

“Review of Demand Estimation UNC Section H Processes and Responsibilities”

Review Group (UNC0280) Minutes

Friday 05 February 2010

31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	BF Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD Joint Office of Gas Transporters
Alison Chamberlain	AC National Grid Distribution
Colin Thompson*	CT Scotia Gas Networks
Gavin Stather	GS ScottishPower
Fiona Cottam	FC xoserve
Jonathan Aitken	JA RWE npower
Linda Whitcroft	LW xoserve
Louise Hellyer	LH Total Gas & Power
Mark Perry	MP xoserve
Matthew Jackson	MJ Centrica
Mo Rezvani	MR SSE
Richard Pomroy	RP Wales & West Utilities
Sallyann Blackett	SB E.ON UK
Simon Geen	SG National Grid NTS

** by teleconference*

1. Introduction and Review Group Operation

BF welcomed members to the first meeting and explained that this meeting was to discuss the proposed Terms of Reference and agree a time management plan for the operation of the Review Group. The intention is to hold monthly industry meetings to discuss the proposal and produce a Review Group Report for consideration by the UNC Modification Panel by 15 July 2010.

2. Outline of Proposal

SB gave a brief overview of its background and objectives. Demand Estimation processes as outlined in UNC TPD Section H have remained essentially unchanged since the inception of the Network Code. The profiling and capacity estimation parameters and seasonal normal CWV derivations and their use were set out at a time when all expertise for gas allocation resided within Transco, now National Grid.

The industry has continued to evolve, to a point where Shipper organisations bear the impacts from the allocation mechanism, and now have a vested interest in ensuring the process and parameters operate smoothly and are as accurate as possible. Responsibilities laid down in UNC now appear to be

inappropriately weighted toward Transporters, who endure less impact in this area.

Recognition of climate change has meant that Shippers are spending increased time and resources assessing impacts, and many now have meteorologists and expert forecasters embedded within their organisations and can field a greater level of expertise in this area.

In parallel with these developments, over the past few years there have been comments in the annual Shipper representations highlighting the growing perception that the consultation process as referred to in UNC TPD Section H appears to be ineffectual from the Shippers' standpoint, and the most recent operation of which has led to increased tension and exposed the current process to calls for urgent review.

It is believed that this section of UNC would benefit from focused industry review, with the aim of developing more appropriate processes and responsibilities to match current industry requirements, and to provide a sound basis for positive industry co-operation.

3. Consider Terms of Reference

The draft Terms of Reference were considered and discussed. It was pointed out that it was not the intention to rewrite the algorithms contained within UNC TPD Section H; however, following further discussion the Proposer was reluctant to exclude any other areas from potential review at this stage.

Action RG0280 001: Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website. Comments to be submitted to the Joint Office by Friday 12 February 2010.

It is intended to submit the finalised Terms of Reference to the February 2010 UNC Modification Panel for approval.

Action RG0280 002: SB to review UNC TPD Section H and define and prioritise areas of particular concern, and provide in advance of the next meeting.

4. Review Group Process

It was agreed that the Review Group would examine identified issues and consider potential solutions, over a number of meetings.

The following Work Programme was agreed:

Meeting 2: High level review of UNC TPD Section H
Discussion of issues identified.

Meeting 3: Discussion and evaluation of
a) Annual Work Processes
b) Non Annual Work Processes

Including roles and responsibilities, associated consultation processes, timescales, mechanisms for change, etc.

Meeting 4: Governance Processes, including definition of consultation and appropriate escalation routes; role of DESC and UNCC.

Meeting 5: Review of progress; review/approval of any draft Modification Proposals, provisional recommendations and draft Review Group Report.

Meeting 6: Finalise Modification Proposals; agree/finalise recommendations and approve Review Group Report.

5. Diary Planning for Review Group

Monthly meetings will be arranged to facilitate the Work Programme as appropriate.

The next meeting will take place at 10:00 on Friday 26 February 2010 in the Alpha Room, Renewal Conference Centre, Lode Lane, Solihull B91 2JR.

Meeting	Date	Time	Venue
2	Friday 26 February 2010	10:00	Alpha Room, Renewal Conference Centre, Lode Lane, Solihull B91 2JR
3	Monday 15 March 2010	10:00	Conference Room 6, 31 Homer Road, Solihull
4	Monday 19 April 2010	10:00	Conference Room 5, 31 Homer Road, Solihull
5	Tuesday 18 May 2010	10:00	Conference Room 6, 31 Homer Road, Solihull
6	Monday 14 June 2010	10:00	Room 4, Energy Networks Association, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

6. AOB

None raised.

Review Group 0280 Action Log: 05 February 2010

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0280 0001	05/02/10	3.0	Amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website. Comments to the JO by Friday 12 February 2010, prior to submission to the UNC Modification Panel.	JO (BF)	Pending
RG028 0002	05/02/10	3.0	Review UNC TPD Section H defining and prioritising areas of particular concern, and provide in advance of the next meeting.	Proposer (SB)	Pending