

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

Review Group (UNC0280) Minutes

Friday 23 July 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
Chris Warner	CW	National Grid Distribution
Colin Thomson	CT	Scotia Gas Networks
Dave Parker*	DP	EDF Energy
Fiona Cottam	FC	xoserve
Gavin Stather	GS	ScottishPower
Joseph Lloyd	JL	xoserve
Linda Whitcroft	LW	xoserve
Louise Hellyer	LH	Total Gas & Power
Matthew Jackson	MJ	British Gas
Sally Lewis	SL	RWE npower
Sallyann Blackett	SB	E.ON UK
Simon Geen	SG	National Grid NTS

** via teleconference*

1. Introduction and Review Group Operation

BF welcomed members to the seventh meeting, which was quorate.

1.1. Review of Minutes from previous meeting

The minutes of the previous meeting were approved.

1.2. Review of actions from previous meetings

Action RG0280/005: Collate list of concerns into the Review Group Report.

Action Update: Ongoing. **Carried forward**

Action RG0280/017: Transporters to give consideration to any costing/financing elements to be included in the ToRs.

Action Update: Under consideration. **Closed**

Action RG0280/020: xoserve to consider what data could be published to obviate the need for ‘validated sample requests’, and whether this could be provided in disaggregated form, that was not commercially sensitive.

Action Update: LW gave a brief presentation, effectively confirming that this could be done. UNC TPD H1.8.2 would need to be amended to reflect any agreed new arrangements. It could be provide in disaggregated form, assuming anonymity of sites could be maintained. **Closed.**

Action RG0280/021: xoserve to consider what the current budget/resource allows and establish if there is any room for manoeuvre going forward.

Action Update: LW gave a brief presentation summarising the current workloads in each Quarter and indicating where, under the current regime, there may be some room for other ad hoc tasks. There was a short discussion of what ad hoc might actually mean and what might therefore be required to support any such additional tasks. Without knowing the current contracted commitments/level of resourcing and whether this was already at full stretch, it was hard to gain an understanding of what Shippers might have to commit to, in order to offer resource/support in this area. LW pointed out that it was difficult to establish the exact man hours required but she would see if it could be broken down further. It was agreed that a new action would be established and that this one would be closed. **Closed.**

New Action RG0280/021A: xoserve to establish the number of man hours required to carry out the current analysis workload.

2. Review Group Discussion

2.1. Review of progress

2.2.1 Draft Modification Proposal

SB had produced a draft Modification Proposal for discussion. Outlining the intent, she explained that it was not designed to be overly prescriptive, and had hopefully captured the essential points that had been identified and discussed at the Review Group meetings.

The draft was then discussed in more detail and suggestions for improvement were offered. These included:

- More clarification required on what exactly was to be changed/removed/added in UNC TPD Section H (include some suggested drafted text).
- More clarification on the activities that would be taken over by the proposed Expert Group.
- Clearly defined parameters/framework for activities/analysis.
- More clarity on the concept that the modelling ought to be responsive to the actual data.
- More clarity on the actual benefits that would result from any changes made.

- Clarity on any financial cap, so that any Shippers who do not participate in DESC may have some perception of any financial risks/exposure.
- An acknowledgement that separate profiles (currently under discussion) that could require system changes may be brought in, in the future.
- Closer consideration to be given to the relevant objectives and how the proposed changes would improve/enhance these.
- The Terms of Reference should be added as an Appendix.
- The current analysis/outputs be defined in a supporting document.

BF then pointed out that there might be an issue with the perceived imbalance of the proposed Voting Rights, and a brief discussion followed.

There were concerns that xoserve might potentially be forced by a majority decision to undertake expensive work which it may not agree with/have the resources to perform, and how would such a decision might be appealed.

CW acknowledged that Shippers wanted a more inclusive and participative approach to reduce their exposure, but was concerned that the Voting Rights appeared to be heavily weighted towards the Shipping community. SG pointed out that Transporters were also subject to direct costs, indirect costs (eg system changes) and the obligation to deliver an outcome.

DP responded that if the Expert Group was acting in a responsible and unbiased fashion he could not envisage reaching such a situation whereby a party would be expected to be committed to or deliver an impossible outcome. If it were physically impractical then no one would be voting for it. SB added that the objective of sensible solutions arrived at through the industry group should preclude this position ever being reached. GS added that if ever a party believed it was being forced to do something that was impossible because of system constraints or resource issues then the Expert Group and DESC should be made aware, and a solution reconsidered.

SG pointed out that certain existing dates and deadlines might need closer consideration were they to be included/amended in the Proposal. SB was not intending to include timestamps or constraints within the Proposal, apart from having to be mindful of system implications.

SB agreed to reconsider the balance of the Voting Rights. More feedback to SB would be welcomed, and SB in liaison with CW and BF will review and revise the Proposal.

Action RG0280/022: SB, CW and BF to review and revise the draft Modification Proposal.

2.2.2 Provisional Recommendations

To be considered at the next meeting.

2.2.3 Draft Review Group Report

BF had provided a draft Review Group Report for inspection in advance of the meeting. This will be considered at the next meeting.

3. Review Group Process

Referring to the Work Programme and progress made to date, it was agreed that the following topics would be covered at the next meeting:

Meeting 8: Review of progress: review/approval of any draft Modification Proposal(s), provisional recommendations and draft Review Group Report.

4. Any Other Business

None raised.

5. Diary Planning for Review Group

Monthly meetings have been arranged to facilitate the Work Programme.

The next meeting will take place on Tuesday 14 September 2010 in Conference Rooms 5, at 31 Homer Road, Solihull B91 3LT.

Meeting		Date	Time	Venue
8	Review of progress; review/approval of any draft Modification Proposals, provisional recommendations and draft Review Group Report.	14 September 2010		To be confirmed
9	Finalise Modification Proposals; agree/finalise recommendations and approve Review Group Report.	To be confirmed		To be confirmed

Review Group 0280 - Action Log

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0280 005	26/02/10	3.0	Collate list of concerns into the Review Group Report.	Joint Office (BF)	Ongoing Carried forward
RG0280 017	19/04/10	3.1.3	Transporters to give consideration to any costing/financing elements to be included in the ToRs.	Transporters	Closed
RG0280 020	14/06/10	2.2	xoserve to consider what data could be published to obviate the need for 'validated sample requests', and whether this could be provided in disaggregated form, that was not commercially sensitive.	xoserve (MP/LW)	Closed
RG0280 021	14/06/10	2.2	xoserve to consider what the current budget/resource allows and establish if there is any room for manoeuvre going forward.	xoserve (MP/LW)	Closed
RG0280/021A	23/07/10	1.2	xoserve to establish the number of man hours required to carry out the current analysis workload.	xoserve (LW)	
RG0280 022	23/07/10	2.1.1	SB, CW and BF to review and revise the draft Modification Proposal.	E.ON (SB), NG UKD (CW), and JO (BF)	