



Performance Assurance Committee Meeting

Summary – 14 July 2020

KEY MESSAGES

- **RISK REGISTER**

- The Performance Assurance Framework Administrator (PAFA) presented the latest update of the risk register to the Performance Assurance Committee (PAC) which consisted of updated quantified values and the risk rankings as requested at the June PAC meeting.
 - The values had been updated based on data from the 18/19 Gas Year.
- Committee members were informed that the approach to risks had changed, such that the risk was around potential energy error oppose to the existing potential financial error.
- PAC members agreed that the best approach to continued consideration of industry risk and the risk register would be to form a PAC sub-group.
 - The sub-group would consist of 4-6 core members whilst other members would be welcome to attend in a drop-in basis. Four PAC members have nominated themselves to form the core of the sub-group.
 - The aim of the subgroup is to initially review the risks on the risk register in more detail, determine how the risk should be quantified, the mitigating actions required to reduce the risk and issue advice to Shippers. The sub-committee would also look at the current suite of PARR reports and look at how to move the reports forward to improve performance in the area.
- PAC members discussed the existing UIG issues tracker and including the issues within it in the PAC risk register.
 - It was agreed that PAC would consider the issues log and the relevance of issues to the work of the PAC.

- **SHIPPER PERFORMANCE ANALYSIS**

- The PAFA presented the impacts on the Performance Assurance Reports Register (PARR) suite of reports following the implementation of the urgent modifications raised as a result of COVID-19.
 - Though the impact of the modifications would mainly be seen on PC3 and PC4, for completeness, an update was also provided on the PC1 and PC2 market.
 - PC3 showed no change in read performance following the impact of the modification, whilst PC4 read performance saw c. 7% m/m increase. However, this is not including data for May 2020 and therefore will not capture the impact of the modification on read performance.



- No impacts were seen on read performance for PC1 and PC2, in line with expectations for these markets, though the total AQ in these markets have dropped with PC1 seeing a much sharper decline than PC2.
- Following Ofgem's communication in June, the PAFA discussed the possibility of resuming improvement plans for those Shippers whose plans were suspended due to COVID-19 and resource being focused elsewhere within Shipper organisations.
 - PAC members agreed with the recommendation put forward by the PAFA to resume the plans for those Shippers who had submitted an improvement plan prior to COVID-19.
 - PAFA are to draft and issue an industry wide communication on behalf of the PAC and work with Shippers as well as their Customer Advocate Managers (CAMs) on providing revised timescales.
 - All Shippers are advised to contact the PAFA with revised timeframes on improvement plans immediately.
- The PAFA presented the latest Shipper Performance Analysis to the PAC, addressing several areas.
 - **Read performance PC3:** Committee members were presented with the latest read performance statistics.
 - PAC members agreed to send performance improvement plans to two Shippers who have previously had communication from PAC in this area.
 - All Shippers performing below UNC requirement (<90%) would be in receipt of performance observation letters
 - **No read for 1,2,3 or 4 years (PC4):** PAC members were advised that this is an area that needs to be focussed on, with a number of Shippers not submitting reads for a period greater than a year. The PAFA recommended a performance observation letter to be sent to all Shippers and an improvement letter to be sent to Bratislava, who have the worst performance.
 - PAC members requested the PAFA to correlate the report with the read performance and meter read failure report. This is also an issue that will need to be addressed at the subgroup.
 - **NDM Sample data:** A refreshed report was presented to the Committee following the last round of communications with the CAMs. Out of the 11 Shippers contacted, only 4 Shippers have been working on their sample data and will be submitting as part of the October window.
 - PAFA are to issue letters to the 7 Shippers who have not yet submitted or are working on submitting their NDM sample data.
- **COVID-19 impact**
 - The CDSP presented data to the PAC on the usage of the isolation flag. Current data shows that there remains a relatively low uptake in the use of the isolation flag (in line with normal levels), with less than half of the MPRNs containing post-lockdown isolation effective dates.



- PAC members were informed that there has been a rise in class 4 meter readings in July 2020, with the reads mainly being supplied by the consumer.
- The PAC will be monitoring this area closely. As defined in UNC modification 0722, Shippers can be asked to provide backing data to the number of estimated readings being submitted as actuals, CDSP are to consider the most appropriate method of doing this.
- **PAC members consideration**
 - **AQ at risk:** The total AQ at risk has increased over the last few months, with 11 Shippers contributing to 60% of the total AQ at risk.
 - PAC have requested the CDSP to share the names of those Shippers with the PAFA, so they can work with the CAMs in this area.
 - PAC members discussed the use in different anonymisation between the PARR and the CDSP provided reports. CDSP informed the PAC that as it not part of the PARR reports, they have no visibility on this in the usual anonymised names.
 - CDSP to provide PAC with clarity in the August PAC meeting on the data provision rules in the UNC
 - **AQ calculation error update:** The CDSP presented an AQ calculation error update to the Committee, particularly with those market breakers falling under the tolerance codes (MRE1027).
 - Tolerance rejections were presented between January and May 2020, with February illustrating the highest number of rejections (c. 2.4 million). There were a total of 10 Shippers who accounted for 90% of those rejections.
 - PAC members have requested the CDSP to investigate why there were so many rejections in January. Additionally, PAC would like the CDSP to update the Committee on which Shippers are contributing to rejections the most.
 - **Open by-pass meters:** The CDSP informed PAC members that there are 153 MPRs with open by-pass meters, for an average of 9,902 days. Previous communications with the Shippers suggest that many are aware that the bypass is open as often it was opened prior to the site transferring across to them.
 - The PAFA have suggested to the PAC that they can work with the CAMs in this area and provide feedback to the PAC next month.
 - PAC members have requested the CDSP to share the name of the Shippers with the PAFA.
 - **PAFA re-procurement:** The CDSP set out the timelines for the PAFA re-procurement and informed the PAC that a stakeholder panel would be formed which would consist of 2-3 PAC members.
 - CDSP welcomed nominations for the stakeholder panel, with members putting themselves forward.