

## Expert Group Terms of Reference

### Introduction

The Expert group is a sub-committee of the DESC. Its role will be to conduct, oversee and direct 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.

### Membership of Group

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 & West Utilities
- e) Southern Gas Networks or Scotland Gas Networks

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.

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 each Gas Year.

Whilst each Transporter has the right nominate a member, Xoserve has currently been appointed as an alternate to represent all Transporters. Xoserve is required to state, where appropriate, when it is speaking or acting on behalf of the Transporters in this capacity.

Attendance is open and Xoserve, as the service provider, is invited to send one or more representatives for information purposes.

All meetings are chaired by the Joint Office, which also provides a secretary.

### 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 Workgroups 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.

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:

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 by publication on the Joint Office website.

## Meeting Procedures

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.

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 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.

Recommendations from the Expert Group will be reached by a simple majority of members present, or their alternate. Where a recommendation cannot be reached 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.

The expert group will be expected to convene at short notice to assess analysis and make recommendations on progress or alternative investigations. These meetings will by necessity be informal and may be conducted over email or teleconference. In these cases all representatives should be invited with a minimum of 2 being included in the discussions. A summary will be expected to be presented at the next formally scheduled meeting for the record.

## Role of the Expert Group

In particular the Expert Group will be responsible for developing an underlying methodology for:

- a) undertaking any profile analysis
- b) determining the frequency with which profiles are updated
- c) agreeing sample sizes
- d) agreeing sample composition
- e) defining the statistical techniques to be used
- f) defining any criteria for decision making through the analysis process
- g) determining what position would be taken if change is not materially or statistically significant
- h) CWV reviews including determination of frequency
- i) seasonal normal reviews including determination of frequency
- j) ad-hoc analysis
- k) The expert group will oversee any decisions that arise during the analysis.
- l) The expert group will review any methodology and make any necessary changes on a regular basis, in particular emphasising the fact that demand models will not include any defined variables as a pre-requisite but will determine appropriate model composition during analysis.
- m) The expert group will be notified who is undertaking the analysis, on what frequency and agree access to data if necessary.
- n) 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.
- o) 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
- p) The expert group will ensure analysis is published for consultation across the industry and questions responded to in sufficient time to meet system requirements
- q) In undertaking analysis using expertise across the industry it is not envisaged that the current representation and Ofgem appeal will be required. Any issues would be referred to DESC who could vote on outcomes. This removes some of the time constraints over the summer period allowing time to publish views to those not involved in the process while still meeting constraints of Transporter systems.

## Meeting Arrangements

Meetings will be arranged by the Joint Office in accordance with the agreed Workplan.