

## **Terms of Reference Strawman for DESC and Expert Group Version 2.0**

### **1. Uniform Network Code Basis**

The Transportation Principal Document Section H provides for the “*Uniform Network Code Committee or any relevant Sub-committee*” to consider a number of matters relating to demand estimation. The Uniform Network Code Committee has established the Demand Estimation Sub-Committee (DESC) meet as necessary to fulfil the functions set-out in Section H.

General Terms Section B 4.3.4 sets out the matters to be determined by a panel majority of the Uniform Network Code Committee:

- a) Membership and manner of appointment of members
- b) Basis of reporting to Uniform Network Code Committee, Users and Transporters
- c) Procedures for the conduct of business

These three matters are implemented for DESC as follows.

### **2. DESC Members and Appointment**

- a) DESC members are those nominated by shippers and one representative from each transporter listed below:
  - a) National Grid Gas NTS
  - b) National Grid Distribution
  - c) Northern Gas Networks
  - d) Wales and West Utilities
  - e) Southern Gas Networks or Scotland Gas Networks
- b) Each year, shippers on the Uniform Network Code Committee nominate up to nine members. The Joint Office manages the process for nomination on shippers’ behalf. Changes within year may be agreed by shipper members of the Uniform Network Code Committee.
- c) Whilst each Transporter has the right nominate members, xoserve has currently been appointed as an alternate to represent National Grid NTS and all DNs. xoserve is required to state, where appropriate, when it is speaking or acting on behalf of the Transporters in this capacity.
- d) Attendance is open and xoserve, as the service provider, is invited to send one or more representatives for information purposes.
- e) All meetings are chaired by the Joint Office, which also provides a secretary.

### **3. Basis for Reporting**

The Joint Office, on behalf of DESC, reports each month to the Uniform Network Code Committee, following the standard format used by the Uniform Network Code Workstreams except that:

- a) The Topic Status format is used to record progress on any specific issues that do not form part of the typical annual work plan (see Appendix).
- b) The Modification Status format is not used other than to highlight UNC Modification Proposals that might impact the work of DESC .
- c) DESC minutes shall include a summary of the decisions reached by DESC. In particular:
  - i. Composite Weather Variable determination taking account of new weather experience (H1.4.2).
  - ii. Demand model smoothing to derive the seasonal normal values of the Composite Weather Variable (H1.5.2).
  - iii. Report and review of NDM Sampling (H1.6).
  - iv. Annual and any interim evaluation of End User Category definitions and Demand Model performance. (H1.8.1)
  - v. Proposed revision of End User Category definitions and Demand Models and discussion of User representations (H1.8.1 and H1.8.4).
  - vi. Matters arising from the source of weather data such as changes in weather stations.
  - vii. Any other particular issue that may arise in the development or revision of End User Categories and Demand Models (H1.8.6).

Minutes of each meeting are made available to DESC Members, all shippers, members of the Uniform Network Code Committee and all other persons requesting copies.

### **4. Procedures for the Conduct of Business by DESC**

The Chairman's Guidelines apply to the conduct of the meeting.

In principle, meetings shall be open to all but the Chairman may exercise discretion to the extent permitted under the Chairman's Guidelines.

The quorum is at least 3 voting members or their alternates, of which at least two shall be shippers and one transporter.

Members are permitted to appoint alternates to attend on their behalf and a single alternate may represent more than one member.

The Appendix sets out the typical work plan for each year and the standard agenda for committee meetings.

Recommendations from the DESC will be reached by a simple majority of voting members present, or their alternate. Where a recommendation can not be reached as a result of a hung vote DESC will pass the matter to the UNCC

to be resolved. For the avoidance of doubt a hung vote at the UNCC would represent a recommendation to not implement any proposed change.

## **5. Role of DESC**

The main role for DESC will be to review the outcomes and recommendations of the work conducted by the Expert Group, and to act as an escalation route for any disputes arising from the Expert Group. In particular DESC will:

- a) Review the Terms of Reference for the Expert Group and determine on any recommendations to change these Terms of Reference, subject to consultation with the Expert Group.
- b) Review the work and analysis being undertaken by the Expert Group with a view to ensuring that timetables are adhered to for the implementation of any proposed change and a holistic approach is taken to the work being undertaken by the Expert Group.
- c) Raise any particular issues that they believe the Expert group should address and resolve.
- d) Recommend to Users and Transporters whether analysis should be commissioned from industry experts to assess climate change
- e) Determine whether the recommendations from the Expert Group are appropriate and ensure that the approach proposed by the Expert Group represents an economic and efficient solution to the issues being addressed. In instances when the DESC does not determine that the proposed approach is suitable to refer the proposal back to the Expert Group along with an explanation for the DESC's decisions and the areas that they need to be addressed.
- f) In instances when the Expert Group is unable to reach a recommendation as a result of a hung vote DESC will seek to reach a recommendation based on the information that has been provided to it by the Expert Group. In instances when DESC are also unable to reach a recommendation as a result of a hung vote, they will either:
  - i. Refer the issue back to the Expert Group along with an explanation of the information and analysis that the Expert group needs to provide in order for the DESC to reach a recommendation; or
  - ii. Refer the issue to the UNCC along with a summary of the issue, the views expressed and the reason why they were unable to make a recommendation.

## **6. Expert Group Members and Appointment**

- a) Expert Group members are those nominated by shippers and one representative from each transporter listed below:
  - National Grid Gas NTS
  - National Grid Distribution
  - Northern Gas Networks
  - Wales and West Utilities
  - Southern Gas Networks or Scotland Gas Networks

- b) These experts will remain in place until they resign from the expert group, or their employing organisation informs the Joint Office that they are no longer their designated representative.
- c) Nominations to join the expert group will be issued by the Joint Office on an annual basis, with sufficient lead time to ensure that additional members are in place to start at the beginning of the Gas Year.
- d) Whilst each Transporter has the right nominate a member, xoserve has currently been appointed as an alternate to represent National Grid NTS and all DNs. xoserve is required to state, where appropriate, when it is speaking or acting on behalf of the Transporters in this capacity.
- e) Attendance is open and xoserve, as the service provider, is invited to send one or more representatives for information purposes.
- f) All meetings are chaired by the Joint Office, which also provides a secretary.

## **7. Basis for Reporting**

The Joint Office, on behalf of the Expert Group, reports to the DESC as appropriate, following the standard format used by the Uniform Network Code Workstreams except that:

The Topic Status format is used to record progress on any specific issues that do not form part of the typical annual work plan (see Appendix).

The Modification Status format is not used other than to highlight UNC Modification Proposals that might impact the work of the Expert group .

Expert Group minutes shall include a summary of the decisions reached by the Expert Group. In particular:

- a) [*Insert from Expert Group Terms of Reference Strawman*]

Minutes of each meeting are made available to Expert Group Members, all shippers, members of the Uniform Network Code Committee and all other persons requesting copies.

## **8. Procedures for the Conduct of Business by the Expert Group**

The Chairman's Guidelines apply to the conduct of the meeting.

In principle, meetings shall be open to all but the Chairman may exercise discretion to the extent permitted under the Chairman's Guidelines.

The quorum is at least 3 voting members or their alternates, of which at least two shall be shippers and one transporter.

Members are permitted to appoint alternates to attend on their behalf.

Recommendations from the Expert Group will be reached by a simple majority of voting members present, or their alternate. Where a recommendation can not be reached as a result of a hung vote the Expert Group will pass the matter to DESC to be resolved, along with an explanation

of the issue, the matters raised and any explanation as to why the Expert group have been unable to make a recommendation..

## **9. Role of Expert Group**

The Expert group will be a sub-committee of the DESC. Its role will be to conduct the detailed analysis and methodologies required for Demand Estimation purposes under the UNC, in line with the guidance issued by DESC, and make recommendations on these methodologies which will be passed to the DESC for approval. In particular the Expert Group will be responsible for developing an underlying methodology for:

- a) Determining the criteria for assessing the output of any methodology and analysis
- b) undertaking any profile analysis
- c) determining the frequency with which profiles are updated
- d) agreeing recommendations on sample sizes
- e) agreeing recommendations on sample composition
- f) defining the statistical techniques to be used
- g) defining any criteria for decision making through the analysis process
- h) determining what position would be taken if analysis provided insignificant
- i) CWV reviews including determination of frequency
- j) seasonal normal reviews including determination of frequency
- k) ad-hoc analysis
- l) The expert group will oversee any decisions that arise during the analysis.
- m) The expert group will review any methodology and make any necessary changes on a regular basis.
- n) The expert group will be notified who is undertaking the analysis, on what frequency and agree access to data if necessary.
- o) The Expert Group should ensure that it is transparent who is undertaking the analysis and all data used in the process is available for Network Code signatories to replicate the analysis if required.
- p) The expert group will ensure that members are available to consult on any data manipulation or exclusions that are required during analysis and decisions are made on the basis of agreed criteria
- q) The expert group will ensure analysis is published for consultation across the industry and questions responded to in sufficient time to meet system requirements

Appendix  
**Demand Estimation Sub-Committee**  
**Typical Work Plan for a year**

- a) Evaluation of expert group analysis and output including:
  - model smoothing applicability
  - NDM Sampling
  - End User Category definitions
  - Demand Model performance
  - Methodology recommendations
  - Analysis output and recommendations for consultation
- b) Consultation on proposed revision of End User Category definitions and Demand Models.
- c) Response to representations on End User Category definitions and Demand Models and finalisation of proposed revisions.
- d) Changes to weather data and inputs including but not limited to:
  - CWV definitions
  - Weather station changes
  - Weather provider changes
  - Seasonal normal basis
- e) Matters arising from adhoc analysis

**Standard Agenda**

- 1.0 Introduction**
- 2.0 Confirmation of Membership and Apologies for Absence**
- 3.0 Review of Minutes and Actions from Previous Meeting**
- 4.0 Progress of Work Plan**
- 5.0 Revision of Work Plan**
- 6.0 AOB**