

**Uniform Network Code Committee
Minutes of Meeting 206 held on Thursday 21 January 2021
Via Teleconference**

Attendees			
Voting Members:			
Shipper Representatives		Transporter Representatives	
D Fittock (DF), Corona Energy M Bellman (MB), ScottishPower M Jones (MJ) SSE R Fairholme (RF), Uniper S Mulinganie (SM) , Gazprom and alternate for A Green		P Hobbins (PH), National Grid G Dosanjh (GD), Cadent H Chapman (HC), SGN R Cailles (RC), BU UK T Saunders (TS), Northern Gas Networks and alternate for R Pomroy	
Non-Voting Members:			
Chairperson	Ofgem Representative	Consumer Representatives	Independent Supplier Representative
W Goldwag (WG)	L King (LK)		(None)
Also, in Attendance: B Fletcher (BF), Joint Office; E Rogers (ER), Xoserve - CDSP Representative; F Cottam (FC), Xoserve; L Hayworth, Cornwall Insight; O Chapman (OC), Centrica; P Garner (PG), Joint Office, R Hailes (RH), Panel Secretary ; S Rouse (SR), Gemserv; and Y Reid-Healy (YRH), Cadent.			

Copies of all papers are available at: <http://www.gasgovernance.co.uk/uncc/210121>

206.1 Note of any alternates attending meeting

P Hobbins for D Lond, National Grid
T Saunders for R Pomroy, Wales & West Utilities
S Mulinganie for A Green, Total Gas & Power

206.2 Apologies for Absence

A Green, Total Gas & Power
D Lond, National Grid
R Pomroy, Wales & West Utilities

206.3 Minutes and Actions from the previous meeting

The 19 November 2020 meeting minutes were approved.

Action UNCC 10/01: Ofgem (LK) to check if similar changes will be needed to the DSC arrangements as those being made to the Code Modification rules to allow the REC Manager to raise UNC and IGT UNC Modifications. An update to be provided at the November/December meeting.

Update: Liam King (LK) confirmed that it is Ofgems intention that the DSC arrangements will be included in process so that it remains aligned to the UNC and IGT UNC changes.

Closed.

Matters for the Committee's Attention

a) **None**

206.4 AOB

a) **PAC update – Product Class 4 monthly read performance**

D Fittock (DF) advised that he has been contacted by a number of non-domestic Shippers concerning letters they have received from the Performance Assurance Committee (PAC), which highlights performance issues against the submission of Product Class 4 meter readings. He was surprised that PAC has written to parties at this time with concerns about the submission of meter readings and seeking performance improvements – how is this achievable when companies in some cases are into their 3rd or more lock down due to the pandemic. Access to premises due to increased restrictions whether imposed by government or by the occupiers of premises is a significant issue for Shippers. This needs to be recognised by PAC and their letter should be rescinded.

P Garner (PG) noted that UNCC are able to seek a view from PAC and that R Hailes (RH) would be providing a view as Chair of the meeting.

RH asked members to note this statement is hers based on her personal views as Chair of PAC, as this issue was raised to late for her to seek a view from PAC members prior to this meeting.

R Hailes 19 January 2021

As background, though many of you will already know this, meter read performance is a key driver in ensuring accurate energy settlement, with poor meter read performance contributing to the high levels of Unidentified Gas (UIG) being seen in the Gas industry. The cost of this is applied to Shippers.

A lack of meter read provision also leads in some cases to the failure for accurate WAR bands being created for sites, leading to inaccurate estimates being applied, again having a negative impact on levels of UIG.

Current PC4 average monthly read performance is around 42% against an obligation of 90%. PAC has been examining and communicating with PC4 monthly Shippers regarding their performance since February 2020. The PARR reports of interest here are 2A.5. These are available to all Shippers.

Actions taken since then were centred around the poorest performers receiving a letter from PAC via the PAFA in accordance with Code. The letter requests dialogue with the Shipper and requests a performance improvement plan to address the read performance along with dialogue, training and any assistance required from both the PAFA and the Customer Advocate Managers (CAMs) at the CDSP. This is an agreed process.

As with actions taken to address poor performance in other product classes, this has led to some sustained improved read performance and PAC is rightly pleased with the response and engagement with Shippers, who in the main, are pleased to receive help and assistance with improving their performance against the Code obligations.

At the PAC meeting in November 2020 after reviewing the most up to date data, which highlighted average read performance for PC4 monthly January – October 2020 significantly lower than Code obligation of 90%. In addition, a number of meters with aged reads, many which had not been read for over 4 years.

PAC unanimously approved a phased process of contacting all remaining PC4 monthly Shippers, again to request dialogue with the Shipper and request a performance improvement plan to address the read performance along with aged reads. The aim is to assist Shippers in moving towards the UNC obligation in a planned and responsible manner, assisted as needed by PAC, PAFA and the CAMs. Minutes from PAC meetings are available on the Joint Office website.

DF was concerned that although this sounds a reasonable approach, it fails to understand the real world issues due to the restrictions placed by responses to the pandemic.

S Mulinagnie (SM) felt the timing and the approach is wrong, particularly when there are restrictions on access or the number closed businesses makes it unrealistic to think meter readings submission performance can be improved until there is a wider (national) relaxation of restrictions.

M Bellman (MB) noted that this issue does not just apply to non-domestic supply meter points, meter reading agencies are being refused access to domestic premises due to the pandemic.

S Rouse (SR) provided an overview of the content of the letter, explaining that performance is not just about this year but also reflects performance to a time prior to the pandemic. In addition, PAC is seeking to provide support to Shippers and gain an understanding of the issues encountered.

DF reiterated his view that the letter should be rescinded by PAC as it goes beyond just offering support.

The Chair (WG) noted the concerns and asked if the UNCC should ask PAC to provide a report on the content and actions in the letter.

SM was concerned that this action would be too late as parties were being requested to attend the next PAC meeting (which is prior to the next UNCC meeting) to discuss their performance and improvement plans which under the present circumstances is not appropriate.

WG suggested that PAC consider holding an extraordinary meeting to discuss the issues raised at this meeting.

SR advised that if a Shipper believes that they would find responding to PACs request difficult at this time, due to Covid constraints or otherwise, they should inform the PAFA that this is the case.

MB noted that there are no consequences should parties choose not to respond to the letter. Plus, it is requesting a view of the impacts of the pandemic from parties so as to inform PAC.

M Jones (MJ) noted that the electricity industry suspended performance targets last summer as a response to the issues identified with the pandemic, perhaps the gas industry should consider a similar approach.

MB noted that the suspension of performance targets was time limited in electricity and its continuation is due to be reviewed soon.

PG noted that although PAC reports to UNCC, it has specific roles defined in Code and UNCC would need to consider how it chooses to influence the approach adopted by PAC.

WG noted the concerns raised and advised that this topic should be discussed at a future UNCC meeting should parties still have concerns. However, it is anticipated that PAC will discuss these concerns and provide a view back to UNCC on its future approach.

New Action UNCC 01/01: Joint Office (RH) to advise PAC of the discussion held at UNCC and to provide a response back to UNCC.

b) AUGE Process Concerns

As background, following a discussion at the previous day's DSC Contract Management Committee, SM raised a concern about the governance of the AUGE process in terms of the AUGE and their competence should this be considered an issue. It is unclear as to who controls the governance process and responsibility for managing this activity.

F Cottam (FC) noted that the AUGE was recently appointed and this is their first year/iteration of the AUG Statement, and the annual cycle had not yet been completed. FC asked members to dislocate-disassociate the outcome of a-the process in terms of the values in the proposed Table of Weighting Factors compared to appointment and control of the AUGE, should there be a view about ceasing arrangements due from non-delivery of materials on the required dates when considering to poor performance.

FC commented that UNCC and the AUG Framework do not specify the process for deciding when to enter into a Tender process for a new AUGE. The process is unclear about terminating outside of the usual procurement process. There should probably be an earlier annual check point in around April or May each year as it takes about a year for the procurement process to conclude due to regulatory requirements and it is likely that any hypothetical de-appointment would mean the industry is without an AUGE for at least 1 year or 1 iteration of the AUGS.

WG advised that it should be considered best practice for a contract to have an end date and a check point option. Usual experience indicates extensions to existing arrangements tend to be poorly managed and perhaps the contractual process should be fixed before an issue with performance is considered.

T Saunders (TS) suggested that targets and damages should be a feature of the contract in future. FC noted the contract is confidential between the CDSP and the AUGE but it is typical for this type of arrangement. As stated previously, due to the time required to appoint an AUGE, the arrangements need to be for a minimum of 2 years and this arrangement is for up to 5 years. There are usual termination and performance provision within the agreement based on the UNC AUG process. Historically there have been discussions at UNCC each year as to whether to start a Tender process, i.e. whether the AUGE would be entering into the last year of their tenure.

FC noted the concerns points raised by SM about performance. The issue is around identifying why he considers the AUGE is appearing to be failing -as they have met the milestones in the agreement their contract which mirror those in the Framework and/or UNCC. However, it might be the AUGS developed may not be the answer some parties find acceptable, but it does not mean the process has been mismanaged – its just a different answer.

WG suggested that stakeholders' views should be incorporated in the check process.

FC suggested that consideration of a process is needed to manage a year without an AUGE in place. While also considering the most suitable location/meeting in terms of governance to discuss this topic.

SM noted that although DSC Contract Management Committee is responsible for managing Xoserve performance and procurement of contracts, UNCC has a role established in Code to manage the delivery of the AUGS but he is willing to discuss this issue at both Committees if needed.

WG suggested that discussions on this topic should continue if parties feel there is a need to do so at a future date.

Post Meeting Note provided by Xoserve

The first draft AUG Statement was published on 30 December 2020, in line with the AUG Framework requirements, providing a detailed explanation of their approach. The consultation window on the first draft AUGS closed on 22 January. Eight responses were received, several of which were complimentary and supportive of the AUGE's approach and of the draft AUG Statement. There is an ongoing process for the development of the AUG Statement for Gas Year 2021, which takes place in the UNC AUG Sub-Committee. No performance concerns were raised at the January 2021 Sub-Committee meeting.

The AUGE needs to continue to be independent and to retain the ultimate decision on the methodology and data used. If any concerns with the AUGE's performance are identified, they should be raised initially at the AUG Sub-Committee and only escalated to UNCC if required.

206.5 Next Meeting

The next meeting will be on 18 February 2021, immediately after the UNC Modification Panel meeting on that date.

Action Table (21 January 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNCC 10/01	15/10/20	203.4 b)	Ofgem (LK) to check if similar changes will be needed to the DSC arrangements as those being made to the Code Modification rules to allow the REC Manager to raise UNC and IGT UNC Modifications. An update to be provided at the November/December meeting.	Ofgem (LK)	Closed
UNCC 01/01	21/01/21	206.4 a)	Joint Office (RH) to advise PAC of the discussion held at UNCC and to provide a response back to UNCC.	Joint Office (RH)	Pending