

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

**Tuesday 24 February 2015**

**ENA, 52 Horseferry Road, London SWP 2AF**

**Attendees**

Bob Fletcher Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Margan	(AM)	British Gas
Angela Love	(AL)	ScottishPower
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON
Edward Hunter	(EH)	RWE npower
Emma Lyndon	(EL)	Xoserve
Jonathan Kiddle	(JK)	EDF Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Rachel Hinsley	(RH)	Xoserve

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0506/240215>

The Workgroup Report on Modifications 0506 and 0506A 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 (17 February 2015) were accepted (subject to any comments being received at the next meeting).

**1.2. Actions**

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

**Update:** EL requested that this be carried forward to the next meeting (06 March 2015).  
**Carried forward**

**2.0 Modification 0506**

**2.1 Guidelines document for the Energy Settlement Performance Assurance Regime**

AL explained the changes made in response to comments made at previous meetings.

*Page 7, At 5.1* - CB referred to closed sessions and open attendance at meetings and suggested AL should consider how these might be managed. BF explained how the Energy Balancing Credit Committee (EBCC) managed these specific meeting requirements, and referred AL to the Energy Balancing Credit Rules for further research.

*Page 7, At 5.2* - The expected level of commitment by representatives was discussed. It was suggested that 'may' might be a more realistic expectation than 'will'.

*Page 9, last bullet point “Calculation of any incentive payments and provision to the Transporters’ Agent for billing purposes [following 12 months of any relevant grace period from scheme commencement]” - It was suggested that AL reconsider the wording.*

*Page 9, 6.1 - Concerns were expressed in regard to the extension/termination of the services of the PAFA, and which party might initiate/enact. The AUGE guidelines were referred to as an example. It was believed that the PAC should only be able to make a recommendation for extension/termination; the ultimate decision/enactment should rest with the Transporters as the contracting parties. It was suggested that further clarification was required in the expectations/obligations of each party. CW will discuss with his legal team and AL will check how this is managed in respect of the AUGE arrangements.*

**Action 0201: (Modification 0506) Guidelines document for the Energy Settlement Performance Assurance Regime - Clarify expectations/obligations of each party (Transporters, PAC and PAFA) in respect of extension/termination of services of the PAFA.**

*Page 10, last bullet point “Calculation of any incentive payments and provision to the Transporters’ Agent for billing purposes [following 12 months of any relevant grace period from scheme commencement]” - It was suggested that AL reconsider the wording.*

#### *Next Steps*

AL will consider appropriate revisions to the documents/Modification 0506 in view of the above discussions, including outputs from the Value Chain workshops, and will liaise with MJ to ensure consistency, where appropriate, across documents relating to both Modifications 0506 and 0506A.

### **3.0 Modification 0506A**

Revisions were being made to the various documents to take account of discussions at the last meeting.

#### **4.1 Performance Assurance Committee (PAC) Terms of Reference (ToR)**

##### *Decision making arrangements*

In response to comments made at the last meeting, MJ had reviewed the potential decision making arrangements and proposed three options for the Workgroup’s consideration. A decision on preference would be sought.

##### ***Option 1 - No formalised voting, decisions through reaching agreement by consensus***

*Page 1, 2.2 - It was questioned if 5 Transporter representatives were required. The need for balance was pointed out, though it was recognised that industry experience was a very important factor. It was suggested that different mixes of representation might be required depending on the parties who might be most affected by any particular topic/decision. AL and MJ noted this for further consideration.*

##### ***Option 2 - Formal voting, decision reached by a simple majority***

BF questioned what ‘simple majority’ meant, and explained the differences in the voting arrangements that existed for decision making by the UNC Modification Panel, depending on the type of determination being sought. The meaning of any such term would need clear definition, e.g. should it be a majority of only the votes cast? Or the majority of votes able to be cast? How should abstentions be treated? Further consideration was required.

##### ***Option 3 - Formal voting, dependent on group/constituent basis***

It was suggested that references to PAC Shipper Users be clarified.

### General Discussion

Drawing on the experience of the EBCC, BF observed that maintaining quoracy levels might be a problem once all has settled down post Nexus.

It was reiterated that having the right level of experience was the most important factor - representatives could be from any market sector, and even from the same organisation.

### Preference

Having considered the three options proposed, the Workgroup indicated its preference was for *Option 2 - Formal voting, decision reached by a simple majority*. MJ and AL will develop this.

### Next Steps

MJ will consider appropriate revisions to the documents/Modification 0506A in view of the above discussions, and will liaise with AL to ensure consistency, where appropriate, across documents relating to both Modifications 0506 and 0506A.

## 4.0 Diary Planning

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

Workgroup 0506/0506A meetings will be accommodated within the business proceedings of the Performance Assurance Workgroup, and will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30, Friday 06 March 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0483, 0506 and 0520.
10:30, Tuesday 24 March 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0483, 0506 and 0520. <b>Workgroup Report 0483 is due to 16 April Panel.</b>
10:30, Wednesday 08 April 2015	31 Homer Road, Solihull B93 9PS	Workgroups 0506 and 0520.
10:30, Tuesday 21 April 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0506 and 0520.
10:30, Tuesday 05 May 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0506 and 0520.
10:30, Monday 18 May 2015	Energy Networks Association (Room 4 - Note: Maximum capacity 20 persons)	Workgroups 0506 and 0520. <b>Workgroup Reports 0506 and 0520 are due to 18 June Panel.</b>

**Action Table (24 February 2015)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0506 1101</b>	26/11/14	2.0	EL to investigate the areas of concern with regards to manual workarounds.	Xoserve (EL)	<i>Update due 06/03/15</i> <b>Carried forward</b>
<b>0506 0201</b>	24/02/15	2.1	<i>(Modification 0506) Guidelines document for the Energy Settlement Performance Assurance Regime - Clarify expectations/obligations of each party (Transporters, PAC and PAFA) in respect of extension/termination of services of the PAFA.</i>	National Grid Distribution (CW/AC) and ScottishPower (AL)	<b>Pending</b>