11/17	2.0	Xoserve (FC) to meet with the PAFA to sense check the Risk Register and the PAFA Contract in order to determine materiality.	Xoserve (FC)	<b>Carried forward</b>
<b>PAC UIG 1114</b>	29/11/17	3.0	Xoserve (FC/SH) to provide a breakdown by reason code, energy and AQ the number of MPRN's by category and the number of days.	Xoserve (FC/SH)	<b>Closed</b>