



Action DE1068

## NDM Proposals - Consultation Process

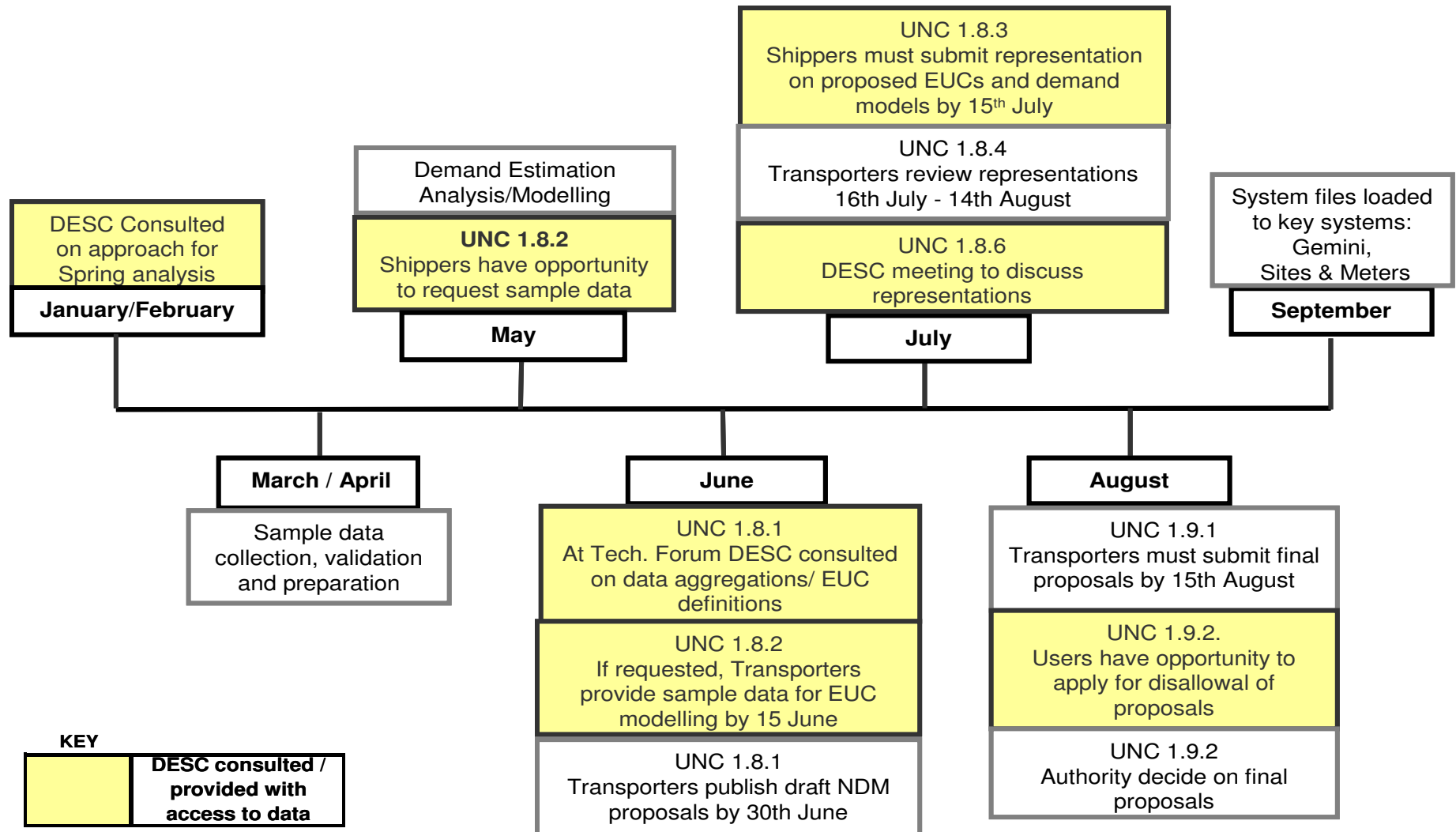
DESC 10<sup>th</sup> November 2009

# Action DE1068: Consultation Process

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- DESC ACTION: xoserve to consider and discuss with the Transporters possible amendments to the consultation process
- Background:
  - Action relates to consultation process for deriving annual NDM proposals for use in Demand Attribution and Invoicing
  - UNC Section H details all of the current consultation timescales for deriving, reviewing and agreeing the various modelling parameters
  - Shipper feedback received suggested current arrangements / timescales could be improved to allow more shipper engagement, in particular available period for considering results and making representations

# Action DE1068: Consultation Process - Current Arrangements



# Action DE1068: Consultation Process - Transporters feedback - Methodology

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- Working within current UNC timescales:
  - Draft proposals published in June are derived based on methodology agreed by DESC prior to spring analysis.
  - Work load management requires that significant changes to methodology needs to be assessed and consequential changes made in summer/autumn in preparation for the next spring analysis.
  - Transporters welcome suggestions on methodology in the summer for possible use in following years Spring approach
  - In recent years DESC discussions have influenced demand estimation matters:
    - Gas Year 2008/09 – change to WCF formula
    - Gas Year 2009/10 – use of historical agg NDM demand in derivation of DAFs
  - With introduction of revised CWV definitions and new SNCWVs and all impacts of aforementioned changes not yet fully understood
    - Transporters suggest no methodology changes to Spring Approach 2010
    - Draft version of Spring Approach 2010 document is available on JO website – Transporters welcome feedback

# Action DE1068: Consultation Process - Transporters feedback - Data

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- Working within current UNC timescales:
  - Transporters recognise shippers concerns regarding time available to review NDM analysis results.
  - Currently draft NDM proposals - data files, reports are provided at the end of June
  - Following the Technical Forum in early June it is possible that key NDM results could be released approx. 3 weeks earlier than UNC deadline of 30<sup>th</sup> June, under the following conditions:
    - Proposed EUC definitions, sample data aggregations and latest year EUC models presented at Technical Forum are accepted.
    - Aggregate NDM demand models continue to be derived from historical model (as used in 2009).
    - Published data could be subject to change before 30<sup>th</sup> June.
  - Early preview of ALPs, DAFs and LFs for EUCs and historical aggregate NDM SND and WSEs would provide shippers with more time to review before representations 'closed out'
  - Reminder: NDM sample data used in derivation of models also available to shippers in early June if Transporters receive a request during May

# Action DE1068: Consultation Process - Points to Consider

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- During annual process there are opportunities to influence NDM proposals
  - Proposals are output from a long step by step process which does require time to review, change and implement
- Current UNC timescales are in place to ensure key activities can take place e.g. sample data collection, modelling, system updates etc
- Changes to UNC must be balanced with benefits of implementation
  - Over recent years, 1 representation has been received per annum
- Transporters suggestion hopefully begins to address issue of lack of time to review proposals (pending DESC agreement at Tech Forum)
- Need to also consider time requirements for Transporters to investigate and consult any representations
- Transporters welcome shippers suggestions on potential amendments to consultation process