

Uniform Network Code Committee

Performance Assurance Committee Terms of Reference

1. Introduction

The Uniform Network Code Committee (UNCC) agreed these terms of reference for the Performance Assurance Committee (PAC) on [date] and amendments shall only be made with the consent of the UNCC.

The PAC has been formed to support the expected implementation of a number of modifications and /or processes that between them create a performance assurance framework for the gas industry. The PAC has been formed in advance of the modifications to enable members of the PAC to be appointed, and any PAC processes to be developed, prior to the implementation of any relevant modifications. In the event that no modifications are forthcoming the UNCC may decide that the PAC shall cease to be established.

Note: as any modifications are implemented these Terms of Reference are expected to be updated with any relevant Defined Terms.

2. Scope of the PAC

2.1 General

The PAC is defined as a Uniform Network Code Committee, with certain rights and responsibilities relating to the management of the community's Performance Assurance Framework.

The PAC is chaired by the Joint Office and is attended by PAC representatives, with others permitted to attend in a non-voting capacity.

The PAC and any performance assurance framework is limited to energy and supply points within local distribution zones, it does not extend to energy transported through the National Transmission System and supply points connected to it.

2.2 Performance Assurance Committee structure

The PAC comprises [5] User representatives and [5] Gas Transporter representatives (one of which may be an independent Gas Transporter representative).

User representatives are elected [annually] on the 1st October and at other times when vacancies occur. These elections are conducted by the Gas Forum.

In the event that voting arrangements are required and established by an amendment to these Terms of Reference, only relevant members are voting members.

Members are representatives in their own right and do not represent the company by which they are employed. The election rules permit no more than one member per company and it is recommended that members should have at least [3] years gas settlement knowledge and experience.

A list of all members and standing alternates is published on the Joint office website.

A member may appoint an alternate either on a standing basis or on a meeting by meeting basis. Such appointments shall be made in writing or by email to enquiries@gasgovernance.co.uk.

2.3 Meetings

The PAC endeavours to meet on a monthly basis, and for the purpose of voting a quorum of three members, or appointed alternate(s), are required. In the event that voting arrangements are established, decisions are made by a simple majority of voting members.

An agenda for each meeting is published on the Joint Office website at least five Business Days prior to the meeting and minutes published no more than five days after the meeting.

The PAC may decide to meet more or less frequently as required.

2.4 Roles and responsibilities of Performance Assurance Committee members

The roles and responsibilities of the PAC include:

- The development of the PAC roles and governance rules
- The determination of the relevant performance assurance scheme parties
- Establishment of the scope of the performance assurance framework administrator role, which is expected to include:
 - o Maintenance, and publication, of the performance report register
 - o Delivery of performance reports in accordance with the performance report register
 - o Review of performance reports and consideration of effectiveness, providing recommendations to the PAC as required
 - o Creation, management, maintenance and reporting (including publication) on the performance assurance framework risk register
 - o Submission of framework risk register reports to the PAC
 - o Support to the PAC in the PAC's review of proposed risks

- [Annually], conduct a consultation on the effectiveness of the framework and the submission of a report of findings to the PAC
 - The maintenance of report specifications as required
 - The documentation and maintenance of the processes undertaken by the performance assurance framework administrator to deliver services to and on behalf of the PAC, to a recognised quality standard
-
- Set, and agree with the performance assurance framework administrator, the scope of the performance assurance framework administrator role for the forthcoming performance assurance framework year and provide this to the performance assurance framework administrator [4] months before the start of the performance assurance framework year. Note: the performance assurance framework administrator will be providing a cost estimate for services based upon this scope, so the scope should be at a level to allow the performance assurance framework administrator to determine costs and provide a cost estimate range.
 - Review the performance assurance framework administrator performance assurance framework year cost estimate range within [1] month of receipt and revise, and agree with the performance assurance framework administrator, any change in scope to the performance assurance framework administrator role.
 - Receipt of performance reports from the performance assurance framework administrator
 - Interpretation and review of performance report results
 - To enlist external expertise to aid in their consideration of issues which are deemed material under the Risk Register
 - Receipt of issues from any party recognised as having a role under the UNC and consider, with the help of the performance assurance framework administrator, whether they are material enough for inclusion in the risk register and determine whether further information needs to be obtained to be able to determine materiality. And where determined as not material provide a response to the proposer setting out the reasons for the PAC's determination
 - Review and determination within their first year whether there is a need for improvement plans and preventative measures and set out a proposed approach and justification for such a right, before consulting on it with UNC Parties. Should the PAC seek such a right it shall consult formally on the proposed approach with all UNC parties and consider raising a UNC modification if there is support for improvement plans/preventative measures
 - With support, as required, from the performance assurance framework administrator, the determination of industry performance targets, for any forthcoming period
 - Submit requests to the performance assurance framework administrator for any Additional Services.
 - Review the performance assurance framework administrator response to an Additional Service request and instruct the performance assurance framework administrator as the PAC see fit.