

**UNC Workgroup 0674 Minutes
Performance Assurance Techniques and Controls
Wednesday 26 February 2020**

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

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	Gemserv
Fiona Cottam	(FC)	Xoserve
Guv Dosanjh	(GD)	Cadent
Kirsty Dudley*	(KD)	E.ON
Louise Hellyer*	(LH)	Total Gas & Power
Mark Bellman	(MB)	ScottishPower
Rebecca Hailes	(RH)	Joint Office
Richard Pomroy*	(RP)	Wales & West Utilities
Sallyann Blackett	(SB)	E.ON
Sally Hardman*	(SH)	SGN

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0674/260220>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2020.

1.0 Introduction and Status

1.1. Approval of minutes (27 January 2020)

The minutes from the previous meeting were approved.

1.2. Review of Outstanding Actions

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

Update: AJ confirmed that a new IGT Modification 0138 had now been raised and was being sponsored by ScottishPower and that this action could now be closed. **Closed.**

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

Update: AJ explained the majority of these documents would be encompassed within the suite of PAC Controlled Documents, and that these were still being finalised.

MB confirmed that he had been re investigating the Modification timelines, specifically in relation to the consultation close out date in v6.0 and asked for thoughts from the Workgroup. Following a short discussion, it was agreed that the present timelines were acceptable, with the proviso that these dates could be amended if required. AR noted that the Performance Assurance Tables within the solution section did not reflect the governance model, as currently proposed, and needed to be amended. MB agreed to address this matter. He added that he would update the Modification and send this to Dentons, in order to get the draft Legal Text cross reference and updated, in order to be discussed at the 27 April 2020 meeting. After some discussion it was agreed that the 25 March meeting of the Workgroup should be cancelled and be replaced by a workshop to align and rationalise the suite of documentation, (the proposal, the legal text and the supporting documentation. MB said the legal text needed to emphasise the defined terms, specifically in relation to the accuracy of settlement. This action was carried forward. **Carried forward.**

Due to an oversight, actions 0101 to 0105 were omitted from the agenda. Many of these actions have been completed or will be addressed by the documentation alignment and rationalisation process being undertaken over the next few weeks. For completeness, these actions will be reviewed at the next full meeting of the Workgroup in April

New Action 0201: ScottishPower (MB) to amend the Performance Assurance Tables in the solution section of the Modification, amend Modification v7.0

2.0 Review of Revised Modification, redrafted to align with the Legal Text

MB confirmed that he had amended Modification v6.0, (he added that v5.0 was not going to used), and this was the reason he had hence created v6.0. He said that however v6.0 had inadvertently not been sent to the Joint Office main enquiries email account and so had not been published, all Workgroup participants agreed that despite this fact, the amendments could be discussed.

MB then proceeded to move through the amended Modification and drew attention to specific areas of changes or alterations, particularly in relation to the objectives.

A general discussion took place regarding business rule 2c: *Parties acknowledge that reports provided by PAFA or PAC shall constitute evidence of a Party's performance with regard to UNC compliance, and shall be accepted as such unless evidenced to the contrary. Parties will use these reports to self-monitor performance. Parties will also respond to PAFA/PAC enquiries with the requested information, timeously and in accordance with such process as may be specified in PAF Document from time to time.* Most Workgroup participants felt 2c was self-explanatory, as parties were aware, they were regularly monitored.

AR said that all the PAC documents needed to have the same naming conventions throughout the documentation, as this presently was not the case. MB said that this would be addressed regarding the Terms of Reference and the PAC Constitution Document.

MB continued to move through the Modification amendments the Solution and focussed on Business Rule 5, (point 2): *Deploy Performance Assurance Techniques (PATs) described in the ancillary document as they deem appropriate. Parties acknowledge that such techniques could include publishing on the Joint Office website the relative performance of Parties to allow peer comparison. Such information will be limited to the performance measures outlined in PAFD from time to time. PAC will not divulge any information on the Parties' specific commercial or operational arrangements or the reasons for the level of performance or improvement plans.* A general discussion took place about this area and MB asked if all were happy with this being included in the Code. Kirsty Dudley (KD) said she was not sure what extra benefit would be gained by this specific section being included in the Code. MB said in was in relation to the confidential and commercial sensitivity and pier level obligations.

A long and protracted discussion took place and Louise Hellyer (LH) asked how any information was deemed as commercially sensitive and who ultimately made that decision regarding this information. Fiona Cottam (FC) asked if the inference of the rule was to name and shame parties who failed, and MB said, in essence the answer was yes, as the failures needed be made known and made obvious of a specific parties' failure. AR said that this suggestion was a departure from current practice and MB said that this was the process within the Electricity sector. AR said that perhaps if this was to be the case then it should be documented in the Workgroup Report and that it should be specifically raised during the consultation.

New Action 0202: Joint Office (AR) to include within the Workgroup Report the suggestion of the 'name and shame' approach in relation to commercial and confidential sensitivity aspect.

KD said this needed to be fair and equitable and fully understood how it would be applied. MB said it was his ambition for all parties to 'pool' their knowledge in the overall interest of the industry and that there was an aspect of certain parties not adhering and hence making settlement less accurate, so this should be addressed accordingly. He added that he appreciated this was not a standard or normal approach, but he reiterated that there were certain parties who consistently did not adhere to process. KD said she understood that transparency and fairness was key in this context, although she felt it was more in relation to the actual model itself and how it was applied. She added she wanted to know who would make the decision, PAC or the UNCC. AR added that this topic would need to be detailed and measured, from a who was policing the 'policeman' context.

A further protracted general discussion then took place regarding the actual letters that are signed in relation to confidentiality, as per Business Rule 6, (BR6): *PAC, PAFA and CDSP personnel attending closed PAC meeting are required to sign and adhere to undying non-disclosure agreements and any confidential material downloaded must be deleted when no longer required and when ceasing to attend the PAC (for whatever reason), whichever is sooner. [Dentons to confirm whether the letters signed by PAC members are sufficient or is some wider protection for both sides required]*

AR said that presently there seemed to be a mismatch within the Modification as to what was in Code and what was proposed to be in the Constitution Document, from a future proofing perspective and KD agreed with this comment.

A further discussion took place regarding the text in square brackets, appended to BR6, regarding Dentons and MB said that he would gain clarity with Dentons. Andy Clasper (AC) said that this area sat outside the Modification and so it was not within the remit for Dentons to advise on supplementary documentation. A general discussion took place surrounding the letters and Tracey Saunders (TS) said as the letters were already in existence and operational, it was neither necessary nor advisable to have them added into the Code. MB said the issue was regarding who was liable if a PAC member had signed a document and there was a failure to adhere to the terms. Anne Jackson (AJ) said that this would all sit within the Performance Assurance Framework (PAF). MB said he would investigate this matter in more depth, in relation to the liability and report back.

New Action 0203: ScottishPower (MB) to investigate who is liable for a failure and contact Dentons to have the liability for failure added as a Business Rule within in the Modification.

TS said Modification 0603: *Removal of liability for members of Performance Assurance Committee*, may provide MB with some extra information, together with TPD Section V 16.2.4 (b) regarding confidentiality and fraudulent behaviour.

AR proposed that MB, AJ and AC look to discuss and rationalise the documents and see how they link to the Legal Text, Constitution Document and the PAF D Documentation and produce a Governance Model diagram to aid clarity and to show the how all the documents are linked. TS said that this kind of document would be very useful, especially when the Modification reached the consultation stage.

New Action 0204: Joint Office (AR), ScottishPower (AM) Gemserv (AJ) and Cadent (AC) to produce a Governance Model diagram show how the ancillary documents are linked.

AR added that he felt a support solution section was required in the Modification and Guv Dosanjh (GD) said that the Modification and all the ancillary documents needed to be in a completed state prior to presenting them to Dentons, and that these should only be presented once.

KD had a concern about the future proofing of the ancillary documents and said that unless everything was up to date and completed, there was a chance that Ofgem could reject the Modification due to incomplete or out of date ancillary documentation. AR said that the documentation would be reviewed as part of the output from the workgroup, along with the proposed changes to the UNC, as was the normal governance procedure.

3.0 Further review of revised of Legal Text

MB confirmed the Modification would be further amended to v7.0 and he would contact Dentons regarding the amendments to legal text discussed.

4.0 Consideration of consolidated PAF Document

Anne Jackson (AJ) said that this area was still work in progress and that the PAF document would be presented to PAC for approval.

5.0 Consideration of the PAC Constitution Document

AJ said this was still being worked on presently and would be available in due course. Workgroup participants requested that this document was made available at least 5 days prior to the next meeting to allow sufficient time for this to be assessed.

6.0 Consideration of the Reporting timeline and Development of Workgroup Report

AR said the reporting timeline and development of the Workgroup Report would be further discussion in the April meeting.

7.0 Next Steps

AR explained that the 25 March meeting would be postponed in order to allow more time for the progression of the next amended Modification v7.0 and the ancillary document. He confirmed the next meeting would be on Monday 27 April and the location would be confirmed in due course.

He then outlined the next steps for the 27 April 2020 meeting and reiterated that the 25 March 2020 meeting had been postponed to allow an increased period of time, to align and rationalise the documentation:

- Review of amended Modification, redrafted to align with the legal text
- Further review of revised Legal Text
- Consideration of a consolidated PAF Document
- Consideration of the PAC Constitution Document
- Consideration and review of the Governance Model Diagram
- Consideration of the Reporting timeline & Development of Workgroup Report

8.0 Any Other Business

8.1. Next Meeting Date

AR said the next meeting would be held on 27 April 2020 at a location to be confirmed.

9.0 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 27 April 2020	<i>Location to be confirmed</i>	Standard Agenda, plus: To Be confirmed <ul style="list-style-type: none"> • Review of amended Modification, redrafted to align with the Legal Text • Further review of revised Legal Text • Consideration of a consolidated PAF Document • Consideration of the PAC Constitution Document • Consideration and review of the Governance Model Diagram • Consideration of the Reporting timeline & Development of Workgroup Report

Action Table (as at 26 February 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0902	17/09/19	3.0	<i>Objectives: Gemserv (AJ) to explore the governance. The framework needs to be explicit in terms of IGTs and the linking to UNC. Gemserv (AJ) to draft the IGT Modification which would then require a sponsor to progress the Modification. – combined with Action 1002</i>	Gemserv (AJ)	Closed
1008	23/10/19	4.0	ScottishPower (MB) and Gemserv (AJ) to investigate the PAC Annual Plan, the Annual Review, and the Annual consultation process and provide a re-draft of the document.	ScottishPower (MB) & Gemserv (AJ)	Carried Forward
0101	27/01/20	1.0	ScottishPower (MB) to include the IGT impact, together with the aspirations of the Proposer within the Modification	ScottishPower (MB)	Carried Forward
0102	27/01/20	1.0	Joint Office (AR) to request a 3 month extension from the February Panel with a reporting date of 18 June 2020.	Joint Office (AR)	Carried Forward
0103	27/01/20	1.0	ScottishPower (MB) to include the Document 4 PAFA Scope and PAC Review within the Modification.	ScottishPower (MB)	Carried Forward
0104	27/01/20	3.0	Xoserve (FC) to discuss with the Customer Life Cycle Team the aspects of capture, maintenance, data updating and seniority level of the Performance Assurance Representatives.	Xoserve (FC)	Carried forward
0105	27/01/20	3.0	ScottishPower (MB) to update Section 16.8 Appointment of PA Representative from a seniority level requirement.	ScottishPower (MB)	Carried Forward
0201	26/02/20	1.2	ScottishPower (MB) to amend the Performance Assurance Tables in the solution section of the Modification, amend Modification v7.0	ScottishPower (MB)	Pending

Action Table (as at 26 February 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0202	26/02/20	2.0	Joint Office (AR) to include within the Workgroup Report the suggestion of the 'name and shame' approach in relation to commercial and confidential sensitivity aspect.	Joint Office (AR)	Pending
0203	26/02/20	2.0	ScottishPower (MB) to investigate who is liable for a failure and contact Dentons to have the liability for failure added as a Business Rule within in the Modification.	ScottishPower (MB)	Pending
0204	26/02/20	2.0	Joint Office (AR), ScottishPower (AM) Gemserv (AJ) and Cadent (AC) to produce a Governance Model diagram show how the ancillary documents are linked.	Joint Office (AR), ScottishPower (AM) Gemserv (AJ) and Cadent (AC)	Pending