

Performance Assurance Committee

Performance Assurance Framework Administrator Scope

This is one of a series of Performance Assurance Committee Documents governed and managed by the Performance Assurance Committee under its Uniform Network Code Committee Terms of Reference and the terms of the Guidelines Document for the Energy Settlement Performance Assurance Regime.

In the event of any conflict between the Uniform Network Code Committee Terms of Reference and the terms of the Guidelines Document for the Energy Settlement Performance Assurance Regime then the Uniform Network Code Committee Terms of Reference shall prevail.

For Performance Assurance Framework Year [1st October 2015/16]

Version	Status	Date
0.1	Draft	January 2015
0.2	Draft	February 2015

Contents:

Part 1 General

Schedule 1 Definitions and Interpretation

Schedule 2 Services

Schedule 3 Change Control Procedure

Schedule 4 ~~Key~~ Performance Indicators

Draft 506A

Part 1 General

1. Introduction

This Performance Assurance Framework Administrator Scope (PAFA Scope) sets out the Services to be provided by the [Gas Transporters PAFA \(Xoserve\)](#) for the relevant year.

Note: for the purpose of the document any reference to the Gas Transporters includes the independent Gas Transporters and excludes National Grid Transmission. Gas Transporters also refers to any party that is appointed to perform the administration services on their behalf.

2. Interpretation and Definitions

This PAFA Scope shall be interpreted in accordance with Schedule 1.

3. Services

The Services to be provided within the PAFA Scope are detailed in Schedule 2.

4. Change

To initiate a Change to the Services a Change procedure is set out in Schedule 3.

5. Agreeing the PAFA Scope, cost estimates and cost reporting

The PAC shall submit a Draft PAFA Scope largely in the form of Schedule 2, setting out the scope of Services for the forthcoming PAF Year to [the Gas TransportersXoserve](#) [4] month prior to the start of the PAF Year.

~~Xoserve~~ [The Gas Transporters](#) and the PAC shall discuss the PAFA Scope and ~~Xoserve~~ [the Gas Transporters](#) shall provide a PAC Cost Estimate for the delivery of the PAFA Scope. ~~Xoserve~~ [The Gas Transporters](#) and the PAC shall agree the Final PAFA Scope [1] month prior to the start of the PAF Year.

~~Xoserve~~ [The Gas Transporters](#) shall monitor actual costs against forecast costs and provide a [monthly] Budget Tracking Report to the PAC.

Where ~~Xoserve~~ [the Gas Transporters](#) identifies that actual, or forecast costs, vary, or are expected to vary by [50%] of the relevant PAC Cost Estimate ~~Xoserve~~ [the Gas Transporters](#) shall submit a Budget Exception Report to the PAC explaining the situation, its impacts and any mitigation that may be possible.

[may need some templates to support this]

6. Performance Assurance Scheme Party obligations to ~~Xoserve~~ The Gas Transporters

Each Performance Assurance Scheme Party is expected to use reasonable endeavours to support ~~Xoserve the Gas Transporters~~ in the performance of the Services. ~~E.g.,~~ Xoserve the Gas Transporters may have a requirement to request data from a Performance Assurance Scheme Party as part of the provision of a Service.

7. Monitoring of Performance

~~Xoserve~~ The Gas Transporters shall be responsible for ~~monitoring reporting~~ its ~~their~~ performance of the Services and any other obligations under this PAFA Scope ~~and for reporting on that performance~~ to the PAC in accordance with schedule 4 on a [monthly] basis. If ~~Xoserve the Gas Transporters~~ fails to provide the Services in accordance with the Performance Indicators ~~Xoserve the Gas Transporters~~ shall:

- (a) identify the cause of any failure to provide the Services in accordance with a specific Service Standard or Performance Indicator;
- (b) inform the PAC of such action necessary to correct such failure and prevent it from recurring; and
- (c) keep the PAC advised of the status of remedial efforts and any rectification being undertaken.

Schedule 1 Definitions

1. Interpretation and Definitions

1.1 Definitions

The following terms shall have the following meanings:

Budget Exception Report means the report described in Section 5 in a form largely as set out in Appendix 1;

Budget Tracking Report means the report described in Section 5 in a form largely as set out in Appendix 1;

Business Evaluation Order means a form submitted to [the Gas Transporters](#) ~~Xoserve~~ by the PAC approving an EQR and requesting a BER in relation to a specific Change Order;

Business Evaluation Report means a report issued by ~~Xoserve~~ [the Gas Transporters](#) in response to a BEO, setting out such matters as are referred to in Schedule 3;

Change Order means a request for a Service Change;

Draft PAFA Scope means the proposed scope of Services for the forthcoming PAF Year;

Evaluation Quotation Report means , a report issued by ~~Xoserve~~ [the Gas Transporters](#) in response to a Change Order, setting out such matters as are referred to in Schedule 3;

Final PAFA Scope means the agreed scope of Services for the forthcoming PAF Year;

PAC Cost Estimate means the report described in Section 5 in a form largely as set out in Appendix 1;

Performance Indicators means the specific standards to which the ~~Xoserve~~ [Gas Transporters](#) must provide the Services and which are set out in Schedule 4;

Services means the service requirements described or referred to in Schedule 2.

1.2 Interpretation

Capitalised terms that are not defined below shall have the meanings given to them in the Uniform Network Code, Performance Assurance Committee Terms of Reference, or the Guidelines Document for the Energy Settlement Performance Assurance Regime.

Schedule 2 Services Schedule [example]

Part 1 Provision of administration services to the PAC					
Service description – The provision of administration services 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
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
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 1 st October each 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
4	Attend meetings of the PAC as required	Ongoing	Attendance at PAC	PAC	As required
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
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]
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
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
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
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

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
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

Draft 506A

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

2. Procedure

2.1 Change Order

Any party wishing to make a Change to the PAFA Scope shall issue a written request to ~~Xoserve~~ [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.

~~Xoserve~~ [The Gas Transporters](#) shall provide an acknowledgement of receipt of the Change Order to the originator.

2.2 Change Order evaluation at PAC

~~Xoserve~~ [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.

~~Xoserve~~ [The Gas Transporters](#) and the PAC shall discuss the Change Order to determine the next actions to be undertaken.

~~Xoserve~~ [The Gas Transporters](#) shall provide a response to the originator advising the outcome of the PAC review.

2.2.1 PAC review outcomes

The PAC review outcomes are as follows:

- a) Reject Change Order
- b) Accept Change Order and proceed to the next stage

- c) Suspend Change Order. Request ~~Xoserve~~ [the Gas Transporters](#) and the originator discuss the Change Order further to enable the PAC to make a final decision.

2.3 Evaluation Quotation Report

Where the PAC accept the Change Order, ~~Xoserve~~ [the Gas Transporters](#) shall prepare an Evaluation Quotation Report (EQR). Once it is complete, ~~Xoserve~~ [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 ~~Xoserve's~~ [the Gas Transporters](#) understanding of the Change Order;
- ~~Xoserve's~~ [the Gas Transporters'](#) initial view of whether and (if relevant) how the Service Change can reasonably be implemented; and,
- if ~~Xoserve's~~ [the Gas Transporters'](#) initial view is that the Service Change could reasonably be implemented, the EQR will also set out:
 - ~~Xoserve's~~ [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 ~~Xoserve has~~ [the Gas Transporters have](#) determined that ~~it~~ [they](#) needs to recover the costs of preparing the BER, a quotation for such costs; and
 - any initial view that ~~Xoserve~~ [the Gas Transporters](#) may have of potential likely changes to the Services Schedule and the PAFA costs.

2.4 Agreeing the Evaluation Quotation Report

- 2.4.1 If the EQR states that, in ~~Xoserve's~~ [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.
- 2.4.2 If the EQR states that, in ~~Xoserve's~~ [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 ~~Xoserve~~ [the Gas Transporters](#) to complete the BER) in accordance with its then prevailing terms of reference. The PAC will notify ~~Xoserve~~ [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 ~~Xoserve~~ [the Gas Transporters](#).

2.5 Preparation of Business Evaluation Report

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

- whether, after further business analysis, ~~Xoserve the Gas Transporters~~ still considers that the Change can reasonably be implemented;
- and if ~~Xoserve the Gas Transporters~~ still considers 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 ~~Xoserve 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.

2.6 Agreeing the Business Evaluation Report

If the BER states that, in ~~Xoserve’s 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 ~~Xoserve’s 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.

2.7 Development and Implementation

If the PAC agrees and approves the BER, ~~Xoserve 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](#)~~Xoserve~~ will proceed to implement the chosen Design Option and the changes to the Service Schedules as set out in the BER shall be made.

~~Xoserve~~[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

[still to be done – draft the templates – CO, EQR, BEO, BER]

Appendix 1

Performance Assurance Framework Change Order Form

{Title}

Please send completed CO Form to [tbc]

<u>Admin Details</u>	
<u>Change Title</u>	
<u>Submission date</u>	
<u>Originator organisation</u>	
<u>Organisation representative</u>	
<u>Change reference number</u>	<u>[provided by PAFA]</u>

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.}

Draft 506A

Schedule 4 ~~Key~~ Performance Indicators

1. Performance Indicators

1.1 The Performance Indicators and the Services to which they apply are set out in the following table.

~~[Question, does any priority need to be put against these]~~

1.2 The ~~Service Provider~~Gas Transporters 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.

1.3 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.

1.4 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 ~~X~~serve the Gas Transporters and the PAC) before a new performance standard can be set for the Performance Indicator.

Performance Indicators				
To be developed based upon Schedule 2 and where required schedule 3				