

UNC Performance Assurance Committee Minutes
Wednesday 26 September 2018
at Gemserv, 8 Fenchurch Place, London EC3M 4AJ

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Anne Jackson	(AJ)	PAFA
Billy Howitt	(BH)	PAFA
Fiona Cottam	(FC)	Observer, Xoserve
John Welch	(JW)	Shipper Member
Mark Bellman	(MB)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Neil Cole	(NC)	Observer, Xoserve
Nirav Vyas	(NV)	PAFA
Paul Rocke	(PR)	PAFA
Rachel Hinsley	(RHi)	Observer, Xoserve
Rob Johnson*	(RJ)	Transporter Member
Shanna Key*	(SK)	Transporter Member (and alternate for Sally Hardman)
Shelly Rouse*	(SR)	PAFA

Apologies

Carl Whitehouse	(CW)	Shipper Member
Sallyann Blackett	(SBa)	Shipper Member
Sally Hardman	(SH)	Transporter Member

* via teleconference

Copies of non-confidential papers are available at: <https://www.gasgovernance.co.uk/pac/260918>

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

RHa welcomed everyone to the meeting and declared the meeting as not being quorate as there were not enough Shipper Members present:

“The meeting will be quorate where there are at least four Shipper User PAC Members and two Transporters (DNO and/or IGT) PAC Members with a minimum of six PAC Members in attendance”.

Please see PAC Terms of Reference: <https://www.gasgovernance.co.uk/PAC>

RHa stressed the importance of quoracy for meetings and encouraged PAC members to provide an alternate when they are unable to attend. RHa suggested the Joint Office would take an action and remind members about the importance of quoracy and providing an alternate.

It was also noted that it would be extremely helpful and good practise to encourage Ofgem’s participation. Members and participants alike noted the usefulness of J Dixon’s input at the last meeting.

Action 0920: Joint Office (RHa) to encourage Ofgem attendance and remind members about the importance of quoracy along with providing an alternate.

Post Meeting Note: all future meeting invitations will be sent to Ofgem as well as members and invitations will remind members to provide an alternate if they are unable to attend themselves.

1.2 Apologies for absence

Apologies were noted as above.

1.3 Note of Alternates

Shanna Key for Sally Hardman

2. PRID(e) Project Plan

2.1 Update

NV provided an overview of the expectations of the meeting which was to primarily look at how to incentivise good performance and to reach an agreement from PAC on the way forward. NV referred to the [Performance Assurance Framework Presentation \(Good settlements regime\)](https://www.gasgovernance.co.uk/pac/260918) available at: <https://www.gasgovernance.co.uk/pac/260918>. Following the first workshop, the PAFA has looked at the next steps and what an incentive regime could look like and their aim was to present this today.

2.2 Incentives

BH noted that a presentation was provided to the Joint office for publication on the morning of the meeting. RHa expressed concern about the lateness of this paper and actively discouraged PAFA providing such late papers, emphasising the importance of providing papers 5 days before the meeting to allow parties time to consider papers ahead of the meeting. This was supported by the PAC members moving forward.

NV provided the [PRIDe Incentives Presentation](#)¹, explaining there should be incentives for good performance.

FC confirmed that Xoserve have been looking at areas of concern around performance, following comments that the PAC needed to have some 'teeth'. It was acknowledged that PAC have some tools which are used but it was recognised more could be added, and that they ideally need to be scalable. It was suggested a menu of tools should be available that could be utilised when an issue has been identified, with a suite of sanctions, and guidance on how to use the framework.

NV proposed there could be high level and low level controls that can be used by PAC to formulate a resolution plan, and encouraged use of a framework for incentives. He suggested PAC would need to identify issues and establish the best course of action.

NV highlighted that the incentives were part of the PRID(e) model and wished to concentrate on these. NV provided an illustration of what a good settlement regime should look like to improve accuracy and performance (see slide 2). He explained how the model could be used and used a bell curve example to illustrate the need to move the 'average' to the right and reduce the range in order to demonstrate improvement. This improvement could be done for example by looking at current performance, identifying areas of concern/focus, linking obligations to risks, PAR reporting and performance metrics, instigating an exercise looking at further obligations and implementing incentives to continue to improve settlement accuracy.

AJ suggested taking a look at the whole industry in terms of expected effort and costs. She emphasised that companies need to be in the same ball park, they need to tighten up the metric/curve, so the peaks are closer together, so that more shippers are performing in a similar manner to each other, reducing the range and increasing the peaks.

¹ PRIDe = Prevent, Remedy, Incentivise, Detect, Educate, Engage, Evolve

NV provided the typical incentive types (page 3). He suggested that PAC currently tends to use soft incentive tools, such as monitoring, enquiries and poor performance notifications to offending parties. He proposed further medium and hard incentive tools are introduced and hoped to reach an agreement with PAC for these additional tools, which included dialogues with senior management, publication of statistics, code sanctions and escalation to Ofgem.

AJ suggested some parties may not be responding to the softer incentives and that moving to a next stage incentive may encourage earlier action.

NV recognised that some targets could result in perverse incentives, and this needed to be borne in mind to ensure targeted measures, to drive the correct behaviours.

MB gave an example of this in relation to reporting data flows. For example a late data flow for a meter exchange may be construed as a data correction, however the data flow may not be a correction of erroneous data. Having an incentive to minimise corrections may result in a perverse incentive to delay an update to erroneous data as the monitor may suggest high volumes of corrections.

NV provided a Case Study for User Suppressed Reconciliation Values (USRVs), he explained the filter failure regime and the sanctions and presented a graph of USRV achievement targets. The committee looked at the scenario and the regime, and NV asked parties about their experiences.

NV wanted to understand the filter failures and why they didn't appear to stop increasing. MJ believed that the USRV regime came into play in 2010; for the 2005/6 period illustrated in the graph there was no incentive regime. MJ suggested that the illustration used may have been the pre-incentive regime data which was used to encourage a change in the regime and was therefore not representative of performance after the regime was implemented.

JW highlighted the potential impacts of an incentive regime and that the cost of the incentive (the penalty charge) may be cheaper to pay rather than having the impact of a reconciliation within a particular period. AJ suggested it would be useful to review how the USRV levels were set and it would then be necessary to validate this is the appropriate level to have an impact.

FC explained the development of the regime. Originally only the Transporters were obligated to ensure meter reads were available and these obligations were mirrored for Shippers with a slightly longer period to resolve issues. FC explained it would be difficult for parties to identify which USRVs need to be concentrated on, simply by looking at a report of USRVs. In some cases delaying resolution may result in higher incentive penalties where as some sites it would be cheaper to accept the penalty in the short term.

NV suggested some criteria for the incentives, for example does the liability represent the value at risk, who pays who, what happens if a party does not pay, what value should the penalty be? FC highlighted that any penalty needs to be cost reflective and not punitive.

AJ recognised parties would consider the cost verses benefit and this may drive certain behaviours if the cost to resolve the problem would be more than the penalty. AJ explained there needs to be care around the incentive regime and especially around cost avoidance behaviour. She suggested there could be two measures, for example one - obtaining the read, the other - submitting the read, as the problem may not be obtaining the read; there may be an issue which prevents the read being submitted/accepted.

NV suggested, based on the metrics, a workplan needs to be devised to focus/concentrate on certain areas, and that there should be a regular review with regular consideration of changing the regime.

MB suggested there needs to be some stability/ longevity of an incentive and suggested frequent changes to the incentive regime should be considered carefully to allow time for the incentive to be proven to be effective. AJ suggested that any changes would be made to build upon the existing regime to sustain performance. The aim would be to build improvements not to swing from incentive to another.

JW asked about the level of measures and whether this ought to be based on energy throughput rather than a number. NV provided some examples and assumptions to illustrate how the potential incentives could work (slides 8-14). These were: Read base, percentage base and throughput based. MB emphasised the need to get the pence per unit right to provide the right incentive.

RHi suggested that the UNC obligations would need to be reviewed to determine which measure may be best, this is currently percentage based and by product class. JW suggested that some headline issues should be considered with some actual data to analyse the true impact. JW suggested that the throughput method seems to make sense but this needs to be tested.

FC provided some headline read submission data which may assist with the analysis:

- Class 1 minimum standard = 97.5%, over 3 months average performance = 92%
- Class 2 minimum standard = 97.5%, over 3 months average performance = 34%
- Class 4, 1.5m sites are behind with meter readings this was further broken down into monthly read sites where a read had not been supplied in last 3 months and annually read sites for 15 months)

FC confirmed this information is published within the UIG Issues Tracker publication available on the Xoserve website at: <https://www.xoserve.com/index.php/unidentified-gas-uig>

RHi pointed out the importance of keeping parties informed as to what PAC is looking at. FC suggested some education can be undertaken to help parties understand what targets are being looked at, to avoid any element of surprise as a courtesy, particularly if there are areas PAC believes require improvement.

MB suggested a communication (possible through the key messages) could be used to lay out what assurances PAC are looking at. RHi suggested some support may also be available from Ofgem on communication.

NV highlighted that guidance documents are published for parties to refer to. MB understood the need to keep Shippers informed but recognised that some publications may not feature on the forefront.

JW suggested that within in any analysis or communication this would need to consider the 'so what' element, for example what is the impact of Class 1 product class performance of 92% opposed to 97.5% - what is the impact on throughput. What is the real impact?

MB highlighted the different ways in which the charge can be made, i.e. throughput, the amount of reconciliation required, along with any perverse incentive if the cost of the penalty is less cost than the actual reconciliation.

In closing, NV hoped to be in a position to provide some real live examples and wished to consider wider industry engagement / communications.

The committee had no objections to Xoserve providing PAFA with the required portfolio read performance data, however it was considered whether this should / should not be anonymised and that it was for PAFA use only.

NV concluded from the examples presented at the meeting that one size does not fit all, each risk needs to be assessed to determine the appropriate incentive regime. He acknowledged further work will need to be done to determine the appropriate financial levels of avoidance costs and benefits. He suggested that supporting analysis will be needed to find the best approach and any proposal will likely need a UNC Modification.

It was recognised that some support from Ofgem may help the progression of any industry changes.

NV asked parties ahead of the next PAC meeting to review the updated PRIDe in Gas Model Workshop which had been republished since the 25th July 2018 workshop with a view to providing feedback.

PR asked when it would be the right time to start drafting a modification. AJ suggested this could be drafted when more analysis is available to support the modification.

JW summarised the elements he believed needed to be included in the modification, these were the current arrangements, the gaps in performance, the impacts of this, and some analysis for Class 1 and Class 2 performance.

It was agreed the next steps would be to start drafting a modification.

NV agreed to consider the aspects of the modification, consider the modification timescales and provide a view of the proposed plan.

Action 0921: PAFA to provide a proposed plan / timescales for progressing with an incentive regime modification.

2.3 PRIDe Actions

The following actions agreed as part of the PRIDe Project Plan were reviewed for a progress update:

PAC 250701: Xoserve to provide a presentation at the 06 August PAC meeting to clarify when and how the data will be provided to update the risk model underpinning the top 15 PAC agreed risks.

Update: FC confirmed that this action had been delivered, and will continue as business as usual, it was agreed where it was difficult to obtain data an update will be provided. NV enquired about the production of Dashboards and the possibility of producing samples for some reports. JW emphasised the importance of the headline reports such as the read related reports (read performance, no reads, estimates, correction factors). **Closed**

PAC 250702: PAC Members to review the existing PAFA process and suggest any amendments to the process including adding new risks to the current top 15 risks.

Update: Ongoing. **Carried Forward**

PAC 250703: PAC Members to review the risk model and consider how the model should be developed for assessing PAC risks.

Update: JW confirmed that this is included within the [Risk Model PRIDe methodology](#) spreadsheet model. NV agreed to provide a link to the document.

<http://www.gasgovernance.co.uk/pa/IndRiskStudy>). **Carried Forward**

PAC 250704: PAC Members to provide any comments/observations/feedback to PAFA on the Prevent technique, including the suggested methods.

Update: Ongoing. **Carried Forward**

PAC250705:

1. PAC Members to identify any new risks. Some suggested risks to be considered for inclusion:
 - Correction factor risk
 - DM read submission
 - Smart meter exchanges
 - DMSP performance consumption adjustments.
2. PAFA to review the risk register once the updated post-Nexus data is received.

Update: It was agreed to split action into two. Actions need further consideration. **Carried Forward**

PAC 250706: Draft modification to be developed for the September Panel to describe framework (Deadline for new modification is 07 September 2018).

To consider a document outside the UNC which includes appropriate controls that mirror the modification process for example in relation to consultation. Could also use a similar process as that used for the demand estimation process for profiles.

Update: MB confirmed an update should be available on the preparation of a Draft Modification at the 9th October PAC meeting. **Carried Forward**

PAC 250707: Members to review PAFA's role and responsibilities in relation to the Performance Assurance Framework document in the context of the proposed PRIDe Gas model.

Update: JW agreed to provide a view on the PAFA and PAC role and responsibilities (see item 4.4 and New Action PAC0924). **Carried Forward**

PAC 250708: Xoserve to consider how data can be made more accessible to industry at an aggregate level by LDZ and Product Class to enable movements in volumes to be tracked. MB to provide Xoserve with a more detailed specification setting out the type of information required by industry.

Update: MB confirmed a report had been drafted and feedback is being sought. Update deferred. **Carried Forward**

PAC 250709: PAFA to determine what the definition of "a good settlements regime" looks like and the principles and factors that might determine that and compare this to the definition in the Performance Assurance Framework document.

Update: Undertaken. **Closed.**

PAC 250710: PAFA to arrange a workshop with PAC Members to discuss liabilities.

Update: Undertaken. **Closed**

PAC 250711: PAFA to review the PRIDe Gas Model based on the comments received during the workshop held on 25 July 2018.

3. *Meeting Break*

4. **Standard PAC Meeting Topics**

4.1 **Review of Minutes (11 September 2018).**

The minutes of the previous meeting could not be approved due to the meeting not being quorate. Item carried forward.

4.2 **Monthly Review Items (only items deferred from 11/09/18 meeting)**

4.2.1. **Project Plan**

This is a Standard agenda item, however no update was expected at this meeting.

NV confirmed that a Project Plan had been created and approval has been obtained, items are being considered on an ongoing basis and this would be business as usual.

PARR Dashboard reports have been sent to PAC members for comments, for early insight.

It was agreed a paper would be created and an updated project plan with commentary would be available for 9th October, including progress against the plan published on the Project Plan page.

Action 0922: PAFA (NV) to provide an update on the Project Plan with observations and any recommendations

Action 0923: All PAC members to review the published Project Plan with a view of providing updates on any required actions.

4.3 **Annual Work Plan and Budget**

4.3.1. **Draft Workplan and Budget Actions Update**

Standard agenda item deferred.

RHi believed that the Workplan has not yet materialised.

Action 0924: JW to review the requirements of the PAC Workplan and Budget and provide an update at the 9th October meeting.

4.4 Review of the Performance Assurance Framework – All

NV confirmed that the [Performance Assurance Framework Administrator – Annual Review](#) document was provided last month.

NV provided the purpose of the annual review is to ensure the PAFA delivers the objectives of the framework. He confirmed the annual review is part of the contractual requirements.

NV explained that Gemserv and Xoserve are in a regular dialogue to produce PAF guidance and education, a risk register has been established, PAR Reports presenting data analysis are published monthly (this included performance reports and dashboards), and key summaries are also provided.

NV provided a summary of the achievements which included the mobilisation plan, the Huddle communication platform, PAF Risk Register, PAF guidance and education, and the performance reports.

JW highlighted that the Risk Register was not a new formation it was a collation of existing risks. NV explained that this is supported by guidance for raising risks which the industry wish for the PAC to consider. NV explained that the risk register methodology was a separate published document. MB challenged that the process for regular review is not working.

MB questioned the honesty of the appraisal, JW also challenged the recorded achievements and the slant on what has happened such that it may be over stated. PR acknowledged further enhancements are required. JW suggested that a review of the framework successes and where it is not working should be the focus of the review.

AJ asked PAC members about the focus for the next review – All and whether the review should be a review of the framework not a review of the PAFA role.

Action 0925: PAFA and Xoserve to consider the focus of future PAF Reviews to ensure it captures PACs requirements and provide a proposal/view on how this could be structured. structured (ie. should it be a review of the framework or a review of the PAFA role)

JW agreed to provide an overview of the responsibilities of PAC Members, Xoserve, PAFA and Joint Office at the next meeting.

Action 0926: JW to provide an overview of the responsibilities of PAC Members, Xoserve, PAFA and Joint Office at the next meeting.

NV summarised the three pronged approach taken for the review of contractual obligations/achievement, which included questionnaires and phone interviews. NV acknowledged some improvements could be made.

He summarised the responses received, these included the need for an updated Risk Register, PAFA needing to improve communications with PAC, PAFA needing to consider the impacts of UIG, enhancement modifications to the PRIDe model, and respondents wanting the model to be adaptable. Some criticism was received on the PARR Reports and some feedback was received around the availability of data and the impact on the scope of PAFA.

NV provided a number of recommendations for the PAFA Risk Register.

FC confirmed the requirements for data have been made clear and PAFA and Xoserve are reviewing what and when data is required. RHa asked for a view on when the data to support the Risk Register would be ready for the PAC to consider. It was suggested an update will be provided at the October meeting as to the availability of data, and where discussions have reached. FC acknowledged the need for a more collaborative approach and reassured the PAC that Xoserve and PAFA are working together.

It was suggested if some risks could be articulated these should be updated as the data becomes available.

RHa confirmed that CW has provided an update on the elements within the Risk Register. NV encouraged all parties to provide their views on the Risk Register so the Risk Register represents PAC's views not just one party's view. NV emphasised that where there is an action against PAC members all PAC members need to respond. See Action 0911.

RHi reminded PAC members when providing responses that these should not be labelled as provided by a company as PAC members are representing the industry not the organisation they work for.

NV summarised the recommendations for the PRIDe model. It was suggested another PRIDe workshop will be required in the future. NV suggested an offline conversation is undertaken to adapt the model according to feedback.

Action 0927: Risk Register - NV and JW to come up with an interim tool kit for PAC to follow.

NV provided a summary of the recommendations for the PARR Reports.

RHi expressed concern about the interpretation about the provision of Schedule 1 and 2 reports. FC clarified the delivery expectations for these reports and that this had been communicated. Some criticism was made on the clarity of communications. NV suggested that there should be target dates for the delivery of reports, however RHi explained the CDSP role and the current contract requirements and work priority considerations that need to take place if there are constrained resources for adhoc reports. The committee considered having an assigned resource for adhoc data requests.

RHi explained the limitations of reporting and extracting data; she explained that all reports have an associated production cost and this is dependent on the data source required i.e. CMS. RHi explained where specific requests cannot be easily met or would be too costly, Xoserve will try to work with parties to find an alternative approach.

NV provided a recommendation that PAC review the role of the PAFA and agree what they would like achieved in the next year and to formalise the request. It was suggested that for the PAFA Services, the PAC determines what analysis is required by the PAFA. However MB suggested that PAFA could assist this process by providing a view on what data they require.

JW asked about the scope of the PAFA. NV expressed there are difficulties / complexities with the limitation of PARR Reports, these are high level which may require further analysis to remove any limitations. FC expressed that some of the PARR Reports are quite detailed and there is a substantial amount of data. The committee considered the context of the reports.

RHi suggested that when Modification 0660S - Amendment to PARR permissions to allow PAC to update with UNCC approval (see <http://www.gasgovernance.co.uk/0660>, is implemented, the PARR Reports will need to be reviewed to ensure they meet the requirements.

Action 0928: PARR Reports review to be scheduled to ensure the reports meet PAFA requirements.

NV referred to summary pages 11 and 12 of the review presentation and the need to look at Section 5 of the report available from Huddle ~~(link to be provided)~~. JW suggested that the presentation could be updated to provide a summary of the 17 actions.

[Post Meeting Note: The Huddle website access is invite only. If PAC members or industry members would like to access Huddle they should email the PAFA on PAFA@Gemserv.com to request access.](#)

Action 0929: All PAC members to review Section 5 (pages 21, 23 and 232) of the PAFA Annual Review namely the 17 **Recommended Risk Register Actions** contained in the table. The PAFA Annual Review can be found available via Huddle.

4.5 Smart Meters (exchanges and read submission statistics) – All

Deferred to 9 October 2018.

4.6 Supplier and Shipper Theft of Gas Reporting – FC

Deferred to 9 October 2018.

4.7 New PAC Members Process – All

Deferred to 9 October 2018. It was suggested this should be the 1st item on the agenda, given there will be new PAC members from 01 October.

4.8 Communications Plan / Key Messages

NV provided the key messages: see:

<https://www.gasgovernance.co.uk/pac/summarykeymessages>

5. Next Steps

Item not considered.

6. Review of PAC Actions Outstanding

PAC0501: Xoserve (FC) to investigate Schedule 33 data with Electralink/TRAS and see if this data could be shared with Xoserve.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0602: Xoserve (FC) to provide feedback via the Customer Account Managers on the Shippers performance with a RAG status, including the current level of engagement with each Shipper.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0801: All PAC members to review the Risk Register and the reporting of how a new risk is to be included into the Risk Register.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0803: PAFA (NV) to document and provide information on the process of moving a PAC Related Risk to an Issue and how it will be defined and monitored.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0804: PAFA (NV) to conduct a Risk Model Review to encompass the Assumptions Register and the original Engage Report to ensure all are fit for purpose.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0807: Xoserve (FC) to approach the DSC Change Management Committee and enquire what information the PAFA could be given in relation to the Xoserve UIG Task Force and to advise if the PAFA could attend any of the meetings for that specific item.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0901: Joint Office (BF) to develop a brief on-boarding pack of information which will include the information suggested at this meeting; resignation; how to access information from Joint Office and PAFA via Huddle and what type of information is available.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0902: Joint Office (BF) to include the resignation process in the contract information sent to new Members.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0903: Joint Office (BF) to re-issue the new version of the appointment letter for all PAC Members to sign.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC 0904: Joint Office (BF) to a) draft a high level resignation process which sets out how the process is closed and down and confirms to the Member what the member can/cannot do following resignation and, b) to include an agenda item for discussion at the 09 October meeting to review the draft resignation process and the Non-Disclosure Agreement.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0905: *Reference PAF Risk Register Titles - PAFA (NV)* to look to ensure adoption of a consistent risk title naming convention (i.e. title and description of risk, rather than inadvertently outlining the obligation).

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0906: *Reference PAF Risks Register - PAFA (NV)* to look to split out the 10,330 sites with an AQ below 732,000kWh and have a Non Standard Correction Factor into a separate risk (possibly PACR018D) for consideration in due course.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0907: *Reference PAF Draft Risks 017D and 018D - PAFA (NV)* to look to re-evaluate the (draft) risks against the October 2018 AUGE information, once it has been published.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0908: *Reference Thermal Regulation Enforcement – Ofgem (JD)* to confirm whether Ofgem would/should take the lead role in enforcing Thermal Regulation related obligations for PAC referral matters and confirm the most appropriate Ofgem colleague to contact.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0909: *Reference PAF Draft Risk 016D - PAFA (NV)* to prepare a draft of the PAC letter to impacted Shipper(s) who do not have a site specific correction factor, asking them for provision of a milestone plan to rectify this.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0910: *Reference PAF Draft Risk Register Low Level Process Flow Maps - PAFA (NV)* to prepare the specific risk low-level process flow maps for consideration at a future meeting.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0911: *Reference PAF Risk Register – All parties* to review risks 001 – 015 and provide views on suitable steps for progressing these (current and next action flags etc.), including potential PAC owners.

Update: CW provided an action update for the Risk Register ([see publication: 21 September 2018 Actions Update 0911 - Risk Register](#)). All other parties are requested to do likewise where possible. Consideration deferred until 09 October 2018. **Carried Forward**

PAC0912: *Reference PAF Risk Register – PAFA (NV)* to provide a Performance Assurance Technique For Risk Resolution document to highlight risk progression (i.e. a Workplan for next 12 months and learning paper for the Top 6 risks).

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0913: *Reference AUGE Indicative UIG Figures – Xoserve (FC)* to request a summary of the data from the AUGE.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0914: *Reference AUGE Indicative UIG Figures – All parties* to evaluate how the AUGE indicative UIG figures could potentially impact on (draft) risk PACR017D.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0915: *Reference the Dave Lander Consulting Report* – All parties to look to read the report and provide views at a forthcoming PAC meeting.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0916: *Reference PAC09 – Data quality and issues with the submission of readings result in higher levels and fluctuations in (UIG) Unidentified Gas – Xoserve (FC)* to ensure that an overview of the Ofgem letter is provided to PAC in due course.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0917: First Utility (CW) to discuss additional UNC Modification 0635 aspects with the Proposer of UNC Modification 0647, Richard Pomroy (Wales & West Utilities) to ascertain whether he would be willing to expand 0647 to take into account aspects of 0635.

Update: Update deferred until 09 October 2018. **Carried Forward**

PAC0918: *Reference New PAC Members Process* – All parties to look to consider this matter and provide views at the 26 September 2018 PRID(e) Workshop meeting.

Update: NV confirmed a new PAC member process has been updated and will be published in due course. A further update was expected 09 October 2018. RHi asked if on the main PAC and UNC0502 pages there could be information included about the Huddle page and how to access this. **Carried Forward**

PAC0919: *Reference Resolution of the Consumption Adjustment Issue* – Ofgem (JD) to compose an industry letter / communication, outlining what remedial actions have been taken so far, in looking to resolve the consumption adjustment issue.

Update: Update deferred until 09 October 2018. **Carried Forward**

7. AOB

7.1 Membership Changes

PAC considered the changes in membership from 01 October 2018.

HCu confirmed the following User members had been appointed:

Carl Whitehouse
Graham Wood
John Welch
Lisa Saycell
Louise Hellyer
Mark Bellman
Mark Jones
Sallyann Blackett

HCu confirmed there was no change to Transporter members and these would remain as:

Sally Hardman
Shannah Key
Rob Johnson

7.2 Ofgem Attendance

Feedback was provided on the value of Ofgem attending future meetings and this was encouraged by PAC members. It was requested Ofgem are routinely invited.

7.3 Xoserve Attendance

RHi asked if a representative from Xoserve, perhaps E Smith and/or D Turpin can attend the October or December meeting. MB enquired about what information updates can be provided on read performance (repeat offenders). MB asked for a standing agenda item on 'Customer Advocate Engagement'.

7.4 Deferred Business

RHa highlighted the presentations PAC did not have time to review at today's meeting these were:

Action update paper for 0911
 The Draft Letter
 Risk Model Methodology
 Pride Model (action for views)
 Pride Overview (action for views)
 PARR Dashboard (update)
 Framework (green introductions)

8. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Venue	Programme
10:30, Tuesday 09 October 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	<ul style="list-style-type: none"> • PAC standard agenda items • New PAC Members Process • Deferred Business (7.4) • Responsibility Overview • Customer Advocate Engagement
10:30, Monday 05 November 2018	Elexon, 350 Euston Road London Lon NW1 3AW UK	<ul style="list-style-type: none"> • <i>To be confirmed</i>
10:30, Tuesday 11 December 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	<ul style="list-style-type: none"> • <i>To be confirmed</i>

PRIDE Action Table (as at 26 September 2018)

Action Ref	Action	Owner	Status Update
PAC 250701	Xoserve to provide a presentation at the 06 August PAC meeting to clarify when and how the data will be provided to update the risk model underpinning the top 15 PAC agreed risks.	Xoserve (NC)	Closed

PAC 250702	PAC Members to review the existing PAFA process and suggest any amendments to the process including adding new risks to the current top 15 risks.	PAC Members	Carried Forward
PAC 250703	PAC Members to review the risk model and consider how the model should be developed for assessing PAC risks.	PAC Members	Carried Forward
PAC 250704	PAC Members to provide any comments/ observations/feedback to PAFA on the <i>Prevent</i> technique, including the suggested methods.	PAC Members	Carried Forward
PAC 250705a	PAC Members to identify any new risks. Some suggested risks to be considered for inclusion: <ul style="list-style-type: none"> • Correction factor risk • DM read submission • Smart meter exchanges • DMSP performance consumption adjustments. 	PAFA	Carried Forward
PAC 250705b	PAFA to review the risk register once the updated post-Nexus data is received.	PAFA	Carried Forward
PAC 250706	Draft modification to be developed for the September Panel to describe framework (Deadline for new modification is 07 September 2018). To consider a document outside the UNC which includes appropriate controls that mirror the modification process for example in relation to consultation. Could also use a similar process as that used for the demand estimation process for profiles.	PAC Members	Carried Forward Update expected 09 Oct
PAC 250707	Members to review PAFA's role and responsibilities in relation to the Performance Assurance Framework document in the context of the proposed PRIDe Gas model.	PAC Members	Carried Forward Update expected 09 Oct
PAC 250708	Xoserve to consider how data can be made more accessible to industry at an aggregate level by LDZ and Product Class to enable movements in volumes to be tracked. MB to provide Xoserve with a more detailed specification setting out the type of information required by industry.	Xoserve (FC)/ MB	Carried Forward
PAC 250709	PAFA to determine what the definition of "a good settlements regime" looks like and the principles and factors that might determine that and compare this to the definition in the Performance Assurance Framework document.	PAFA	Closed
PAC 250710	PAFA to arrange a workshop with PAC Members to discuss liabilities.	PAFA	Closed
PAC 250711	PAFA to review the PRIDe Gas Model based on the comments received during the workshop held on 25 July 2018. Update: PAC members to review the updated PRIDe in Gas Model Workshop presentation which was republished since the 25 July 2018 workshop.	PAFA	Carried Forward Update expected 09 Oct

PAC 0921 (260921)	PAFA to provide a proposed plan / timescales for progressing with an incentive regime modification.	PAFA	Pending
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PAC Action Table (as at 26 September 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 0501	08/05/18	2.1	To investigate Schedule 33 data with Electralink / TRAS and see if this data could be shared with Xoserve.	Xoserve (FC)	Carried Forward (Update due 09 October 2018)
PAC 0602	12/06/18	2.1	To provide feedback via the Customer Account Managers on the Shippers performance with a RAG status, including the current level of engagement with each Shipper.	Xoserve (FC)	Carried Forward (Update due 09 October 2018)
PAC 0801	06/08/18	2.1	All PAC members to review the Risk Register and the reporting of how a new risk is to be included into the Risk Register.	ALL	Carried Forward (Update due 09 October 2018)
PAC 0803	06/08/18	2.2.2	To document and provide information on the process of moving a PAC Related Risk to an Issue and how it will be defined and monitored.	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0804	06/08/18	2.4	To conduct a Risk Model Review to encompass the Assumptions Register and the original Engage Report to ensure all are fit for purpose.	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0807	06/08/18	6.0	To approach the DSC Change Management Committee and enquire what information the PAFA could be given in relation to the Xoserve UIG Task Force and to advise if the PAFA could attend any of the meetings for that specific item.	Xoserve (FC)	Carried Forward (Update due 09 October 2018)
PAC 0901	03/09/18	2.1	To develop a brief on-boarding pack of information which will include the information suggested at this meeting; resignation; how to access information from Joint Office and PAFA via Huddle and what type of	Joint Office (BF)	Carried Forward (Update due 09 October 2018)

			information is available.		
PAC 0902	03/09/18	2.1	To include the resignation process in the contract information sent to new Members.	Joint Office (BF)	Carried Forward (Update due 09 October 2018)
PAC 0903	03/09/18	2.2	To re-issue the new version of the appointment letter for all PAC Members to sign.	Joint Office (BF)	Carried Forward (Update due 09 October 2018)
PAC 0904	03/09/18	2.2	To a) draft a high level resignation process which sets out how the process is closed and down and confirms to the Member what the member can/cannot do following resignation and, b) to include an agenda item for discussion at the 09 October meeting to review the draft resignation process and the Non-Disclosure Agreement.	Joint Office (BF)	Carried Forward (Update due 09 October 2018)
PAC 0905	11/09/18	2.1.1	<i>Reference PAF Risk Register Titles - PAFA (NV) to look to ensure adoption of a consistent risk title naming convention (i.e. title and description of risk, rather than inadvertently outlining the obligation).</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0906	11/09/18	2.1.1	<i>Reference PAF Risks Register - PAFA (NV) to look to split out the 10,330 sites with an AQ below 732,000kWh and have a Non Standard Correction Factor into a separate risk (possibly PACR018D) for consideration in due course.</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0907	11/09/18	2.1.1	<i>Reference PAF Draft Risks 017D and 018D - PAFA (NV) to look to re-evaluate the (draft) risks against the October 2018 AUGE information, once it has been published.</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0908	11/09/18	2.1.2	<i>Reference Thermal Regulation Enforcement – Ofgem (JD) to confirm whether Ofgem would/should take the lead role in enforcing Thermal Regulation related obligations for PAC referral matters and confirm the most appropriate Ofgem colleague to contact.</i>	Ofgem (JD)	Carried Forward (Update due 09 October 2018)

PAC 0909	11/09/18	2.1.2	<i>Reference PAF Draft Risk 016D - PAFA (NV) to prepare a draft of the PAC letter to impacted Shipper(s) who do not have a site specific correction factor, asking them for provision of a milestone plan to rectify this.</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0910	11/09/18	2.1.2	<i>Reference PAF Draft Risk Register Low Level Process Flow Maps - PAFA (NV) to prepare the specific risk low-level process flow maps for consideration at a future meeting.</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0911	11/09/18	2.1.2	<i>Reference PAF Risk Register – All parties to review risks 001 – 015 and provide views on suitable steps for progressing these (current and next action flags etc.), including potential PAC owners.</i>	All	Carried Forward (Update due 09 October 2018)
PAC 0912	11/09/18	2.1.2	<i>Reference PAF Risk Register – PAFA (NV) to provide a Performance Assurance Technique For Risk Resolution document to highlight risk progression (i.e. a Workplan for next 12 months and learning paper for the Top 6 risks).</i>	PAFA (NV)	Carried Forward (Update due 09 October 2018)
PAC 0913	11/09/18	2.1.2	<i>Reference AUGE Indicative UIG Figures – Xoserve (FC) to request a summary of the data from the AUGE.</i>	Xoserve (FC)	Carried Forward (Update due 09 October 2018)
PAC 0914	11/09/18	2.1.2	<i>Reference AUGE Indicative UIG Figures – All parties to evaluate how the AUGE indicative UIG figures could potentially impact on (draft) risk PACR017D.</i>	All	Carried Forward (Update due 09 October 2018)
PAC 0915	11/09/18	2.1.2	<i>Reference the Dave Lander Consulting Report – All parties to look to read the report and provide views at a forthcoming PAC meeting.</i>	All	Carried Forward (Update due 09 October 2018)
PAC 0916	11/09/18	2.2.1	<i>Reference PAC09 – Data quality and issues with the submission of readings result in higher levels and fluctuations in (UIG) Unidentified Gas – Xoserve (FC) to ensure that an overview of the Ofgem letter is provided to PAC in due course.</i>	Xoserve (FC)	Carried Forward (Update due 09 October 2018)
PAC 0917	11/09/18	2.6	To discuss additional UNC Modification 0635 aspects with the Proposer of UNC Modification 0647, Richard Pomroy (Wales & West	Shipper Member (CW)	Carried Forward (Update due 09 October

			Utilities) to ascertain whether he would be willing to expand 0647 to take into account aspects of 0635.		2018)
PAC 0918	11/09/18	5.5	<i>Reference New PAC Members Process</i> – All parties to look to consider this matter and provide views at the 26 September 2018 PRID(e) Workshop meeting.	All	Carried Forward (Update due 09 October 2018)
PAC 0919	11/09/18	6.	<i>Reference Resolution of the Consumption Adjustment Issue</i> – Ofgem (JD) to compose an industry letter / communication, outlining what remedial actions have been taken so far, in looking to resolve the consumption adjustment issue.	Ofgem (JD)	Carried Forward (Update due 09 October 2018)
PAC 0920	26/09/18	1.1	Joint Office (RH _a) to encourage Ofgem attendance and remind members about the importance of quoracy along with providing an alternate.	Joint Office (RH _a)	Pending (Update due 09 October 2018)
PAC 0921 (PRIDe)	26/09/18	2.2	<i>PRIDe</i> - PAFA to provide a proposed plan / timescales for progressing with an incentive regime modification. (<i>PRIDe action repeated for information</i>)	PAFA	Pending
PAC 0922	26/09/18	4.2.1	PAFA (NV) to provide an update on the Project Plan with observations and any recommendations.	PAFA (NV)	Pending
PAC 0923	26/09/18	4.2.1	All PAC members to review the published Project Plan with a view of providing updates on any required actions.	PAC	Pending (Update due 09 October 2018)
PAC 0924	26/09/18	4.3.1	JW to review the requirements of the PAC Workplan and Budget and provide an update at the 9 th October meeting.	PAC (JW)	Pending (Update due 09 October 2018)
PAC 0925	26/09/18	4.4	PAFA and Xoserve to consider the focus of future PAF Reviews to ensure it captures PACs requirements and provide a proposal/view on how this could be structured. structured (ie. should it be a review of the framework or a review of the PAFA role)	PAFA / Xoserve	Pending
PAC 0926	26/09/18	4.4	JW to provide an overview of the responsibilities of PAC Members, Xoserve, PAFA and Joint Office at the next meeting.	PAC (JW)	Pending (Update due 09 October 2018)

PAC 0927	26/09/18	4.4	Risk Register - NV and JW to come up with an interim tool kit for PAC to follow.	PAFA (NV) / PAC (JW)	Pending
PAC 0928	26/09/18	4.4	PARR Reports review to be scheduled to ensure the reports meet PAFA requirements.	PAFA (NV)	Pending
PAC 0929	26/09/18	4.4	All PAC members to review Section 5 (pages 21, 23 and 232) of the PAFA Annual Review namely the 17 Recommended Risk Register a Actions contained in the table . The PAFA Annual Review can be found available via Huddle.	PAC	Pending (Update due 09 October 2018)