

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 (the 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. From time to time, the PAC may invite other individuals to attend, in a non-voting capacity. In respect of any such individual, the PAC may, from time to time, determine that such individual be excluded from all or part of a meeting of the PAC.

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 meter points connected to it.

2.2 Performance Assurance Committee structure

The PAC comprises 5 User representatives and 5 Gas Transporter representatives. Each representative is a PAC Member. Each PAC Member is a voting member

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

User PAC Members are elected annually for appointment on the 1st October and at other times when vacancies occur. These elections will be conducted by the Designated Person.

PAC Members are representatives in their own right and do not represent the company by which they are employed. The Designated Person election rules permit no more than one User PAC Member per company.

It is recommended that all PAC Members should have at least 3 years relevant gas industry 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. Alternates need not necessarily come from the same company as the PAC member, but it is recommended that any alternate will have at least 3 years relevant gas industry knowledge and experience. A single alternate may represent more than one (1) PAC Member.

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 Members and two Gas Transporters PAC 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 **business 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 shall be made by simple majority of PAC Members or their nominated alternate. PAC members may vote for or against a proposal, any abstention shall not count towards the simple majority count. Where such agreement is not obtained, the Chairman shall submit the matter to the Uniform Network Code Committee for consideration.

2.5 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 (PAFA) 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 PAFA performance assurance framework administrator to deliver services to and on behalf of the PAC, to a recognised quality standard
- Set, and agree with the PAFA performance assurance framework administrator, the scope of the PAFA performance assurance framework administrator role for the forthcoming Performance Assurance Framework Year and provide this to the performance assurance framework administrator PAFA 4 months before the start of the Performance Assurance Framework Year. Note: the performance assurance framework administrator PAFA 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 PAFA to determine costs and provide a cost estimate range.
- Review the performance assurance framework administrator PAFA Performance Assurance Framework Year cost estimate range within 1 month of receipt and revise, and agree with the performance assurance framework administrator PAFA, any change in scope to the performance assurance framework administrator PAFA role.
- Receipt of Performance Reports from the performance assurance framework administrator PAFA

- Interpretation and review of performance report results
- To enlist external expertise to aid in their consideration of issues which are deemed material under the ~~R~~Risk ~~R~~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~~PAFA, whether they are material enough for inclusion in the ~~R~~Risk ~~R~~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-determine~~ 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~~PAFA, the determination of industry performance targets, for any forthcoming period
- Submit requests to the ~~performance assurance framework administrator~~PAFA for any changes to services.
- Review the ~~performance assurance framework administrator~~PAFA response to a change request and instruct the ~~performance assurance framework administrator~~PAFA as the PAC see fit.