



**DESC – 8<sup>th</sup> November 2018**

Changes to Demand Estimation  
Methodology (DEM)

# Objective

- To review proposed changes to the Demand Estimation Methodology (DEM) document and seek DESC approval

# Background

- UNC Modification 0659 proposed that the formula for the Composite Weather Variable (CWV) could be improved by using additional weather data items which have a relationship to gas demand
- Discussions at the UIG Workgroup have supported this proposal and as a result it has been suggested that DESC update the Demand Estimation Methodology (DEM) to allow for the CWV formula to use these additional weather data items should DESC decide to do so when reviewing the CWV formula in 2019
- The additional weather data items available for use are:

Precipitation and Solar Radiation

# Approach

- A changed marked version of the Demand Estimation Methodology document was provided to DESC members for review on Friday 12<sup>th</sup> October 2018
- Comments were requested by Friday 2<sup>nd</sup> November ahead of the meeting on 8<sup>th</sup>. This allowed 15 working days for review
- Reminder:

The DEM is a 'UNC Related document' and Section H 1.13.4 determines that DESC should provide the final approval of any changes to it

# Update

- As of 1<sup>st</sup> November 2018 the following comments have been received:

Support changes to DEM:

Opposed to changes to DEM:

Northern Gas Networks  
E.On

General comments:

Total Gas & Power:

By removing detail of intervals is there a concern that this leaves us open to less data than we have now, could possibly say “at least a 2 hourly level” or we could amend the intervals for all 4 weather items at a later date once DESC have agreed on what the CWV formula requires ?

# Conclusions

- Vote required of DESC members on proposed changes to the Demand Estimation Methodology (DEM) document

