

**Fiona Cottam  
Xoserve Limited,  
31 Homer Road,  
Solihull,  
West Midlands, B91 3LT.**

**18 January 2012**

**CC: Joint Office of Gas Transporters**

Dear Fiona,

You recall that at the DESC meeting of 9 December 2011 Shippers agreed to review and put forward their requirements for the delivery of MOD330 to Xoserve and to make sure that minimum requirements could be met before Xoserve goes to tender.

A teleconference was arranged to this end and it was agreed that the best way forward is to send you our views and general criteria to help you draft the initial tender document. As Shippers, we are happy to discuss and make sure that Xoserve's understanding of MOD 330 requirements is sufficient to ensure the satisfactory delivery of MOD330.

We believe that the following general background and criteria are sufficient for the first draft of the tender document: We would like to review the final document and 14 days are allocated to allow us to consider and suggest any changes prior to its issue.

**General Background:**

Stage 1.

Currently a daily historical weather dataset (temperatures and wind speed) from 1927 to the current year for each LDZ has been compiled and is used by the gas industry to derive the coefficients for the composite weather variable (CWV). Periodically a weather station used to record actual data is closed down and the historical data associated with that station is adjusted to conform to the characteristics of a replacement weather station (usually sited nearby). The methodology used for the re-analysis of historical data is neither consistent nor published. A methodology needs to be agreed that will be used to re-analyse historical data as further station closures occur. The methodology needs to be published with enough detail to allow replication by users (shippers and transporters etc.) as well as the body responsible for maintaining the database on behalf of DESC. The methodology and resulting database (including annual updates) will be made available to all on demand so any provider will need to provide the appropriate license.

Stage 2.

The gas industry currently uses historical weather data to derive the coefficients for the composite weather variable (CWV). Until a few years ago, the database described above was employed, however the drift in average temperature caused by climate change has meant that historical temperature data now requires prior adjustment to make historical data consistent with today's climate. An attempt at using climate trends to adjust the data has been employed but the method does not have the full confidence of many industry participants and the Met Office, when asked to

comment, suggested it would constitute a stop-gap solution at best. The Met Office has since proposed a methodology that would effectively adjust each year of the historical dataset (as described in stage 1) to a level consistent with climate change. This would effectively provide over eighty years of adjusted data that could be used as 'scenarios'; it would thus feed directly into the analysis used to generate the CWV and be fully consistent with the current climate.

This work would be based on the EP2 approach to climate adjustments and as a by-product, would update the existing climate averages used by industry participants. This methodology behind the analysis would be fully documented and the resulting historical datasets made available to UNC signatories on demand so any provider will need to provide the appropriate license.

**General Criteria:**

- Is the provider a reputable provider of this type of information and analysis?
  - Are they financially viable?
  - Can they provide evidence of previous analysis of similar types?
- Is the methodology portable to other potential provider in the future and is it clear and robust enough to allow third party replication of the results?
- Does it meet the requirements laid out above?
- Could it be delivered in a timely manner (1 month for stage 1 and a further 3 months for stage 2)?

We look forward to discuss the first draft of your tender documents.

**Yours Sincerely,**

**Mo rezvani (SSE)**  
**Sallyann Blackett (Eon)**  
**Tom Young (Eon)**  
**Dave Parker (EDF)**  
**Louise Gates (EDF)**  
**Steven Baker (NPower)**  
**Matt Jenks(NPower)**  
**Andy Morran (Scottish Power)**  
**Matt Jackson (British Gas)**  
**Louise Hellyer (Total)**