

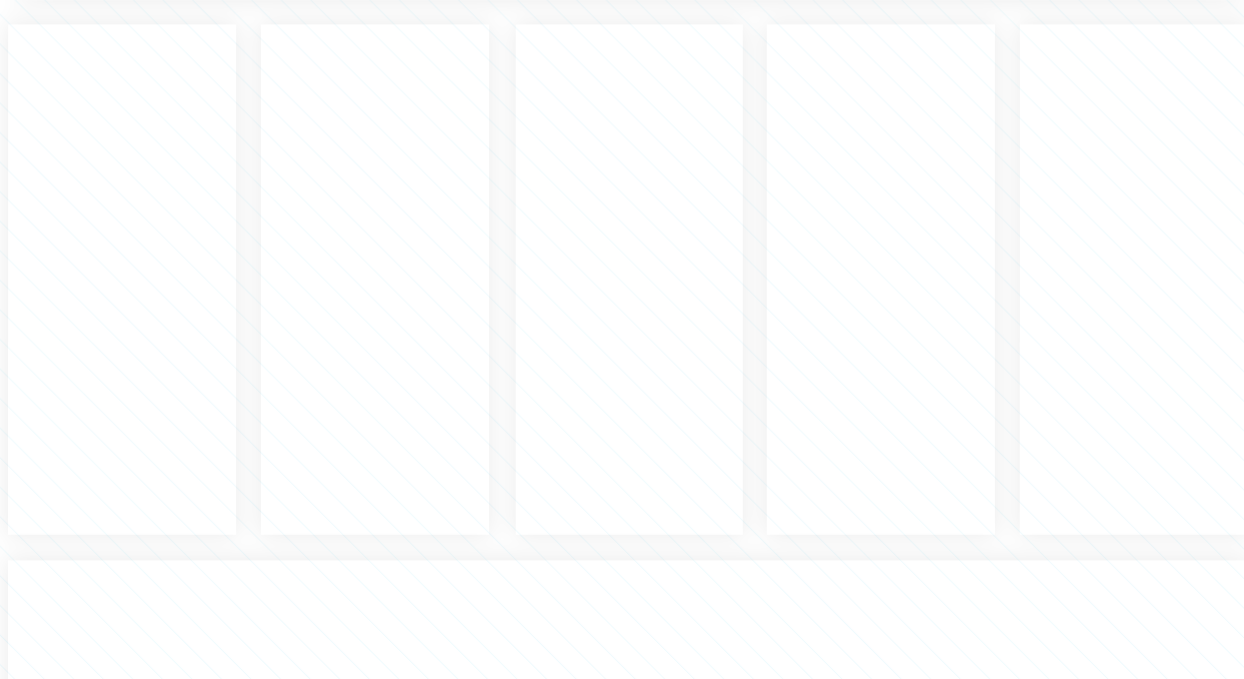


**DESC -  
Review of DESC and its Technical Workgroup  
(TWG) Arrangements**

7<sup>th</sup> July 2022

# Objective

- To review DESC's current arrangements for meeting its UNC Section H obligations, specifically the role of the DESC Technical Workgroup



# Background

- UNC Modification 0331 implemented in January 2012 introduced several changes to the Demand Estimation Roles and Responsibilities. This followed discussions carried out by the industry under Review Group 280
- Prior to 2012, most of the Demand Estimation responsibilities sat with the Transporters. Mod. 0331 ensured that the responsibilities for the development of profiles and analysis supporting demand attribution was achieved on a cross industry basis
- As a result, DESC is now made up of 5 Shipper Members and 5 Transporter Members who alongside the CDSP are now responsible for all Demand Estimation matters
- Mod. 0331 also included allowing for “Users” to contribute their own expertise, e.g meteorologists, forecasters, towards helping DESC achieve the best outcomes for the industry
- This was achieved with the introduction of an “Expert Group”, now referred to as DESC Technical Workgroup, which is effectively a sub-committee of DESC

# DESC and DESC TWG: High Level Principles

- DESC retains all Demand Estimation responsibilities where defined in Section H of UNC
- DESC is the voting forum for all key decisions relating to the annual demand profiles and supporting processes such as Seasonal Normal Review
- Elected Members of DESC (5 Shippers and 5 Transporters) and their nominated alternates vote on such matters
- DESC TWG Representatives are open to any UNC party that wishes to attend or participate
- DESC TWG Representatives will be asked to provide expertise and knowledge in support to the CDSP in the production of the various Demand Estimation deliverables
- DESC TWG reports to DESC and cannot make any decisions only recommendations
- The following slides (5 to 8) provide a view of how the two groups should work together

# Scope of DESC – Terms of Reference (1 of 3)

- Latest version of DESC Terms of Reference, including Membership appointment process and Procedures is available [here](#)

DESC Responsibility (as defined in Terms of Reference)	How	Frequency
a) Demand Model – Determination of the variables used and model composition using the methodology as reviewed and updated by any technical working group. (H1.3.1)	Modelling Approach doc	Annual: March
b) Composite Weather Variable determination taking account of new weather experience including the derivation of formula, derivation of daily values and frequency of review. (H1.4.1, H1.4.2 and H1.4.3)	CWV Methodology doc	Every 5 years
c) Determination of seasonal normal values of the Composite Weather Variable, including making revised values available to Users and determination of frequency of review. (H1.5.2, H1.5.3 and H1.5.4)	SNCWV Methodology doc	Every 5 years
d) Determination of the minimum NDM Sample population and composition.(H1.6.5)	Modelling Approach doc	Annual: March
e) Development or revision of the End User Category (EUC) definitions and Demand Models if necessary following technical analysis. (H1.7.1 & H1.7.2)	Draft Profiles for DESC review	Annual: May to July

# Scope of DESC – Terms of Reference (2 of 3)

DESC Responsibility (as defined in Terms of Reference)	How	Frequency
f) Evaluation of EUC definitions and Demand Model performance including consultation with industry and the reviewing of representations made. (H1.8)	Industry Consultation	Annual: June - July
g) Proposed revision of EUC definitions and Demand Models, and discussion of User and Transporter representations where revisions have been determined to be necessary. (H1.8.1 and H1.8.4)	Industry Consultation	Annual: July
h) Any other particular issue that may arise in the development and/or revision of EUCs and Demand Models. (H1.8.6)	Adhoc Meetings	Annual: Adhoc
i) Ensure that publication and consultation of any proposed changes is carried out in a timely manner (H1.9.1 and H1.9.2).	Industry Consultation	Annual: August
j) Determine the 1in20 peak day demand. (H4.3.1)	Demand Estimation Methodology Doc	Annual

# Scope of DESC – Terms of Reference (3 of 3)

- The final item in DESC’s scope relates to the Technical Workgroup:

DESC Responsibility (as defined in Terms of Reference)	How	Frequency
<p>k) Establish technical working groups, which may be attended by the DESC Voting Members and/or their specific experts to undertake the detailed analysis and matters relating to the underlying methodology.</p> <p>Such groups will be responsible for:</p> <ul style="list-style-type: none"> <li>Defining statistical techniques used for the relevant analysis;</li> <li>Reviewing the demand estimation methodology and making any necessary changes, in particular emphasising that appropriate model composition will be determined during analysis;</li> <li>Defining decision making criteria through the technical analysis process and the position to be taken if change is not statistically and/or materially significant;</li> <li>Oversee any decisions that arise during analysis including data manipulation or exclusion;</li> <li>Ensuring that transparency relating to all analysis is maintained, including access to relevant data used in the process;</li> <li>Undertaking any other relevant ad-hoc analysis required</li> </ul>	<p>Annual process of establishing whether Technical Workgroup is required (and for what) each year and who should be on it is not currently a formal activity</p>	<p>Annual: October</p>

# Scope of DESC TWG – Terms of Reference (1 of 1)

- Latest version of DESC TWG Terms of Reference, including Membership appointment process and Procedures is available [here](#)

DESC TWG Responsibility (as defined in Terms of Reference)	How	Frequency
Review of sample data validations and data exclusions	TWG Meeting	Annual: April
Review of data aggregations and WAR band limits	TWG Meeting	Annual: April
Review of single year modeling results	TWG Meeting	Annual: May
Contribute to decisions on borderline modelling results and determination of models to progress	TWG Meeting	Annual: May
Contribute to parameter analysis during model smoothing	Email (if needed)	Annual: May
Review of draft NDM proposals and report	TWG Review	Annual: June / July
Identification of future analysis to be recommended to DESC for progress	TWG Input	Annual: July



# DESC and DESC TWG: How is it working ?

- Post 2012 and the implementation of UNC Modification 0331, there was more of a distinction between the 2 groups (DESC and TWG)
- For example, when DESC procured a 'Climate Change Methodology' to support its Seasonal Normal Review, an expert group comprising of meteorological experts from within Shipper organisations joined the Technical Workgroup to assist in the detailed analysis
- DESC were then asked to review the recommendations made by its Technical Workgroup
- In recent years there has been less distinction between DESC and TWG meetings because the personnel has been the same. This sometimes leads to confusion as to why one meeting may be classified as a DESC meeting and one as a DESC TWG meeting ?
- Although there is a clear process for nominating DESC members each year, the current list of DESC TWG Representatives has not been 'refreshed' or verified for a long time as far as we understand – the final Modification report stated that:  
*“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”*
- Are there any thoughts or views from DESC on how the current DESC TWG process is working ?

# Recommendation

- **NEW:** Ahead of each Gas Year and once DESC Members have been confirmed, CDSP, DESC and JO confirms the workplan items and associated meetings due to be carried out over the next 12 months (i.e. October to September)
- **NEW:** This workplan should include details of when the annual topics (as described in the current TWG Terms of Reference) will be discussed **AND** any other topics, specific to the year in question, where **industry expertise may be welcome** e.g. Seasonal Normal Review
- **NEW:** On an annual basis, in line with the timetable for clarifying the DESC Members for the new Gas Year. Joint Office write out to the industry asking if they would like to nominate a Technical Workgroup Representative to support DESC with it's Demand Estimation obligations
- **NEW:** Review and Update current DESC and DESC TWG Terms of Reference to reflect agreed position
- All DESC TWG meetings in the annual workplan will still be expected to be attended by DESC members, this ensures that if no TWG Representatives candidates come forward the 'business of the day' can still continue to be achieved
- Hopefully the above approach will encourage more sharing of ideas, expertise and knowledge in order to deliver the best Demand Estimation outcomes and reassure the rest of the industry that DESC, and the output it is responsible for, is achieved through open forums ?