

Uniform Network Code Committee

Performance Assurance Committee Terms of Reference

[Note: v0.3(c) has voting – group and constituent basis]

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 Members, with others permitted to attend as required in an observer role.

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 (PAC User Members) and {5} Gas Transporter representatives (PAC GT Members). ~~(one of which may be an independent Gas Transporter representative)~~. Each representative is a PAC Member. Each PAC Member is a voting member

PAC GT Members are from any of the Distribution Networks and independent Gas Transporters, but not from National Grid NTS.

~~User representatives~~ PAC User Members are elected ~~{annually}~~ on the 1st October and at other times when vacancies occur. These elections are conducted by the Gas Forum.

~~Any matters requiring agreement of the PAC will be made via general consensus of the PAC. In the event that formal voting arrangements are required to be developed, these will be developed by the PAC, the relevant documents updated, and submitted to the UNCC for approval.~~

PAC ~~committee~~ 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 PAC Member per company ~~[licence?]~~ and it is recommended that PAC Members should have at least ~~{3}~~ years gas settlement knowledge and experience.

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

A PAC 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. The meeting will be quorate where there are at least two ~~User~~ PAC User Members and two ~~Gas Transporters~~ PAC GT Members with a minimum of six PAC Members in attendance.

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 Decision making

Where the meeting is quorate, all decisions affecting both PAC User Members business and PAC GT Members business shall be made by simple majority of PAC Members or their nominated alternate. Where such agreement is not obtained, the Chairman shall submit the matter to the Uniform Network Code Committee for consideration.

Where the meeting is quorate, all decisions affecting only PAC User Members business shall be made by simple majority of PAC User Members or their nominated alternate. In the event of a stalemate there is no further escalation. The decision as to whether a matter is a PAC User Member business only shall require a unanimous vote of PAC Members, before such matter is put to the PAC User Members.

Where the meeting is quorate, all decisions affecting only PAC GT Members business shall be made by simple majority of PAC GT Members or their nominated alternate. In the event of a stalemate there is no further escalation. The decision as to whether a matter is a PAC GT Member business only shall require a unanimous vote of PAC Members, before such matter is put to the PAC GT Members.

PAC Members are permitted to appoint alternates to attend on their behalf and a single alternate may represent more than one (1) PAC Member. Nominations of alternates should be made to the Joint Office of Gas Transporters in writing, or by email, in advance of the meeting.

2.42.5 Roles and responsibilities of Performance Assurance Committee

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
 - o ~~{Annually}~~, conduct a consultation on the effectiveness of the framework and the submission of a report of findings to the PAC
 - o The maintenance of report specifications as required
 - o 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 changes to services.
- Review the performance assurance framework administrator response to a change request and instruct the performance assurance framework administrator as the PAC see fit.