

**UNC Workgroup 0506 0506A Minutes
Gas Performance Assurance Framework and Governance
Arrangements**

10.30 Tuesday 21 April 2015

**at Energy Networks Association, 52 Horseferry Road, London
SW1P 2AF**

Attendees

Andy Clasper	(AC)	National Grid Distribution
Angela Love	(AL)	Scottish Power
Bob Fletcher (Chair)	(BF)	Joint Office
Carl Whitehouse*	(CW)	First Utility
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON
Edward Hunter	(EH)	RWE npower
Emma Lyndon	(EL)	Xoserve
John Welch*	(JW)	RWE npower
Jonathan Kiddle	(JK)	EDF Energy
Karen Visgarda (Secretary)	(MB)	Joint Office
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities

* by teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0506/210415>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2015.

1.0 Review of Minutes and Actions

1.1. Minutes

The minutes of the previous meeting were approved.

1.2. Actions

0506 1101: Xoserve (EL) to investigate the areas of concern with regards to manual workarounds.

Update: EL stated that this action was almost completed and requested that the action be carried forward until the next meeting. She stated that 2.8 is completed and has been included in the documents and that 2.10 should be confirmed by the next meeting.

Carried forward

0506 0303: Xoserve (AM) to look to provide examples of the various Xoserve Charge Out Rates **Carried forward**

Update: EM advised that this should be addressed at the next meeting, as AM was not present. **Carried forward**

0506 0304: *Reference draft 0506 Guidelines Document* – Scottish Power (AL) to double check whether future changes to the document would require the raising of a UNC Modification. **Closed**

Update: See item 2.0 Point 12.3 below. . **Closed.**

0506 0305: Wales & West Utilities (RP) to discuss with lawyers on how any legal text would look to bring the iGTs into the Performance Assurance Framework Regime.

Update: RP confirmed that he had provided an update to AL – the update was circulated to those in attendance. **Closed**

0506 0306: *Reference draft 0506 Guidelines Document* – Scottish Power (AL) to consider whether an iGT UNC Modification is required to include the iGTs within the Performance Assurance Framework Regime. **Carried forward**

Update: AL is to provide an update at the 05 May 2015 meeting. **Carried forward**

0506 0307: *Reference draft 0506 Guidelines Document* – Scottish Power (AL) to consider whether the “*The PAC is chaired by the Joint Office and is attended....., but will not have voting rights*” statement is still required. **Closed**

Update: AL confirmed that an amended Terms of Reference document, addressed this action. **Closed.**

2.0 Consideration of Modifications 0506 and 0506A

2.1. Consider Amended Modification(s)

Modification 0506

AL provided an overview of the recent amendments to the Guidelines document for the Energy Settlement Performance Assurance Regime V0.6

1. The Guidelines document is prepared and maintained by the Performance Assurance Committee (PAC).

Point 12.3

AL confirmed that it was intended that a UNC modification would be required to amend the guidelines to ensure appropriate governance visibility

The workgroup discussed the content surrounding the amendment of the guidelines in point 12.3. It was suggested that the process should be to submit the request to the UNCC 5 days in advance of a meeting and to go through the standard review process. RP agreed it would fall into the UNCC remit. Conversations took place regarding the option that a decision can be challenged via the UNCC. BF stated that if a Vote was under dispute then a written request could be sent to the UNCC or a new amendment could be raised to change it. CB asked for clarification regarding the associated documentation within the Guidelines and how e.g. the Risk register and other documents would be amended and whether it was a case of changing the ‘shape’ of the register or the changing the content of the register itself. AL confirmed it would be changing the shape of register and not the content. RP suggested that more clarity was required regarding potential document changes and stated that they would be governed by the UNCC, also that if that was not the case, they would have to be ‘hard coded’. AL proposed adding a statement explaining how the documents would be governed within the Guidelines. BF reiterated that the documents are ‘Guidelines’ and should be treated as such.

AL agreed to consider amending the Guidelines to confirm that they were governed by the UNCC.

Point 6.1

The Competitive Tender Process was discussed, regarding the length of notice, associated with the 1st Anniversary date should a Transporter deem to be failing within their confirmed Service Delivery KPI’s. General discussion took place surrounding the realistic time line for a tender process to be issued and completed. RP stated that within the Guidelines it would have to be stated that if there was a breach of contract within that first year then that could lead to an automatic termination for that Transporter. BF stated that it would not be practical to terminate prior to the service provider completing the first year, he proposed the 2 + 1 scenario, that should the service provider be in breach of

contract or failing to deliver services to the satisfaction of the PAC, this could be addressed at the Annual Anniversary Performance Review. AL confirmed she would look into this 2+1 suggestion and a number of other options which would allow Transporters the opportunity and time to put in place a new PAFA so that they are not in breach of UNC.

CW also suggested that AL should consider the AUGE references in UNC TPD 10.3 as this is used for the basis of procuring an AUGE. He reminded those present that any conflict between the UNC and Guidelines, UNC would take precedent, as had been previously highlighted in the AUGE process. AL confirmed she would amend the guidelines accordingly.

Point 6.2

AL proposed a wording change to read “providing recommendations to the PAC” following the comments made AM previously regarding Xoserve’s role. The workgroup were in agreement with this amended wording.

2. Draft Modification 0506 - Gas Performance Assurance Framework and Governance Agreements

AL provided an overview of the proposed changes to Modification 0506. CW stated that he did not think the wording on the front page reflected the fact that regime is only proposing to consider settlement and energy, he was under the impression other activities would be included. AL stated this was the wording used originally in Modification 0560A. AL and CB both stated that this modification was primarily looking at settlement as this was the focus of Project Nexus. However, they would expect the PAC to address any risks that were identified to it and therefore the scope was suitable. CW stated that in that case, it does need to have the word energy in it. BF stated that all the risks fall into the overall scope of this modification. AL confirmed she would be adding reference to CSEPs to give more clarity around iGT involvement.

Solution Section

General discussion took place regarding the solution and AL confirmed she would add into this section the reference to the iGT’s and CSEP supply points. BF made the comment that this section needs to clearly reflect exactly what is going to be delivered. Discussions took place within the workgroup and AL asked RP if any more detail was required regarding the production of Legal Text for this modification. RP stated that the contract would need to inform the PAC and PAFA what they were going to do and if this was to be put into Code then it needs to be explicitly defined in this section and removed from the Guidelines.

CW stated that the AUGE process sets this out in terms of what should be in the Guidelines and what should be in the UNC. AL agreed to look at the AUGE process to give clarity. BF commented that the amount of detail in the Summary section was too in depth for a summary. Discussion took place surrounding the confidentiality aspect of the data that the PAFA would be exposed to and how that would be managed. AL stated that Scottish Power do not want to preclude Xoserve from the bid process, and that she understands they would implement a ‘Chinese Wall’ system to ensure confidentiality should they be used as a vehicle to procure the service and bid to be the PAFA. AL asked how the information from the AUGE is protected going through Xoserve currently as she presumed it was anonymised. CB stated that Modification 0509 was raised to address this issue and facilitate the provision of data to parties including the PAFA. Modification 0509 is being discussed at Distribution Workgroup on 23 April 2015. Further discussions took place surrounding this topic and AL asked EL to report back in the next meeting via a new action what is the current process internally within Xoserve surrounding the provision of anonymised data to the AUGE and the permissions required to release the data. BF commented that further thought is needed regarding the AUGE anonymised data and

what would be the process for the PAFA, as it is proposed that the data used by the PAFA is not anonymised. AL stated that she had read the Energy Balancing Credit rules and that they are under the TBD in Section B 511. AL stated that she would explore this further and amend the text accordingly about the provision of data to parties and how the rules places obligations on EBCC members to respect confidentiality.

New Action 0506 0401: EL to report what is the current process internally within Xoserve surrounding the provision of anonymised data to the AUGÉ.

User Pays Section

Discussions took place surrounding the User Pays section, and AL re stated that Scottish Power do not want to preclude Xoserve from a competitive tender process. CW commented that under the Code, User Pays is used to identify how changes are funded where this is a change to central systems or processes.; He was not aware that Transporters would benefit from this Modification and he felt it was appropriate that all costs were shared by Shippers. He also stated that more dialogue is needed with regards to how the PAFA is going to be funded and within what framework should Xoserve not provide the tendering service to Transporters – how was the proposer addressing funding? AL commented that if it is User Pays, why would this exclude Xoserve from the tendering process if they could put a regime in place to allow themselves to operate on both sides of the process. AL asked EL to investigate the implications of User Pays and Xoserve’s tendering process in relation to PAFA. AL also asked CW to confirm how other Transporter services are funded which are not User Pays by definition.

New Action 0506 0402: EL to investigate the implications of User Pays and Xoserve’s tendering process in relation to PAFA.

New Action 0506 0403: CW to confirm how other Transporter services are funded which are not User Pays by definition.

Relevant Objectives

CW stated this is concerning the competition and efficient discharge and the Transporters Licence terms and stated that D and F should be sufficient in this context. AL confirmed she would this section to focus on the key benefits for implementation.

Modification 0506A

The Proposer was not present for this meeting.

It was noted by the workgroup that they would like Modification 0505/0506A to be discussed first in the next meeting due to the amount of detail to cover.

2.2. Consider Associated Documents

Not discussed at this meeting.

2.3. Performance Assurance Workgroup presentation

No presentations submitted.

3.0 Consideration of Legal Text

RP stated the Legal Text was on target for the June submission date.

4.0 Development of Workgroup Report

Consideration deferred.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings are scheduled to take place as follows:

Time/Date	Venue	Workgroup Programme
10:30, Tuesday 05 May 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	<i>Workgroup Report 0506 is due at 18 June Panel (Submission by 8 May 2015)</i>
10:30, Monday 18 May 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	<i>Workgroup Report 0506 is due at 18 June Panel (Submission by 8 May 2015)</i>
10:30, Tuesday 16 June 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	To be confirmed
10:30 Tuesday 21 July 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	To be confirmed
10:30 Tuesday 25 August 2015	Elexon (Orange Room- Note: Maximum capacity 30 persons)	To be confirmed

Workgroup meetings will take place as follows:

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0506 1101	26/11/14	2.0	EL to investigate the areas of concern with regards to manual workarounds, specifically resolution of outstanding item 2.10 in the 'Pre-Nexus Xoserve settlement intervention activities.	Xoserve (EL)	Carried forward
0506 0303	24/03/15	2.1	To look to provide examples of the various Xoserve Charge Out Rates.	Xoserve (AM)	Carried forward
0506 0304	24/03/15	2.2	<i>Reference draft 0506 Guidelines Document</i> – Scottish Power (AL) to double check whether future changes to the document would require the raising of a UNC Modification.	Scottish Power (AL)	Closed
0506 0305	24/03/15	2.2	To discuss with lawyers on how any legal text would look to bring the iGTs into the Performance Assurance Framework Regime.	Wales & West Utilities (RP)	Closed

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0506 0306	24/03/15	2.2	<i>Reference draft 0506 Guidelines Document – Scottish Power (AL) to consider whether an iGT UNC Modification is required to include the iGTs within the Performance Assurance Framework Regime.</i>	Scottish Power (AL)	Carried forward
0506 0307	24/03/15	2.2	<i>Reference draft 0506 Guidelines Document – Scottish Power (AL) to consider whether the “The PAC is chaired by the Joint Office and is attended....., but will not have voting rights” statement is still required.</i>	Scottish Power (AL)	Closed
0506 0401	21/04/15	2.1	EL to report what is the current process internally within Xoserve surrounding the provision of anonymised data to the AUGE.	Xoserve (EL)	Pending
0506 0402	21/04/15	2.1	EL to investigate the implications of User Pays and Xoserve’s tendering process in relation to PAFA.	Xoserve (EL)	Pending
0506 0403	21/04/15	2.1	CW to confirm how other Transporter services are funded which are not User Pays by definition..	National Grid Distribution (CW)	Pending