**Example - Performance Assurance Framework Administrator Scope of Works**

This document has been prepared as an example PAFA scope of works against which cost estimates can be provided to enable the development of modification 506A.

This is an example document only.

This example is what the PAC would control as the scope of works. Xoserve is the service provider (the PAFA). The PAC would submit its draft scope of works to Xoserve and the PAC and Xoserve would then agree the final scope. Changes to scope through the year are accommodated by the change process (see Schedule 3).

**Schedule 2 Services Schedule [example]**

|  |
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| **Part 1 Provision of administration services to the PAC** |
| Service description – The provision of administration services provided by Xoserve (as the PAFA) to the PAC to support the delivery of the PAC requirements |
|  | Service Requirement Description | Service Requirement Trigger | Service Requirement Output | Recipient | Timing of delivery of service requirement output | Expected volumes | Estimated person days |
| 1 | Maintenance and publication of the Performance Reports Register | Ongoing, maintain as changes require | The publication of the Performance Reports Register | The industry, published at: | Within [1] business day of the notice from the PAC of the approved Performance Reports Register | Ongoing maintenance. Publication once per month |  |
| 2 | Review of Performance Reports and consideration of effectiveness, providing recommendations to the PAC as required | Annually | A report to the PAC | PAC | April each year [this is to give the PAC chance to consider the report before the PAC submits the PAFA scope 4 months before 1st October each year] | Once per year |  |
| 3 | Maintenance of each Report Specification | Ongoing | The publication of each Report Specification | The industry, published at: | Within [1] business day of the notice from the PAC of the approved Report Specification | Ongoing maintenance. Publication once per month |  |
| 4 | Attend meetings of the PAC as required | Ongoing | Attendance at PAC | PAC | As required | Once per month |  |
| 5 | Provision of PAC Cost Estimate for the provision of the PAFA Scope as provided by the PAC | On receipt of the PAFA Scope for the forthcoming PAF Year from the PAC | Cost estimate | PAC | Within [2] months of the receipt of the PAFA Scope for the forthcoming PAF Year | Once per year |  |
| 6 | Provision of Budget Tracking Report to the PAC | [Monthly] | A report of actual against forecast costs | PAC | Within [10] business days from the end of the [month] | Once per month |  |
| 7 | Provision of a Budget Exception Report | As required when actual to forecast costs, or forecast costs, vary, or are expected to vary from the relevant PAC Cost Estimate | A Budget Exception Report | PAC | As soon as reasonably practicable | No more than once per month |  |
| 8 | Provision of a PAFA performance report  | Quarterly | Performance report against KPIs etc | PAC | Quarterly | Four times per year |  |
| 9 | Consultation on the effectiveness of the Framework and the submission of a report of findings to the PAC | On 1st October each year | Report | PAC | Annually | Once per year |  |
| **Part 2 Provision and maintenance of the PAF Risk Register** |
| Service description - Creation, management, maintenance and reporting (including publication) of the PAF Risk Register and operation of the PAF Risk Register process |
|  | Service Requirement Description | Service Requirement Trigger | Service Requirement Output | Recipient | Timing of delivery of service requirement output | Expected volumes |  |
| 1 | Publication of the PAF Risk Register process and any supporting documents / templates etc | Ongoing, maintain as changes require | The publication of the PAF Risk Register Process | The industry, published at: | Within [1] business day of the notice from the PAC of the approved PAF Risk Register process | Ongoing maintenance. Publication once per month |  |
| 2 | Operation of the PAF Risk Register Process | Ongoing | As required by the PAF Risk Register Process | As required by the PAF Risk Register Process | As required by the PAF Risk Register Process | Ongoing |  |
|  |  |  |  |  |  |  |  |
| **Part 3 Provision of reports to industry** |
| Service description – The provision of reports to the industry (individual organisations, PAC, and others as required) |
|  | Service Requirement Description | Service Requirement Trigger | Service Requirement Output | Recipient | Timing of delivery of service requirement output |  |  |
| 1 | Performance Report Register report 1 | As per Performance Report Register report 1 | As per Performance Report Register report 1 | As per Performance Report Register report 1 | As per Performance Report Register report 1 | Once per month |  |
| 2 | Performance Report Register report 2 | As per Performance Report Register report 2 | As per Performance Report Register report 2 | As per Performance Report Register report 2 | As per Performance Report Register report 2 | Once per month |  |
|  |  |  |  |  |  |  |  |

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| **Part 4 GT recovery of Xoserve costs via User Pays** |
| Service description – The User Pays invoicing aspect of the services provided by Xoserve on behalf of the GTs |
|  | Service Requirement Description | Service Requirement Trigger | Service Requirement Output | Recipient | Timing of delivery of service requirement output | Expected volumes | Estimated person days |
| 1 | Calculation of costs, creation of invoice and supporting information, issue of invoice. | October each year for the previous year’s costs | User Pays invoice | Shippers | Within [3] months of 1st October each year |  |  |

**Schedule 3 Change Control Procedure [example]**

1. **Principles**

A suggestion for a Change may be made by any party and will be processed in accordance with this Change Control Procedure.

This Change Control Procedure, will, where required, encompass the processes and framework principles created under the Guidance Document on Best Practise – Process, Cost Estimates and Cost Allocations relating to Uniform Network Code User Pays Modification Proposals – as published on the Joint Office website. This is most likely to apply for the provision of a Rough Order of Magnitude (ROM) and Detailed Cost Analysis (DCA) services.

The supporting templates are shown in Appendix 1 of this Schedule

1. **Procedure**
	1. **Change Order**

Any party wishing to make a Change to the PAFA Scope shall issue a written request to the Gas Transporters. A request for a Change shall be submitted by a Change Order in the format shown in Appendix 1 of this Change Control Procedure.

The Gas Transporters shall provide an acknowledgement of receipt of the Change Order to the originator.

* 1. **Change Order evaluation at PAC**

The Gas Transporters shall submit the Change Order to PAC with an outline report of its assessment of the Change (including a ROM), as soon as reasonably practical after receipt of the Change.

The Gas Transporters and the PAC shall discuss the Change Order to determine the next actions to be undertaken.

The Gas Transporters shall provide a response to the originator advising the outcome of the PAC review.

* + 1. **PAC review outcomes**

The PAC review outcomes are as follows:

1. Reject Change Order
2. Accept Change Order and proceed to the next stage
3. Suspend Change Order. Request the Gas Transporters and the originator discuss the Change Order further to enable the PAC to make a final decision.
	1. **Evaluation Quotation Report**

Where the PAC accept the Change Order, the Gas Transporters shall prepare an Evaluation Quotation Report (EQR). Once it is complete, the Gas Transporters shall submit the EQR to the PAC. The EQR will set out:

* the details of the Service Change (i.e. describe the new service requirements) and the expected beneficiaries, based on the Gas Transporters understanding of the Change Order;
* the Gas Transporters initial view of whether and (if relevant) how the Service Change can reasonably be implemented; and,
* if the Gas Transporters initial view is that the Service Change could reasonably be implemented, the EQR will also set out:
* the Gas Transporters impact assessment of what analysis work is required in order to develop the Business Evaluation Report (BER) which may include a DCA;
* If the Gas Transporters have determined that it needs to recover the costs of preparing the BER, a quotation for such costs; and
* any initial view that the Gas Transporters may have of potential likely changes to the Services Schedule and the PAFA costs.
	1. **Agreeing the Evaluation Quotation Report**
		1. If the EQR states that, in the Gas Transporters view, the Service Change cannot reasonably be implemented then the relevant Change Order will be referred back to the PAC for rejection.
		2. If the EQR states that, in the Gas Transporters initial view, the Service Change may reasonably be implemented then the PAC will then consider the EQR. The Change will not progress until the PAC has agreed and approved the EQR (including any quotation for the funding required by the Gas Transporters to complete the BER) in accordance with its then prevailing terms of reference. The PAC will notify the Gas Transporters that it has approved the EQR by submitting, in accordance with its then prevailing terms of reference, a Business Evaluation Order (BEO) to the Gas Transporters.
	2. **Preparation of Business Evaluation Report**

Once the PAC has, in accordance with its then prevailing terms of reference, provided the Gas Transporters with the BEO the Gas Transporters will prepare the Business Evaluation Report (BER) which may include a DCA. Once the BER is complete, the Gas Transporters shall submit it to the PAC. The BER will set out:

* whether, after further business analysis, the Gas Transporters still consider that the Change can reasonably be implemented;
* and if the Gas Transporters still consider that the Change can reasonably be implemented, the BER will also set out:
* the various design options for how the Service Change may be delivered by the Gas Transporters (including timescales) (“Design Options”);
* the estimated development and implementation costs of each Design Option (a ROM or DCA as required);
* the estimated ongoing service costs/price of each Design Option (a ROM or DCA as required);
* any amendments which will be required to the wording of the Services Schedule;
* any necessary changes to the Agency Charging Statement which would need to be submitted to the Gas and Electricity Markets Authority (“Ofgem”) pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence.
	1. **Agreeing the Business Evaluation Report**

If the BER states that, in the Gas Transporters view, after further business analysis, the Service Change cannot reasonably be implemented (and giving reasons therefor), then the relevant Change Order will be referred back to the PAC. Any party may then, should it choose to do so, submit a new or revised Change Order pursuant to the provisions of paragraph 2.1 above and the Services Schedule Change Procedure will recommence.

If the BER states that, in the Gas Transporters view, after further business analysis, the Service Change may reasonably be implemented, the PAC will then consider the BER and shall either agree on one of the proposed Design Options and approve the BER on that basis, or elect to cancel the Change Order.

The Change Procedure will not progress until the PAC has agreed and approved the BER in accordance with its then prevailing terms of reference.

* 1. **Development and Implementation**

If the PAC agrees and approves the BER, the Gas Transporters will commence work to develop and implement the chosen Design Option.

If the PAC agrees and approves the BER, but there are required changes to the Agency Charging Statement then:

- the revised Agency Charging Statement will be submitted to Ofgem pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence.

Once (if required) Agency Charging Statement has been modified pursuant to the provisions of Standard Special Condition A15 of the Transporter’s Licence, the Gas Transporters will proceed to implement the chosen Design Option and the changes to the Service Schedules as set out in the BER shall be made.

The Gas Transporters will provide ongoing progress reports to the PAC as the development and implementation of the chosen Design Option progresses. This will include performance against planned timescales and budgets.

**Appendix 1 of this Schedule 3**

**Change Order Template**

**Performance Assurance Framework**

**Change Order Form**

**For {Title}**

Please send completed CO Form to [tbc]

|  |
| --- |
| Admin Details |
| Change Title |  |
| Submission date |  |
| Originator organisation |  |
| Organisation representative |  |
| Change reference number | [provided by PAFA] |
| Change Details |
| **Change description:**{Provide a full description of the change from a requirement perspective – where possible the solution should not be provided, the change is a description of the matter requiring resolution not a description of the solution. Where possible include:* Issue that has led to the change requirement
* Expected benefits of the change
* Any other related topics relevant to the change
* Any timescale or other critical drivers.}
 |

**EQR template**

**Performance Assurance Framework Services Evaluation Quotation Report (EQR) for Change Order [ref] [title]**

**Document Purpose & Summary**

The purposes of this report are…

* To provide a quotation for the Gas Transporters to evaluate the business change outlined in the relevant Change Order, i.e. a quote to provide a Business Evaluation Report (BER).
* To identify the impacted areas that will be analysed during the evaluation.

**Evaluation service offered:**

Analysis of the change order to produce a Business Evaluation Report that will include estimated costs for delivery of the business change.

During business evaluation the Gas Transporters may provide other appropriate deliverables.

**Quotation Dependencies**

* There are no changes in the scope or complexity of the change between provision of this EQR and delivery of the BER.
* The BER delivery time scale quoted is elapsed time. Actual start date depends upon [a] when the BEO is received and [b] the relative priorities and availability of resource at that time.

Disclaimer

This Evaluation Quotation Report has been prepared pursuant to Schedule 3 of the PAFA Scope.

It has been prepared in good faith, and has been prepared using data and information provided by third parties, and whilst the Gas Transporters have used reasonable endeavours to ensure that it is accurate and appropriate, no representation or warranty is made as to it is accuracy or completeness of the information contained herein, nor its fitness for purpose, even where any such purpose has been advised. By its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to the Gas Transporters at the time of its preparation. Nothing in this document is intended to have any contractual or legal force.

|  |  |
| --- | --- |
| Change type: | Change Order PAF Services |
| Service Change details (describe new requirements and expected beneficiaries): |  |
| Gas Transporter’s initial view of if and how service Change can be reasonably be implemented: |  |
| Gas Transporter’s impact assessment of what analysis work is required in order to deliver BER: |  |
| Estimated BER delivery cost and whether recoverable: |  |
| Potential Changes to: Any regulatory documents e.g. Agency Charging Statement |  |
| Period for which EQR is valid: |  |
| Lead Xoserve operational manager name & contact details: |  |

**BEO template**

**Business Evaluation Order (BEO) for Performance Assurance Framework Services Change Order [ref] [title]**

The purposes of the business evaluation order are…

* To approve an Evaluation Quotation Report for the change order.
* To inform the Gas Transporters of the next action the sponsor requires for the change

Order.

|  |  |
| --- | --- |
| Change Order Reference:  |  |
| Change Order Title: |  |
| Customer: |  |
| Customer Representative: |  |
| EQR version | Version: n Date:  |
| EQR approval | 1. Approved
2. Approve with comments
3. Clarification required
4. Rejected

Unless approved without comment, please provide reasons in the comment section below. |
| Next action required | 1. Proceed with evaluation
2. Provide clarifications
3. Revise the EQR
4. Nothing – change being reassessed
5. Nothing – change suspended
6. Nothing – change cancelled
 |
| Date Change Order received: |  |
| Date EQR received: |  |
| Date BEO provided: |  |
| Date BEO expires: |  |
| Funding Approval | *Detail proposed funding methodology.* |

|  |  |  |  |
| --- | --- | --- | --- |
| No | Section Ref | Reviewer comment | Author response |
| 1 |  |  |  |
| 2 |  |  |  |
| etc |  |  |  |

***Note:***The Gas Transporters reserve the right to reject the BEO and provide a new EQR if the scope of the service requested or scope of the change differs from that specified in relevant version the EQR for the relevant change order.

**BER Template**

**Performance Assurance Framework Services - Business Evaluation Report (BER) for Change Order [ref] [title]**

**Disclaimer:**

This Business Evaluation Report (BER) has been prepared in good faith by the Gas Transporters but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known to the Gas Transporters at the time of its preparation.  The Gas Transporters accordingly make no representations of accuracy or completeness and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

This BER does not, and is not intended to create any contractual or other legal obligation on the Gas Transporters.

|  |  |
| --- | --- |
| Details of Service Change |  |
| Do the Gas Transporters consider the service Change can reasonably be implemented? |  |
| Design Options (including timescales) |  |
| Estimated development and implementation costs of each Design Option |  |
| Estimated ongoing service costs/price (and cost recovery mechanisms) of each Design Option |  |
| Any system constraints |  |
| Any amendments which will be required to the wording of the PAFA scope document |  |
| Any required changes to regulatory documents e.g. Agency Charging Statement |  |
| Period for which BER is valid: |  |
| Lead Xoserve operational manager name & contact details: |  |

**Schedule 4 Performance Indicators**

1. **Performance Indicators**
	1. The Performance Indicators and the Services to which they apply are set out in the following table.
	2. The Gas Transporter shall produce an exception report on a monthly basis, which provides relevant information relating to the non-achievement of the Performance Indicators in accordance with Part 1 paragraph 7.
	3. The introduction, change or removal of Performance Indicators can only occur as a Change. Any such introductions, changes or removals will come into force in the month immediately following their agreement unless otherwise agreed with the PAC.
	4. In the case of introduction or substitution of a Performance Indicator, where no historic performance and management information is available, a period of at least six months must elapse (or such other period as may be agreed between the Gas Transporters and the PAC) before a new performance standard can be set for the Performance Indicator.

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| --- |
| **Performance Indictors** |
| To be developed based upon Schedule 2 and where required schedule 3 |
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|  |  |  |  |  |
|  |  |  |  |  |