

DESC Terms of Reference

Introduction

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

Membership of Committee

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

Each year, shippers nominate up to five members. The Joint Office is to manage the process for nomination on shippers' behalf. Changes within year may be agreed by shipper members of the Uniform Network Code Committee.

Whilst each Transporter has the right to nominate members, Xoserve has currently been appointed as an alternate to represent one or more 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 to all representatives and Xoserve 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 DESC, reports each month to the Uniform Network Code Committee, following the standard format used by the Uniform Network Code Workgroups 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 Modifications that might impact the work of DESC.
- c) DESC minutes shall include a summary of the decisions reached by DESC. In particular, using current code references:
 - i. Composite Weather Variable determination taking account of new weather experience.
 - ii. Demand model smoothing to derive the seasonal normal values of the Composite Weather Variable.
 - iii. Report and review of NDM Sampling.
 - iv. Annual and any interim evaluation of End User Category definitions and Demand Model performance.
 - v. Proposed revision of End User Category definitions and Demand Models and discussion of User representations.
 - 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.
 - viii. Operation and delivery of output from the expert group including definition of the Terms Of Reference for the Expert Group.

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 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. Attendance is open to representatives from all parties.

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

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

Voting Arrangements

Determinations from the DESC will be reached by a simple majority of voting members present, or their alternate, ensuring equitable Transporter and Shipper votes with a maximum of 5 Shipper votes and 5 Transporters votes. Where a recommendation cannot be reached as a result of a tied vote, DESC will pass the matter to the UNCC to be resolved. For the avoidance of doubt a tied vote at the UNCC would represent a recommendation not to implement any proposed change.

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 and a holistic approach is taken to the work being undertaken by the Expert Group.
- c) Raise any particular issues that 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 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 tied 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.

Meeting Arrangements

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