

Workgroup 0331 Minutes

Demand Estimation Section H Changes to Processes and Responsibilities

Friday 01 July 2011

31 Homer Road, Solihull B91 3LT

Attendees

Tim Davis (Chair)	TD	Joint Office
Lorna Dupont (Secretary)	LD	Joint Office
Brian Durber	BD	E.ON UK
Cesar Coelho*	CC	Ofgem
Chris Warner	CW	National Grid Distribution
Joe Lloyd	JL	Xoserve
Joel Martin	JM	Scotia Gas Networks
Linda Whitcroft	LW	Xoserve
Mark Perry	MP	Xoserve
Sallyann Blackett	SB	E.ON UK
Simon Geen	SG	National Grid NTS

*via teleconference

1.0 Introduction

Meeting documentation can be found at www.gasgovernance.co.uk/0331/010711

TD welcomed attendees to the meeting. At its June meeting, the UNC Modification Panel determined that a Workgroup should be requested to consider the legal text and provide a report to the July Panel.

2.0 Legal Text Review

The group reviewed the legal text and considered and discussed suggested changes. JM and SB explained why each of the amendments had been made and how the resulting text sought to reflect the intent of the modification.

CW expressed concern that the modification referred to DESC but the legal text referred to 'relevant Sub- committee'. SB countered that the advice from the Transporters had been that it is only possible to refer to relevant sub-committee, and the Modification does in fact explain this – saying that references to DESC assume it will be the relevant committee. JM explained that, in devising the text, it was envisaged that the UNCC would be approached to set up the necessary groups and assign relevant responsibilities. LW commented that the text appears to assign all the decision making to the Expert Group. TD summarised that in order to deliver its remit, UNCC ask DESC, and DESC ask an Expert Group to perform certain tasks/functions to fulfil the proposed obligations.

TD reiterated that the objective in reviewing the legal text was to establish whether it matches the modification as written, not whether it is appropriate (that debate should have taken place at an earlier stage within the Workgroup meetings and parties can submit views on the modification as part of the consultation process).

Paragraph H1.4.3

SB explained that the modification allows for the Expert Group to undertake the analysis. Various suggestions were put forward:

- '*parameter values*' may be better than '*daily values*';
- '*....the methodology for determining daily value will be determined by.....*';
- '*....review and where appropriate revise the formula ...*'
- '*Daily values will be determined...*'

It was questioned whether there was a need to refer back to 1.4.2.

There was a brief discussion on whether the insertion of a further paragraph was required indicating that Transporters should have a default obligation. Currently the UNC says that the Transporters will do the work, and they then task a party to do it. The modification allows for DESC to determine who does it.

The group concluded that 1.4.3 works as intended in the modification.

Paragraph H1.5.3

MP thought this might be considered to be a duplication of 1.5.2, and suggested the two paragraphs might be combined.

General discussion

LW was concerned that there is nothing that gives any specific role to the Transporters, and this may indirectly affect the management of work planning and resources. It was recognised that this is consistent with the modification, which gives no specific role to the Transporters.

CW questioned whether any separate documents associated with the process should be referenced or brought within the UNC. JM acknowledged that the text might need to define Final Proposals.

Paragraph H1.6.6

The removal of the Authority's connection with the consultation was noted. CC indicated that Ofgem's main concern was that the result should be a transparent process.

Paragraph H1.7.1

It was agreed that '*the relevant Sub-committee*' should be reinstated in this paragraph.

Paragraph H1.7.1(c)

SG believed that this should have been deleted to be consistent with the modification; it was agreed to delete (c).

Paragraph H1.7.2

The group briefly discussed where responsibilities should sit. LW was concerned that this paragraph did not reflect the modification and may require rewording. It was suggested that 'update' be replaced with 'implement'. JM noted this for further consideration.

Paragraph 1.8

Concerns were raised regarding the removal of dates from the UNC and the rationale for removal was discussed. SB felt that the current timescales did not operate as, or contribute to, an effective consultation period, and removal of the constraints provided more flexibility to the process – and that was why this had been proposed in the modification.

Paragraph 1.8.2

It was agreed to remove the phrase ‘.....referred to in paragraph 1.8.1(d).....’.

Paragraph 1.8.6

It was agreed that this paragraph was no longer required and should be deleted in its entirety.

Paragraph 1.9.1

It was agreed to change ‘...their final proposals.....’ to ‘...the final proposals’.

LW expressed concerns regarding the timescales and questioned whether Xoserve would have sufficient time to meet the Transporters’ obligations.

It was agreed to consider qualifying this paragraph with the inclusion of the phrases ‘...as provided by the relevant Sub-committee...’ and ‘...in sufficient time ...’ at the appropriate points.

Paragraph 1.9.2

It was agreed to add a reference to paragraph 1.11: ‘....does not determine in accordance with 1.11 any changes to”

Paragraph 1.11

Concerns were raised regarding the apparent lack of an escalation route. SB responded that the default standard UNC practice is to refer any difficulties to the next level up.

It was suggested that it should be made clear what should be done in the event of a tied vote; a further paragraph may be required in this section to clarify the position.

It was suggested that ‘alternates’, as allowed for in the modification, required more specific referencing together with clarity on their specific ability to be able to exercise more than one vote.

Paragraph 1.11.1

Clarity was sought from TD on the various definitions/practices of ‘majority vote’.

JM noted these and would consider removal of ‘*Panel*’ and rewording to reflect the proposed use of a simple majority vote.

Paragraph 2

No comments received.

Paragraph 3

No comments received.

Paragraph 4

No comments received.

3.0 Workgroup Report

Following this meeting, a short report will be submitted to the July UNC Modification Panel. JM will contact the lawyer drafting the text with a view to finalising the text in light of the issues identified during the meeting. Revised text will be made available for the Panel and will be included in the draft Modification Report when issued to consultation.

4.0 Any Other Business

None raised.

5.0 Next Meeting

No further meetings are required.