

Performance Assurance Committee Constitution Document

Prepared and maintained by

the Uniform Network Code Committee and the Performance Assurance Committee

V1.0

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1.0 Change History

Version	Date	Reason for update
1.0	April 2020	Document created by UNC0674
2.0		
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2.0 Document Controls

Reviewer	Role	Responsibility	Date

3.0 Change Process

Amendments to this document may only be made with consent of the UNCC following approval of any proposed change by the Performance Assurance Committee.

4.0 Acronyms and Definitions

4.1 Acronyms used in this document:

PAC	Performance Assurance Committee
PACCD	Performance Assurance Committee Constitution Document
PACFD	Performance Assurance Committee Framework Document
PAFA	Performance Assurance Framework Administrator
PAT	Performance Assurance Technique
PAO	Performance Assurance Objective
CDSP	Central Data Services Provider
GT	Gas Transporter
IGT	Independent Gas Transporter
NTS	National Transmission System
UNC	Uniform Network Code
UNCC	Uniform Network Code Committee

4.2 Definitions used in this document:

The following terms shall have the following meanings:

‘Confidential Information’

means all information provided to PAC unless otherwise stated

‘Employer Assurance Document’

means a document signed by an Office Bearer of the employer of the Performance Assurance Committee (PAC) Member assuring that the PAC Member can attend PAC meetings and that they are attending and voting at PAC meetings in the interest of the GB gas market and that they will not be representing any commercial interest or commercial body

‘Gas Settlement’

means the allocation and reconciliation of gas at supply point level

‘Performance Assurance Committee Member - Confidentiality Agreement’

means a document signed by the Performance Assurance Committee Member assuring that they are attending and voting at Performance Assurance Committee meetings in the interest of the GB gas market and that they will not be representing the commercial interest of any commercial body and that they will not divulge confidential matters nor confidential information.

‘Performance Assurance Committee Document’

means the series of documents detailed in Section 8 of this Framework Document, prepared and maintained to support the general operation of the Performance Assurance Scheme. These documents are governed by the Performance Assurance Committee

‘Performance Assurance Framework Document’

Is a Performance Assurance Committee controlled document that sets out methods by which the PAC will work to achieve its objectives.

‘Performance Assurance Framework (PAF) Year’

means the year commencing on 01 October each year

‘Performance Assurance Framework Administrator Scope’

means the scope of works set by the Performance Assurance Committee and agreed with the Performance Assurance Framework Administrator (PAFA) as set out in Document 4

‘Performance Assurance Party’

means the party subject to performance assurance as described in section 6.0 of the PACFD

‘Performance Report(s)’

means a report or reports defined in the Performance Report Register

‘Performance Report Register’

means the register of agreed reports defined in PACFD 1

‘Report Specification’

means the report specification defined in PACFD 1

‘Risk Register’

means the register of risks defined in PACFD 3.

‘Shipper’

has the meaning as ‘Shipper User’ as described in UNC GTB2.2.1(a)

‘Transporter’

has the meaning as described in UNC GTB2.1.3

5.0 Performance Assurance Objective

The Performance Assurance Committee shall work to achieve the performance assurance objective as defined in section V16.2.1 of the UNC:

‘The Performance Assurance Objective is the objective, in the context of a Party complying with its LDZ Settlement related obligations, of the Party undertaking its obligations in such a manner as not to prejudice accurate and timely settlement’

5.1 Roles and responsibilities of Performance Assurance Committee

The PAC shall perform the functions ascribed to it UNC V16.4;

- The establishment and maintenance of the Performance Assurance Framework Document
- The monitoring of each party’s performance in relation to the Performance Assurance Objective
- Preparation and publication of Performance Assurance Reports
- The implementation and administration of Performance Assurance Techniques; and
- Such other functions as may be delegated to it by the UNC committee

6.0 Performance Assurance Committee

6.1 Composition of PAC Membership.

The PAC will be made up of members who together provide expertise across Gas Settlement, including experience within the different types of organisation that are assured under the PAC.

Its membership shall encompass different roles within Gas Settlement and different categories of business within each role.

PAC have the authority to recommend changes to membership where it has identified absence of particular skills or experience and seek UNCC approval for any such proposals.

PAC may, at any time, make recommendations to UNCC on elections, membership and terms to provide for continuity and breadth of experience, to maximise the ability of PAC to assess the impact of performance on Energy settlement accuracy; and to ensure continuity in engagement with Parties and deployment of techniques.

The PAC comprises of a Shipper and Transporter constituency. The Shipper constituency comprises of 9 Shipper User Members, all of whom have voting rights and the Transporter constituency comprises of 3 Transporter-appointed Members (comprising 2 large distribution Transporters and 1 AIGT nominee), all of whom have voting rights.

NTS will not have membership rights.

Ofgem will have the right to provide a PAC representative, at their own discretion, who will be in an advisory capacity only. Ofgem shall advise the Joint Office of their nominated representative on an annual basis or less frequently in the event of no change to the representative. For the avoidance of doubt, the Ofgem representative is not a PAC Member.

6.2 Shipper member appointment process

Shipper members of the PAC shall be appointed using the guidelines as defined in the UNC governed document:

‘Uniform Network Code Panel, Uniform Network code committee (UNCC), Sub-Committees and Data Services Contract (DSC) Committees - Guidelines for the User Representative Appointment Process’

<https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/page/2019-06/UNC%20User%20Representative%20Appointment%20Process%20v3.0.pdf>

7.0 Performance Assurance Committee Structure

For PAC to fulfil its role under the PAF, its membership must behave in a manner that is consistent with the principles of the PAF and the duties of the PAC.

Shipper members of the PAC shall be appointed using the guidelines as defined in the UNC governed document:

'Uniform Network Code Panel, Uniform Network code committee (UNCC), Sub-Committees and Data Services Contract (DSC) Committees - Guidelines for the User Representative Appointment Process'

PAC Members are representatives in their own right and do not represent the company by which they are employed.

All PAC Members and their alternates will be required to sign the following documents to assure that the Member will be attending and voting at the PAC in the interests of the GB gas industry and not representing any commercial interest or commercial body or interest group:

- Letter of Confirmation
- Letter of agreement from Company Employing a committee member
- And if applicable, Letter of Agreement from company nominating a committee member

The documents listed above are controlled by the PAC and can be found in the PACFD.

7.1 Committee members and alternates

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

Alternates need not necessarily come from the same company as the PAC Member. It will be for the PAC Member to consider the suitability of their alternate, in respect of experience and understanding of the issues that the PAC will deal with. No members serving on a PAC on any date may be employed by the same company.

A single alternate may not represent more than one (1) PAC Member, unless a quorum cannot be achieved without this happening.

8.0 Member Impartiality

PAC Members are appointed, and they are:

- To provide support to the PAC in assuring gas Settlement.
- Expected to exercise their duties in an impartial and independent manner.
- Not representatives of their organisations or of their organisation's interests while sitting on PAC.

9.0 Declarations of interest in PAC business

PAC members are required to declare relevant matters in which they have an interest such defined in UNC V16.3.as:

- PAC business which concerns a member's employer, an affiliate of their employer
- The application of any performance assurance technique to a member's employer or any affiliate of their employer

PAC members are required in such circumstances to:

- Declare their interest to the PAC and PAFA as soon as they become aware of it
- Not participate in decision-making concerning the interest (including discussions and voting)

10.0 Non-Disclosure of PAC business

As per UNC V16.3.10, all PAC members will treat all PAC business as confidential unless PAC, having regards to its mission and objectives as defined in 5.0 of this document, determines in writing, to treat a piece of business as non-confidential.

The duty of PAC members to not disclose confidential PAC business endures beyond the PAC member's appointment term.

PAC members will be required to sign a non-disclosure agreement (letter of confirmation as found in PACFD) to this effect.

11.0 Consequences of not declaring an interest or of disclosure of business

This is a material breach of the member's obligations toward the PAC.

If the PAC or the PAFA becomes aware of a possible breach of a member's obligations, it shall refer the matter to the UNCC, along with all relevant evidence, including, but not limited to, information on the materiality of the breach, its wilfulness and any other breaches that have occurred or that it believes to have occurred.

The UNCC shall, having regard to the circumstances, including the materiality of the breach, its wilfulness, and any other breaches of which it is aware, determine an appropriate action, including, but not limited to:

- A written warning to both the member and their organisation, setting out the breach and reminding both of member obligations to the PAC
- Removal from the PAC
- Referral to the Authority

12.0 PAC Terms of reference

12.1 General

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

The PAC meetings are chaired and administrated by the Joint Office of Gas Transporters '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 for all or part of the meeting of the PAC. Ofgem shall be entitled to send a nominated representative to the meeting, who (for the avoidance of doubt) will attend in a non-voting capacity and shall not be excluded from any part of the meeting.

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.

12.2 Meetings

The PAC endeavours to meet on a monthly basis and may decide to meet more or less frequently as required. The PAC have the authority to call urgent or short notice meetings if deemed necessary. The meeting will be quorate where there are at least four Shipper User PAC Members and two Transporters (DNO and/or IGT) PAC Members present with a minimum of six PAC Members in attendance.

The Code Administration Code of Practice shall apply to the conduct of the meetings.

Information to be used within meetings will be provided to PAC Members, the Joint Office and the Ofgem representative via a secure web portal. Such information shall not be downloaded by the Ofgem representative and all PAC.

Members, the Joint Office and Ofgem shall treat all information as confidential unless it is clearly marked otherwise.

The default is PAC meetings are 'closed' to non-Members. PAC Members can agree to hold 'open' meetings.

With agreement of the Chairperson, and for the purposes of developing the PAC arrangements, PAC Members can invite 3rd parties and non-members to the meeting

12.3 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 Chairperson shall submit the matter to the Uniform Network Code Committee for consideration.

13.0 PAC controlled documents

The UNCC give the PAC the authority and control over the following documents;

- Document 1: Performance Assurance Reports Register (PARR)
- Document 2: The Risk Register
- Document 3: PAC letters of confirmation and company agreement
- Document 4: PAFA scope