

UNC Workgroup 0453 Minutes Project Nexus – Demand Estimation

Monday 30 September 2013

at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Corby	(DC)	National Grid NTS
Ed Hunter	(EH)	RWE npower
Elaine Carr	(EC)	ScottishPower
Fiona Cottam	(FC)	Xoserve
Huw Comerford	(HC)	Utilita
Jonathan Kiddle*	(JK)	EDF Energy
Julie Varney*	(JV)	National Grid Transmission
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Robert Cameron-Higgs*	(RCH)	first utility
Steve Mulinganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tabish Khan	(TK)	British Gas
Tim Davis*	(TD)	Joint Office

* via teleconference

1. Introduction

BF welcomed all to the meeting.

1.1 Review of Minutes

EC pointed out a typographical error contained within the second paragraph of the DESC Proposed Algorithm and Associated Issue discussion on page 2, whereby there appears to be a superfluous 'the to' in the statement ".....It was noted that ~~the to~~ the algorithm should coincide.....". Thereafter, the minutes of the previous meeting were accepted.

1.2 Review of Actions

Action 0453 09/01: Xoserve (AM) to seek to provide a theoretical model to demonstrate how the algorithm(s) may be change managed in future.

Update: AM advised that he expects to undertake further consideration of this matter in due course. **Carried Forward**

Action 0453 09/02: E.ON UK (SB) to provide views on the potential impacts on Shippers should Project Nexus and the new algorithm 'go live' after the start of a gas year.

Update: In the absence of SB, FC explained that she had spoken with both Sallyann Blackett (E.ON) and Mo Rezvani (SSE), and that whilst Sallyann is of the opinion that this is not really a significant issue, Mo has requested that she (FC) provides a view at the forthcoming DESC meeting. When asked if this slight delay in resolving this matter could possibly impact upon the work being undertaken by this Workgroup, FC suggested that it should not prevent the continued development of the legal text or subsequent Workgroup Report preparation. SM requested that DESC clarify that in their view there is no material impact involved so that the assessment can be included within the WGR. CW advised that any DESC view would need to be provided by 22 October at the latest.

Whilst there was little appetite to revisit the debate within this Workgroup, as it was felt by some that a simple DESC statement would be sufficient, it was acknowledged that any DESC member participation in 0453 would be welcomed.

It was then agreed to assign the action to FC to seek a view from DESC. **Carried Forward**

2. Review Legal Text Update

Opening, CW explained that the intention is for the relevant ancillary documents to accompany the legal text when the modification is finally presented to Ofgem for a decision, whilst FC pointed out that the draft legal text for UNC TPD Section H now identifies the NDM Demand Estimation Methodology document, with the document itself providing the next level of detail.

NDM Demand Estimation Methodology document review

FC provided a brief overview of the methodology document during which she advised that whilst the algorithm is included within the document, it would also still sit within the Code. However, she asked that it be noted that the document does not provide for an 'end to end' detailed breakdown – it is more akin to a framework document that 'catches' those elements of TPDH that would be coming out of the Code.

Focusing attention on paragraph 4.2, FC explained that it is envisaged that the 'NDM Algorithm booklet' would continue to exist in the new post Project Nexus world.

FC went on to explain that whilst she is not expecting sign off for this document at this meeting she would welcome feedback. When asked, CW suggested that any feedback should be provided by 14/15 October to enable consideration at the 22 October meeting.

Action 0453 09/03: All parties to review the NDM Demand Estimation Methodology document and provide feedback by no later than 15 October 2013.

4. Any Other Business

Benefits Case Cross Referencing

A short debate took place as to whether or not it would be acceptable for Modification 0453 to point to the 0432 benefits case, or does 0453 need to have its own justification. Responding, BF pointed out that under the modification rules, each modification should have its own cost/benefits assessment so that it may be assessed on its own merits. Having said that, it was recognised by this Workgroup that Modification 0453 is simply an enabling modification supporting Modification 0432.

TD warned against having no specific benefits case for 0453 and as a consequence, it was agreed to amend the Modification 0432 benefits to include Modification 0453 and appended to this modification.

5. Diary Planning

The following meetings are scheduled to take place during 2013:

Meeting	Date	Location
Project Nexus Workgroup (inc. 0432, 0434 and 0453 Workgroups) – <i>dedicated relevant objectives review meeting.</i>	16/10/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.
Project Nexus Workgroup (inc. 0432, 0434 and 0453 Workgroups) – <i>draft Workgroup Reports development meeting</i>	22/10/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.
Project Nexus Workgroup (inc. 0432, 0434 and 0453 Workgroups)	30/10/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.
Project Nexus Workgroup (including 0432, 0434 and 0453 Workgroups) – <i>completion of Workgroup Reports meeting.</i>	07/11/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0453 09/01	10/09/13	2.	To seek to provide a theoretical model to demonstrate how the algorithm(s) may be change managed in future.	Xoserve (AM)	Update to be provided. Carried Forward
0453 09/02	10/09/13	2.	To provide views on the potential impacts on Shippers should Project Nexus and the new algorithm 'go live' after the start of a gas year.	Xoserve (FC)	Update to be provided. Carried Forward
0453 09/03	30/09/13	2.	To review the NDM Demand Estimation Methodology document and provide feedback by no later that 15 October 2013.	All	Update to be provided.