

**UNC Workgroup 0483 Minutes**  
**Performance Assurance Framework Incentive Regime**  
**Tuesday 13 January 2015**  
**at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

Bob Fletcher Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrew Margan	(AMa)	British Gas
Angela Love	(AL)	ScottishPower
Carl Whitehouse*	(CWh)	first:utility
Chris Warner	(CW)	National Grid Distribution
Edward Hunter	(EH)	npower
Emma Lyndon	(EL)	Xoserve
Erika Melen	(EM)	Scotia Gas Networks
Jon Dixon	(JD)	Ofgem
Jonathan Kiddle	(JK)	EDF Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Matt Jackson	(MJa)	British Gas
Rachel Hinsley	(RH)	Xoserve
Sean McGoldrick	(SMc)	National Grid NTS

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0483/130115>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 April 2015.

**1.0 Review of Minutes and Actions**

**1.1 Minutes**

The minutes of the previous meeting were approved.

**1.2 Actions**

**0483 1201:** National Grid Distribution and Xoserve (EL) to look to provide a cost estimate in the form of a Rough Order of Magnitude (ROM) in due course.

**Update:** CW explained that work remains ongoing including an assessment of cost sharing elements (i.e. Transportation Charging or not and neutrality pot management costs etc.). He is now expecting to liaise with AM to ensure that all bases are covered, as the modification poses some unique and tricky requirements – engagement with other DNs and his National Grid Pricing colleagues is underway and feedback will be provided in due course. **Carried Forward**

**0483 1202:** ScottishPower (AL) to discuss with Douglas Alexander regarding what may be feasible (for 0483 purposes) in terms of the Electricity market model for nominating and warranting of Sub-Committee members.

**Update:** AL reminded those present that she had provided an update at the previous meeting and subsequent discussions with interested parties has been undertaken. She has also emailed Douglas Alexander to ascertain whether or not the supporting documentation is deemed to be confidential or not. **Closed**

## 2.0 Discussion

Opening, AM suggested that until the Engage Report is concluded there is little value in undertaking detailed discussions at this meeting.

AL felt that Engage's model and report infer that there are potential Transporter related risks and therefore believes that it may be beneficial to expand Modification 0483 to include these considerations (e.g. offtake metering). In acknowledging this suggestion, AM remarked that 0483 had never deliberately excluded Transporter aspects.

AM then went on to suggest that in line with possible outcome of outstanding action 0483 1201, invoices and reallocation might also be other areas for development within the 0483 sphere. During a brief discussion several areas of interest that might be best served being considered under 0483, were noted as follows:

- LDZ errors on web would suggest that there is a potential risk associated with the previous 8 year historical data;
- Possible consideration of metering errors at a regional basis;

In accepting that there might be a Transporters Transportation Charge related element, CW remained unsure how a new process would actually work, especially when baring in mind that recent Offtake Errors (over the last couple of years) have been relatively minor and are continuing to reduce. AL wanted to see factual evidence that Offtake Meter Errors were reducing as historical evidence suggests they remain a significant risk.

**New Action 0483 0101: British Gas (AM) & National Grid Distribution (CW) to investigate whether or not there are potential benefits of Modification 0483 being expanded to include consideration of LDZ Errors, Metering Errors and Offtake Errors related impacts etc.**

It was also suggested that possible consideration of potential Upstream related impacts may prove beneficial, although it was acknowledged that details might be sketchy.

When asked about the performance table aspects within 0483, AM advised that he is still debating whether or not to remove this, although this is subject to the outcome of the Engage Report – AM was not prepared to divulge any further details around possible amendments to the modification until the Engage Report is published. However, he did acknowledge that perhaps the modification should include an element for how the risk model would be updated (i.e. who, when and how) going forwards whilst Modification 0506 would look to cover the governance aspects. AL felt that ratification of the new risk model might fall under the auspices of 0506, although she did acknowledge that the exact details around the role needs further consideration. AM felt this possible approach had merit as it is similar to the equivalent iGT model approach and he would be happy for 0483 to reference a sub-committee.

Moving on, AM indicated that he believes that the provision of a reconciliation report (on Shipper reconciliation related elements) could sit under 0483. Additionally, he also envisages including a Transporter (obligation type) role for updating the Engage risk model going forwards – AL suggested that should this transpire, there might be an educational role for Engage to train Transporters in due course.

When asked when the draft business rules for 0483 would be ready, AM advised that whilst he would try to provide some in time for consideration at the 04 February 2015 meeting he thinks that this might be optimistic – in the end AM agreed to discuss the matter with interested parties offline with the intention of providing draft business rules in time for the 24 February 2015 meeting.

**New Action 0483 0102: British Gas (AM) to develop draft business rules in time for consideration at the 24 February 2015 meeting.**

## 3.0 Legal Text

Consideration deferred.

#### 4.0 Workgroup Report

Consideration deferred.

#### 5.0 Any Other Business

None.

#### 6.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 04 February 2015	Elexon (Room to be confirmed)	PAF Consideration of Independent Study Final Report and Workgroup 0506/0506A.
10:30 24 February 2015	Energy Networks Association (Room 4)	Consideration of Workgroups 0483 and 0520.

#### Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0483 1201	16/12/14	1.2	To look to provide a cost estimate in the form of a Rough Order of Magnitude (ROM) in due course.	NGD (CW) & Xoserve (EL)	<b>Carried Forward</b>
0483 1202	16/12/14	2.0	To discuss with Douglas Alexander regarding what may be feasible (for 0483 purposes) in terms of the Electricity market model for nominating and warranting of Sub-Committee members.	Scottish Power (AL)	Update provided. <b>Closed</b>
0483 0101	13/01/15	2.0	To investigate whether or not there are potential benefits of Modification 0483 being expanded to include consideration of LDZ Errors, Metering Errors and Offtake Errors related impacts etc.	British Gas (AM) & National Grid Distribution (CW)	Update to be provided.
0483 0102	13/01/15	2.0	To develop draft business rules in time for consideration at the 24 February 2015 meeting.	British Gas (AM)	Update to be provided.