

UNC Demand Estimation Sub-Committee (DESC) Minutes
Thursday 07 July 2022
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office

Shipper Members (Voting)

Anupa Purewal	(AP)	E.ON
Dan Stenson	(DS)	Centrica
John Jones	(JJ)	ScottishPower
Katherine Uzzell	(KU)	SSE
Cosmin Popovici	(CP)	Total Energies

Transporter Members (Voting)

David Mitchell	(DM)	Scotia Gas Networks
Murugan Babumohanan	(SG)	National Grid
Paul O'Toole	(POT)	Northern Gas Networks
Sanjeev Loi	(SL)	Cadent

Observers (Non-Voting)

Joseph Lloyd	(JL)	Correla on behalf of Xoserve
Laura Dawson	(LD)	E.ON
Mark Perry	(MP)	Correla on behalf of Xoserve
Michael Maguire	(MM)	Correla on behalf of Xoserve
Penny Griffiths	(PG)	Correla on behalf of Xoserve
Simon Bissett	(SB)	Correla on behalf of Xoserve
Simon Geddes	(SG)	National Grid

Copies of papers are available at: <https://www.gasgovernance.co.uk/desc/070722>

DESC meetings will be quorate where there are at least four Voting Members or their alternates, of which at least two shall be Users and two Transporters are in attendance.

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting.

1.1. Apologies for Absence

Dan Stenson, Shipper Member
Emma Buckton, Transporter Member
Louise Hellyer, Shipper Member
Smitha Coughlan, Transporter Member

1.2. Note of Alternates

Cosmin Popovici, on behalf of Louise Hellyer, Shipper Member (Total Energies)
Paul O'Toole, on behalf of Emma Buckton, Transporter Member (Northern Gas Networks)

1.3. Quoracy Status

RH advised that the meeting was quorate.

1.4. Approval of Minutes (24 May 2022)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There were no late papers to consider.

1.6. Review of Outstanding Actions

There were no outstanding actions to consider.

1.7. User Representative Appointment Process

RH provided a brief verbal update during which she confirmed that of the 5 available Shipper positions on DESC, 1 position remains vacant.

RH went on to suggest that Members should double check that their respective SPOCs have sent in their (yearly) nomination as the window for completing the task closes on Friday 08 July 2022 – RH agreed to liaise with Members offline to identify whether their nominations have been renewed.

2. 2022/23 NDM Algorithms – Review DESC Representations

Penny Griffiths (PG) provided an overview of the ‘*2022/23 NDM Algorithms Review DESC Representations*’ and supporting ‘*Gas Demand EUC Modelling Results Analysis Year 2021/22 Supplemental – 01BPD*’ presentations during which the key discussion points were noted (by exception), as follows:

2.1. 2022/23 NDM Algorithms Review DESC Representations

Summary of Modelling Progress to Date

3: Smoothed Model Outcomes: Small NDM – slide 12

PG advised that the counts contained within the table are based on the ‘original’ data sets and are expected to change slightly should DESC approve the proposed changes.

DESC/TWG Comments and Demand Estimation Process

Topic 1: Prepayment Meter Profiles – slide 16

Responding to a question relating to AQs, PG explained how the modelling was undertaken, before switching attention to the ‘*Gas Demand EUC Modelling Results Analysis Year 2021/22 Supplemental – 01BPD*’ presentation.

2.2. Gas Demand EUC Modelling Results Analysis Year 2021/22 Supplemental – 01BPD

Options – slide 8

Mark Perry (MP) pointed out that, whilst the aim is to move closer to (and therefore better reflect) what is actually happening, any move would be done as gently as possible to minimise the impact on industry parties – in essence, the recommended option which is Option 2 results in a 33% less ‘jump’ than Option 1. In considering Option 2, PG explained how the 66% current / 34% new split would enable a smoother transition.

Transition from MOD451AV to New Data (“Option 2”) – slide 9

PG provided a more detailed outline of how the percentage splits (in support of Option 2) would develop over time.

Recommendation – slide 13

RH advised that whilst Dan Stenson (Shipper Member) had provided written confirmation of Centrica’s support for the Correla proposal, it would not be formally included within any of the following votes.

Thereafter, RH asked the Committee to vote on the two options available. The Committee Members **unanimously** voted for Option 2, which was the recommended option.

Shipper Representatives	Voting Preference
Anupa Purewal	Option 2
Cosmin Popovici	Option 2
John Jones	Option 2
Katherine Uzzell	Option 2
Transporter Representatives	Voting Preference
David Mitchell	Option 2
Murugan Babumohanan	Option 2
Paul O’Toole	Option 2
Sanjeev Loi	Option 2

Focus then returned to the ‘2022/23 NDM Algorithms Review DESC Representations’ presentation, as follows:

Topic 2: October reduction in ALPs – slides 17 – 21

When asked, Anupa Purewal (AP) confirmed that she was happy with the information and explanations provided by Correla in response to the E.ON comments.

Topic 3: July/August Increase in ALPs – slides 24 - 29

When asked, Anupa Purewal (AP) confirmed that she was happy with the information and explanations provided by Correla in response to the E.ON comments.

6: Conclusions and Next Steps slide 31

RH on behalf of PG/MP asked the Committee to vote on issuing the smoothed EUC demand models for wider industry review. The Committee Members **unanimously** voted in favour of issuing the smoothed EUC demand models (inc. Option 2 recommendation).

Shipper Representatives	Voting Preference
Anupa Purewal	Issue the smoothed EUC demand models
Dan Stenson	Issue the smoothed EUC demand models
John Jones	Issue the smoothed EUC demand models
Katherine Uzzell	Issue the smoothed EUC demand models
Cosmin Popovici	Issue the smoothed EUC demand models
Transporter Representatives	Voting Preference
Paul O’Toole	Issue the smoothed EUC demand models
Sanjeev Loi	Issue the smoothed EUC demand models
Murugan Babumohanan	Issue the smoothed EUC demand models
Mark Perry	Issue the smoothed EUC demand models

3. Review of DESC and Technical Workgroup Arrangements

Mark Perry (MP) provided an overview of the ‘DESC – Review of DESC and its Technical Workgroup (TWG) Arrangements’ presentation during which the key discussion points were noted (by exception), as follows:

Scope of DESC – Terms of Reference (1, 2 and 3 of 3) – slides 5 - 7

MP provided some background to the table contents during which attention was drawn to the two **RED** pieces of text on slides 6 and 7 respectively.

During consideration of slide 7, MP highlighted that Code TPD Section H4.3.1 no longer exists and, that as a consequence, both the DESC and the DESC TWG Terms of Reference require an update – it is deemed that a UNC Modification would not be required in order to enact these changes.

In focusing on the annual process for establishing whether a Technical Workgroup is required, MP pointed out that currently this does not take place and that perhaps Correla and the Joint Office need to consider how best to manage these requirements going forward.

New Action DESC0701: *Reference the Annual Process for establishing whether a Technical Workgroup is required – Correla (MP) and Joint Office (RH) to consider how best to approach managing requirements going forward (inc. integration within a 12 month workplan).*

When asked for a view as to whether the DESC and DESC TWG meetings should be kept separate as is now, or combined, Members in attendance at the meeting indicated a preference to combine both groups and ‘cover’ the work under the main DESC banner, although they did acknowledge that for certain requirements there would be value in reinstating the TWG meeting(s).

When asked, MP suggested that perhaps a yearly DESC TWG nomination process would be beneficial, possibly run circa end of July into early August. In this way the TWG could be stood up (opened) during the year as needed.

Moving forward to consider the proposed amendments to both sets of Terms of Reference, it was noted that regardless of whether it is a DESC or a DESC TWG meeting, any meeting would still need to be quorate.

Committee Members were then asked to vote on aligning both meeting (DESC and DESC TWG) quoracy requirements to read as 2 Shipper and 2 Transporter Members in attendance. The Committee Members **unanimously** voted in favour of aligning both Terms of Reference Quoracy requirements.

Shipper Representatives	Voting Preference
Anupa Purewal	Align quoracy to read 2 Shipper and 2 Transporter Members
Dan Stenson	Align quoracy to read 2 Shipper and 2 Transporter Members
John Jones	Align quoracy to read 2 Shipper and 2 Transporter Members
Katherine Uzzell	Align quoracy to read 2 Shipper and 2 Transporter Members
Cosmin Popovici	Align quoracy to read 2 Shipper and 2 Transporter Members
Transporter Representatives	Voting Preference
Paul O’Toole	Align quoracy to read 2 Shipper and 2 Transporter Members
Sanjeev Loi	Align quoracy to read 2 Shipper and 2 Transporter Members
Murugan Babumohanan	Align quoracy to read 2 Shipper and 2 Transporter Members
Mark Perry	Align quoracy to read 2 Shipper and 2 Transporter Members

Following on, Committee Members were then asked to approve the proposed typographical changes within the DESC and DESC TWG Terms of Reference documents which clarified that the TWG could be opened and closed as needed in the year. The Committee Members **unanimously** voted in favour of the proposed changes.

Shipper Representatives	Voting Preference
Anupa Purewal	Approve ToR typographical changes
Dan Stenson	Approve ToR typographical changes
John Jones	Approve ToR typographical changes
Katherine Uzzell	Approve ToR typographical changes
Cosmin Popovici	Approve ToR typographical changes
Transporter Representatives	Voting Preference
Paul O'Toole	Approve ToR typographical changes
Sanjeev Loi	Approve ToR typographical changes
Murugan Babumohanan	Approve ToR typographical changes
Mark Perry	Approve ToR typographical changes

RH summarised the main discussion points (over and above the previous Committee votes) as follows:

- Establish a DESC Technical Workgroup (TWG) meeting when needed
- Write out to industry for DESC TWG membership nominations each year (aligned with the yearly DESC nomination process)
- Acknowledge Seasonal Normal Review (SNR) preliminary work lead time.

4. **NDM Algorithm Review Update**

When Joseph Lloyd (JL) provided a brief verbal update explaining that the 28 June 2022 0754R Request Workgroup meeting had been cancelled, so he had little new information to provide, RH requested that DESC Members consider joining the meeting scheduled to take place at 13:30 later in the day, especially as there are multiple cross over points between DESC and the work areas being consider within the Request Workgroup discussions.

5. **Any Other Business**

None to consider.

6. **Communication of Key Messages**

The DESC Summary of Key Messages document will be provided as a post meeting update and will be published at: <https://www.gasgovernance.co.uk/desc/summarykeymessages>

7. **Diary Planning**

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Tuesday 19 July 2022	5pm Monday 11 July 2022	Microsoft Teams	DESC
10:00 Wednesday 05 October 2022	5pm Tuesday 27 September 2022	Microsoft Teams	DESC
10:00 Tuesday 13 December 2022	5pm Tuesday 03 December 2022	Microsoft Teams	DESC

DESC Action Table (as at 07 July 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
0701	07/07/22	3.	<i>Reference the Annual Process for establishing whether a Technical Workgroup is required – Correla (MP) and Joint Office (RH) to consider how best to approach managing requirements going forward (inc. integration within a 12 month workplan).</i>	Correla (MP) & Joint Office (RH)	19/07/22	Pending