

UNC Workgroup 0674 Minutes
Performance Assurance Techniques and Controls
Wednesday 23 October 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

| | | |
|----------------------------|------|-------------------|
| Alan Raper (Chair) | (AR) | Joint Office |
| Karen Visgarda (Secretary) | (KV) | Joint Office |
| Anne Jackson | (AJ) | Gemserv |
| Fiona Cottam | (FC) | Xoserve |
| Guv Dosanjh | (GD) | Cadent |
| James Rigby* | (JR) | Xoserve |
| Karen Kennedy* | (KK) | British Gas |
| Louise Hellyar* | (LH) | Total Gas & Power |
| Mark Bellman | (MB) | ScottishPower |
| Michael Lain | (ML) | E.ON |
| Rose Kimber* | (RK) | CNG |

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0674/231019>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 March 2020.

1.0 Introduction and Status

1.1. Approval of minutes (29 July 2019)

The Chair, Alan Raper (AR) presented the amended minutes from the last meeting, Workgroup considered the amendments and approved the minutes. (Fiona Cottam (FC) suggested that there were some minor typos, but that she was happy to accept the content in the minutes)

1.2. Review of Outstanding Actions

Action 0603: *Reference: DSC PAC Budget and Report Prioritisation* – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.

Update: Alan Raper (AR) explained that in terms of data access, PAFA was included in an ongoing Modification (0697) for inclusion as a Data User Type with the section setting out permissions. It was agreed this action should be carried forward until further update had been provided in due course. **Carried Forward**

Action 0702: *Reference: UNC Business Requirements – UNC Parties* - Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3.

Update: James Rigby (JR) provided an update to the Workgroup and explained that this area was under review and that it was still being discussed within the DSC Change Management Committee meetings. As a result of the meeting discussions, Xoserve are aware of that prioritisation of PAC change requests is an issue.

Mark Bellman (MB) asked what the prioritisation process was presently, and JR said he would supply this process, but said he wanted to add a caveat regarding the content of this document, as it was currently under review, with the PAC changes being incorporated. MB said that he had concerns regarding the PAC prioritisation element and that he was meeting Sian Jones from Xoserve in November to discuss this in more depth. It was agreed this action should be carried forward. **Carried Forward**

New Action 1001: Xoserve (JR) to circulate the current Xoserve Prioritisation Process.

Action 0706: *Reference: PAC Appointments and Requirements* - Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters.

Update: AR said he was aware this was still being looked at and that his assumption was that this would form part of the Life Cycle arrangements and FC agreed with this comment and that contract managers could assist in gathering contacts for the users already operating.

MB said that there had been criticism from ICoSS to get the correct Single Point of Contact (SPoC) to ensure all the appropriate communications were delivered the correct individual and a SPoC in this area would help ally those concerns.

A brief general discussion took place and it was agreed that this should be encompassed within an annual review and Anne Jackson (AJ) said that this could be incorporated within the ancillary documents. It was agreed that this action should be carried forward. **Carried Forward**

Action 0901: MB agreed to review UNC parties section of the Modification requirements and compare it with current Data Permissions detailed UNC Section V5.

Update: AR explained that he was aware that this was being addressed in the UNC Section V5 and MB concurred with this comment. It was agreed that action should be carried forward. **Carried forward.**

Action 0902: AJ to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC.

Update: AJ explained that she had only just had sight of this document and she explained it would only become apparent at the end of the development process whether or not an IGT Modification would be needed. She added that the authority aspect regarding PAC would need to be included within the Modification, i.e; PAC having authority over the IGT's, as this would not be covered in relation to the data or standards.

FC said that this area had been discussed within the recent PAC meeting and agreed with AJ that a decision could not be made until such time the Legal Text was available, regarding the need for an IGT Modification.

AJ reiterated that the once the Legal Drafting was completed then this would be the trigger to initiate the raising of an IGT Modification. AJ agreed to produce the draft for the IGT Modification and said that she would be requiring a sponsor to progress the Modification.

New Action 1002: Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification.

Action 0903: *Reference: 2.5 Roles and responsibilities of PAC* - AJ to add an extra bullet, before the final bullet, that refers to the evaluation of risks and identify mitigations.

Update: AJ confirmed that this area was now included within the Framework document as per version 4.1 and so this action could now be closed. **Closed.**

Action 0904: *Performance Assurance Committee Section* - AC will check and confirm back to workgroup that voting can be changed to Shipper votes and Transporter votes, each constituency (shipper and transporters) to have to reach majority.

Update: Guv Dosanjh (GD) explained that he had conversations with Andy Clasper and that Andy was not sure that the action mirrored the discussions that were undertaken in the previous meeting.

GD said that the Transporters had their own rotation format in JGAC and that this would not be changed. There was some general discussion regarding the voting interpretations as to whether these were seen as a straight majority voting process on all parties, AJ felt that this was not clear presently. It was agreed that this action could be closed as this area would be captured within the Modification. **Closed.**

2.0 Consideration of Amended Modification

MB talked through the changes made to the amended Modification and provided clarity where necessary on the amendments, which were mostly within the Why Change and Solution sections. AR made the comment that all changes would have to be aligned and considered within the Legal Text.

Where amendments were discussed in detail, these have been captured below:

Why Change:

AJ added that there were areas regarding the PAC Framework section that still needed to be thought about in relation to the interaction of PAC and the UNCC. She explained that the Terms of Reference (ToR) had been split concerning the PAC Framework and the UNCC and that many of the references would need to be changed, as there was presently an inconsistency issue.

There followed a discussion on access to information during which AJ confirmed that the intention was to establish a regime whereby a shipper could use other sources of data to self-monitor but the intention is that PAC reporting becomes the definitive source and measure of shipper performance.

Karen Kennedy (KK) said that she had concerns in respect of the Reporting Process and how it was defined in respect of the self-monitoring and how this would be viewed by the PAFA, especially regarding accessing the reports on Huddle. She said that if a Shipper used their own reporting functions and did not log into the Huddle on a regular basis, would this be deemed as a performance failure, and were the Huddle reports an obligation for sole use by the Shippers. She added that she felt the wording in this section needed to be amended and said that perhaps it should be more along the lines of the fact the reports were there and available for use if required, and Michael Lain (ML) agreed with this suggestion.

MB said there was a need for detailed reporting especially in relation to the Meter Reads and Settlements areas and he felt that there should be a requirement for all parties to study and be aware of their performance via the PAFA reports on the Huddle.

Louise Hellyer (LH) and KK then proposed the wording in this section should be changed from 'will' to 'should'. AJ said that all the reports were available and published and that they would continue to be the source of the evidence to demonstrate the Shippers performance.

MB said he would review the specific wording in relation to the comments and opinions discussed.

Solution:

AJ said that the 'As Is' table section still needed more work with regards to the splitting of the documents, especially regarding UNC V-16 and the UNCC V-12. AR said that the areas of decisions also needed to be taken into consideration, especially regarding the governance aspect.

Para 5. AR said that this whole section needed more clarification from a PAC authority and Legal Text perspective, including the impact of the Industry costs, budget constraints and how this would be managed overall.

A lengthy general discussion then took place regarding the budget process and the ability of being able to request additional funds if required, and that these should be allocated out of the PAC budget, so the evidence of spending is tracked.

James Rigby (JR) briefly overviewed how the DSC Change Management Committee allocated the budgetary spend currently against XRN's. He added that the DSC Change Management Committee were very aware of the importance and priority required for PAC requests. AR proposed that it would be advisable moving forward if there was PAC representation on the DSC Change Management Committee.

A brief general discussion took place regarding the structure & content of the ancillary documents and AR reiterated that any extra content would be needed to be included now in order for it to be approved alongside the Modification, as to add it later would require a further governance activity.

A short general discussion took place regarding the previous *Modification 0410 0410A - Responsibility for gas off-taken at Unregistered Sites following New Network Connections*, specifically as to how something prohibited in the UNC can be done is defined exception cases are created.

The discussion then overviewed the process for defects, and misallocations of settlement errors and how these would be addressed from a dispute's resolution process. KK did not feel this overall process was sufficiently defined or detailed enough and MB agreed to add further clarity into this area, from both an 'outside and inside line in the sand' perspective.

Para 6. AR said that the indemnity sections needed discussing with Dentons in-depth to gain further clarification.

AJ explained that the appeals process had been inserted into the new PAC Framework document and that this needed to be presented to PAC prior to being discussed in the Workgroup.

Para 7. MB explained elections PAC would continue largely as they operate now.

Both MB and AJ said there would be no systems impacts.

With respect to Appendix 1, AJ and AR confirmed that it could now be removed, as this information had now been superseded and captured within the PAF Document.

3.0 Consideration of Legal Text

AR explained said the first draft of the Legal Text had only recently been received from Dentons, however he was not going to overview it in the meeting, as the Modification itself still required more refinement. He added that Guv Dosanjh (GD), MB were going to review the content of the Legal Text in an off-line meeting and AR said he had offered his assistance if required, in regarding this matter.

4.0 Consideration of Ancillary Documents

Performance Assurance Framework (PAF) Document

Note: this is the existing UNC Related Document, as amended

AJ presented an updated change marked version of the Performance Assurance Framework (PAF) Document v2.0 and explained that in due course the PAF Document for the (GAS) Energy Settlement Performance Assurance Scheme were likely to be combined. The presentation material was provided for the Workgroup and was published on the meeting web page.

ML said that having read the PAF Framework Document there did seem to be lots of repeats that needed addressing. AJ commented that this document was a first draft and duplication would be addressed in due course when the documents are consolidated

AJ then moved through the change marked version of the PAF Framework Document and drew attention to the fact there were several areas of reporting that still needed to be clarified.

3.2 FC said that in the draft Modification and in the PAF Framework document there seemed to be some mismatches between the objectives and the tasks. AJ agreed and said that she would reword them as objectives and understood these would need to be dovetail with the proposed performance assurance objective being proposed in the Modification.

Following a brief general discussion, it was agreed that FC would provide a bullet list document detailing the role of the CDSP in relation to Performance Assurance.

AJ outlined the membership election process, which now includes the proposed new method of using alternates.

AJ introduced a new section to the document: Support for UNC Parties, which FC added a greater level of detail in terms on how the Xoserve CAMs currently support shippers.

New Action 1003: Xoserve (FC) to provide a bullet list detailing the role of the CDSP in relation to Performance Assurance.

A general discussion took place regarding the number of different documents there were presently regarding all the aspects of Performance Assurance and how time consuming it was for parties to find and retrieve the exact documents they needed for a specific requirement.

AJ proposed rationalising all documents which included aspects of reporting, as referenced in the TPD Section V Performance Assurance 16.1 (d) and the Reports Register in 16.5.1.

FC said that a way forward could be to make the PAC documents and PARR reports governed by the PAC, with a widened authorisation level. MB agreed with the PAC option, saying that it could simply be sent to the UNCC for information only and not approval. An alternative would be that the change was sent to UNCC for approval as that committee had a wider audience and oversight role. Both options had pros & cons and the discussion did not conclude on either option as the best way forward.

It was agreed that MB and AJ would update TPD Section V to reflect these discussions.

New Action 1004: ScottishPower (MB) and Gemserv (AJ) to update TPD Section V regarding Section V16.5 and V12 to reflect the proposed governance arrangements to the PARR.

AJ asked FC regarding the content in Document 4, of the PAFA Scope where did it need to be position and FC said she would investigate this matter.

New Action 1005: Xoserve (FC) to investigate Document 4 PAFA Scope in relation to relevance of existing content at a Heads of Terms level and determine the document's value.

Performance Assurance Framework (PAF) Document for the (Gas) Energy Settlement Performance Assurance Scheme

Note: this is a new consolidated document containing mainly new arrangements proposed as part of this Modification Proposal

AJ provided an overview of the change marked Performance Assurance Framework (PAF) Document for the (Gas) Energy Settlement Performance Assurance Scheme document and explained that this was not yet in a stable state, as discussions were still taking place, regarding if this document should be combined with the PAF Document or kept separate.

As terms of the governance arrangements for all related documents, AR suggested that the related document drafted to support PAC matters could be part-governed by UNCC, (Part 1) and part-governed by PAC, (Part 2). This would allow a degree of PAC autonomy for operational matters but still give a wider governance oversight for more significant changes to documentation and it would be for the Workgroup to decide on the content that should comprise each part.

AJ then proceeded to move through the document drawing attention to specific areas of interest and reiterated that the document itself was still very much work in progress. Certain sections, initiated discussions as detailed below:

In relation to the Membership duration of 3 years she said that a mechanism would be required to break the 3-year cycle to provide for staggered tenure, if that became a requirement.

KK asked how the alternates would be chosen and confirmed, especially in relation to the fact that no two employees from the same company would be allowed to attend the same PAC meeting.

LH suggested that a simply 'set order' or rotation system could be used that would eliminate that possibility, which would provide extra comfort to all PAC members. A lengthy and protracted general discussion then took place on the subject with an outcome that it was agreed that MB would seek guidance from PAC on this matter.

New Action 1006: ScottishPower (MB) to seek guidance from PAC regarding the alternate process and attendance.

2.3. Decision Making Authority

GD said he was doubtful that the Transporters would sign up to a straight majority vote and he said this PAC voting needed further discussion and clarification before it could be finalised. AR agreed to investigate and confirm current PAC voting arrangements.

New Action 1007: Joint Office (AR) to investigate how the majority decision making in each constituency operates within the PAC meetings administered by the Joint Office.

5.0 Annual PAF Review section, MB said that he wanted a review of these key areas and he and AJ agreed to investigate this further.

AR said that there was a degree of repetition in the document and certain sections were not sufficiently concise which tended to exacerbate the repetition concern and this need to be addressed in subsequent versions of the documents.

New Action 1008: ScottishPower (MB) and Gemserv (AJ) to investigate the Plan, the Review, and the consultation process and provide a re-draft of the document.

9.0 FC questioned the proposal of charging for training and said that this was not a standard practice that Xoserve operated to. She said she would not be comfortable with charging for training, especially as Xoserve did not have off-the-shelf training packs, and charging for training might drive the wrong behaviours.

KK asked the what obligation a shipper would be under to go and ask for help / training. The view was that PAC should have sufficient authority to make such decisions.

ML enquired if there was a specific stage gate or process flow of the overall process and AJ said no there was not, and that was by design, as each section was a standalone and needed to be adhered to from a performance perspective and no strict sequence would tie PAC to specific remedies / action.

5.0 Development of Workgroup Report

AR said that it was too early to start to produce the Workgroup Report as neither the Modification nor the accompanying documents were in a stable state.

6.0 Next Steps

AR outlined the next steps:

- AR to request an extension from Panel until March 2020;
- MB to provide a further amended Modification (in line with the above discussions);
- AJ and MB to confirm related documents Parts 1 & 2 of the Governance arrangements;
- GD & MB to conduct a further review of the draft Legal Text review with Dentons;
- AJ to further refine the ancillary documents;

7.0 Any Other Business

7.1. Next Meeting Date

AR agreed to move the next meeting from 19 November to 25 November 2019 as some participants could no longer make the original date. This new meeting date of Monday 25 November will be held at Radcliffe House in Solihull.

8.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

| Time / Date | Venue | Workgroup Programme |
|-------------------------|---|---|
| Monday 25 November 2019 | Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA | <p>Standard Agenda, plus:</p> <ul style="list-style-type: none"> • Consideration of amended modification • Consideration of ancillary documents • Consideration of Legal Text • Consideration of a consolidated UNC Related Document with Part 1 & 2 governance arrangements • Development of Workgroup Report |

Action Table (as at 23 October 2019)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|-------------|--------------|------------|--|------------------------------|------------------------|
| 0603 | 26/06/19 | 5.0 | <i>Reference DSC PAC Budget and Report Prioritisation – Xoserve (LJ) to ascertain what Data Protection and/or commercial barriers exist that could potentially constrain the PAFAs access to data (anonymised / non-anonymised) in order for it to deliver new PAC information requests.</i> | Xoserve (LJ) | Carried Forward |
| 0702 | 29/07/19 | 2.0 | <i>Reference: UNC Business Requirements – UNC Parties</i> Change Committee to consider a PAC category within their prioritisation routine for such requests as mentioned in Statement 3 | Xoserve/DSC Change Committee | Carried Forward |
| 0706 | 29/07/19 | 3.0 | <i>Reference PAC Appointments and Requirements :</i> Joint Office to set up process obliging shippers to nominate a SPOC for PAC matters, | Joint Office | Carried Forward |
| 0901 | 17/09/19 | 2.0 | <i>Amended Modification - MB agreed to review UNC parties section of the Modification requirements and compare it with current Data Permissions detailed UNC Section V5.</i> | ScottishPower (MB) | Carried Forward |
| 0902 | 17/09/19 | 3.0 | <i>Objectives: AJ to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC.</i> | Gemserv (AJ) | Carried Forward |
| 0903 | 17/09/19 | 3.0 | <i>Reference: 2.5 Roles and responsibilities of PAC - AJ to add an extra bullet, before the final bullet, that refers to the evaluation of risks and identify mitigations.</i> | Gemserv (AJ) | Closed |
| 0904 | 17/09/19 | | <i>Performance Assurance Committee Section - AC will check and confirm back to workgroup that voting can be changed to Shipper votes and Transporter votes, each constituency (shipper and transporters) to have to reach majority.</i> | Cadent (AC) | Closed |

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|-------------|----------|-----|--|-----------------------------------|----------------|
| 1001 | 23/10/19 | 1.0 | Xoserve (JR) to circulate the current Xoserve Prioritisation Process. | Xoserve (JR) | Pending |
| 1002 | 23/10/19 | 1.0 | Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification. | Gemserv (AJ) | Pending |
| 1003 | 23/10/19 | 4.0 | Xoserve (FC) to provide a bullet list detailing the role of the CDSP in relation to Performance Assurance. | Xoserve (FC) | Pending |
| 1004 | 23/10/19 | 4.0 | ScottishPower (MB) and Gemserv (AJ) to investigate the Plan, the Review, and the consultation process and provide a re-draft of the document. | ScottishPower (MB) & Gemserv (AJ) | Pending |
| 1005 | 23/10/19 | 4.0 | Xoserve (FC) to investigate Document 4 PAFA Scope in relation to relevance of existing content at a Heads of Terms level and determine the document's value. | Xoserve (FC) | Pending |
| 1006 | 23/10/19 | 4.0 | ScottishPower (MB) to seek guidance from PAC regarding the alternate process and attendance. | ScottishPower (MB) | Pending |
| 1007 | 23/10/19 | 4.0 | Joint Office (AR) to investigate how the majority decision making in each constituency operates within the PAC meetings administered by the Joint Office. | Joint Office (AR) | Pending |
| 1008 | 23/10/19 | 4.0 | ScottishPower (MB) and Gemserv (AJ) to investigate the Plan, the Review, and the consultation process and provide a re-draft of the document. | ScottishPower (MB) & Gemserv (AJ) | Pending |