

Demand Estimation Sub-committee Minutes

10.00 Wednesday 08 July 2015

31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Changbin Li*	(CL)	EDF Energy
Christian Ivaha	(CI)	British Gas
Cieran Sheehan	(CS)	Total Gas & Power
Fiona Cottam	(FC)	Xoserve
Fiona Speak*	(FS)	RWE npower
Indre DeksnYTE	(ID)	Northern Gas Networks
Joseph Lloyd	(JL)	Xoserve
Karen Visgarda (Secretary)	(KV)	Joint Office
Mandeep Pangli	(MPa)	Xoserve
Mark Jones	(MJ)	SSE
Mark Perry	(MP)	Xoserve
Martin Attwood	(MA)	Xoserve
Naomi Nathanael	(NN)	Plus Shipping
Rob Nickerson* (<i>dialled in from 11.00am only</i>)	(RN)	National Grid NTS
Sallyann Blackett	(SB)	E.ON
Tim Wong	(TW)	British Gas

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/080715>

1. Introduction, confirmation of membership and apologies for absence

1.1. Apologies for absence

None.

1.2. Note of Alternates

Fiona Cottam for Transporters National Grid Distribution, Scotia Gas Networks and Wales & West Utilities

Mark Jones for Tony Davey SSE

2. Review of Minutes and Actions from previous meeting (19 May 2015)

2.1. Minutes

The Minutes of the previous meeting were approved.

2.2. Actions

DTW0502: DESC and Xoserve to work together to look at ways to enhance the current data sets with a target to have additional data for October.

Update: FC stated that the Algorithms work had taken a higher priority. An update will be supplied at a later meeting (TBC). **Carried forward.**

DE1201 (related to DTW0502 above): FC to prepare an email for circulation to the industry inviting parties to support DESC Technical Workgroup analysis and data sets (see *Action DTW0502, above*), if the use of Shipper data in the autumn validation exercise is a success.

Update: FC stated that an update is to be provided at a later date once DESC are happy with the Data Set. FC wants to check the Shipper Data with DESC before writing out. MA confirmed the data supplied by British Gas and E.ON looks fine for use, but the potential impacts on the Algorithms are not yet understood. **Carried forward.**

DE0201: 2014/2015 Algorithm Performance - Parties to consider the DESC proposal to cease analyses of all three Strands (2013/2014 analysis to be the last year), and to provide any objections to this proposal to Xoserve no later than Friday 26 June 2015.

Update: MA confirmed no comments had been received, so this action could now be closed. **Closed.**

DE0501: FC to investigate with National Grid NTS adding the Unidentified Gas values on to the National Grid Data Website.

Update: FC confirmed that this is still being investigated and this action should be carried forward. **Carried forward.**

3. **Review and Approval of 2015/16 NDM Algorithms as recommended by the DESC Technical Workgroup (TWG)**

MP provided a presentation overview of the work that has been undertaken with TWG and outlined the DESC obligations and responsibilities, as stated in Section H of the UNC. MP stated that Xoserve were keen to obtain DESC approval to enable the submission of the NDM proposals to the Transporters and Users as determined by the UNC.

http://www.gasgovernance.co.uk/sites/default/files/DESC_080715_NDM_Proposals.pdf

MP explained the approach to the modelling as defined by the DESC approved Spring Approach document together with the associated timelines, and how the data was collated, specifically in relation to the Sample Data, Weather Data and Load Factors, which was collected over a 12 month time period. MP overviewed the data analysis results for both Small NDM and Large NDM supply points, including Consumption Band Aggregations and WAR Band Aggregations. MP explained the associated impacts, including looking at the best relationships in relation to Demand and Weather. All these results were discussed and analysed with TWG at the May meeting, to decide which was the best model fit using the available data samples.

MP explained that the draft proposals were issued for review and comments were requested by 19 June 2015. Only one response was received, from E.ON, concerning the shape of the DAFs and the Christmas Holiday period for the 2015/2016 profiles. The final check point was then undertaken on 24 June 2015, with the summary of comments provided to TWG. MP stated that 1 model showed a minor change from zero weather sensitivity and some smoothed models showed having a cut off one year whereas the next year they did not. SB agreed that it is difficult to stop them 'flipping' in and out of cut-offs. MP explained that model smoothing is intended to minimise these occurrences. General discussion then took place regarding this issue and the impact of the Holiday codes and Christmas periods. MP stated that TWG had been happy with the answers and results that had been presented, hence were happy for this information to be presented to DESC.

MP then overviewed the Next Steps timelines as detailed on Slide 25, and asked the DESC Members if they were in agreement with the proposals provided on behalf of TWG.

All members voted unanimously that the proposals should be submitted for consultation and comments invited.

CI asked for clarification regarding the impact of the Gas Day Change and if this had been taken into consideration. FC stated that this had been looked at and that the Consumption Data used for 2015/16 is still 6am to 6am data. E.On had previously presented some analysis which showed that the 5am to 6am consumption was not too different to a 24th of a day so that should be little impact.

Xoserve's service provider would switch all their sample sites to a 5am Gas Day with effect from 5am on October 1st. SB agreed it was the same principal for Gas Day September 30th as the Spring Clock Change Days, i.e. a 23-hour day. FC explained that new CWV's had been used in the 2015/16 modelling and they were based on 5am to 5am weather, and so the arrangements would be a hybrid for the first few years. Eventually the 6am to 6am consumption data would be superseded by 5am to 5am data as the recording equipment is amended.

General discussion took place as to when was the best time to publish and circulate the NDM proposals to the industry. FC explained that the new files would need to be loaded into the system by 15 August 2015. It was decided that the proposals should be published either this week or early next week with the end date for comments being Close of Play Wednesday 22 July 2015. SB asked if this documentation was going to include Profiles for Smart/Pre-payments and FC stated that yes it would. CI agreed that this was important, as it meant there would be an extra year of profiles for Smarts/Pre-payments included.

All Members unanimously agreed to this time line, with the response date of Wednesday 22 July 2015.

FC and MP also stated that the ALP and DAF file which included the MOD432 DAF calculation would remain despite UK Link replacement being delayed. SB felt this would be useful to assist with people's understanding of how the new DAF will look in the new world.

4. Review of requirement for 2014/15 Algorithm Performance

MA talked through the presentation overviewing the future requirements for Algorithm Performance.

http://www.gasgovernance.co.uk/sites/default/files/DESC_080715_AlgorithmPerformance.pdf

MA provided the background and explained how this is one of the responsibilities of DESC to provide a summary once a year of the NDM algorithm performance, following completion of the gas year. This information is overviewed in the NDM Booklet, which is published via the Xoserve secure internet site.

General discussion took place as to which would be the most valuable and productive next steps from the learnings of this year. SB made the suggestion to look at how things would work in the 'new world' with Nexus and to gain assurance that this would operate correctly, as in the post Nexus environment it will no longer be 'top down'. CI asked once Nexus has been implemented would the ALPs and DAFs still be used. FC confirmed this was the case, as there will still be a long-term need to use algorithms to determine deemed daily consumption, as there will always be sites that will not have Smart Meters and only Class 1 and 2 sites would be reconciled daily, with Class 3 and 4 sites requiring an allocation process.

MA gave an overview of some options for the future view of Algorithm Performance, with the associated impacts. SB proposed that DESC should look at a different way of doing reconciliation variance (RV) analysis and that it should be not discounted as a large proportion of the population rely on the profiles. General discussion took place regarding NDM Sample Data and Unidentified Gas Levels. DESC Members then agreed that a new action should be raised to consider future Strands on Algorithm performance.

New Action DE0701: DESC Members to consider future or additional strands on algorithm performance.

Next Steps

FC confirmed that the 29 July meeting should be used for work planning and to determine which is specific to TWG and DESC. FC will prepare some material and work plans. FC also stated that dates for future meetings in the Autumn should be proposed at the 29 July meeting once the work plan has been discussed and agreed by DESC.

5. Any Other Business

5.1 None raised

6. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

DESC members discussed that the 29 July meeting may be changed to a Teleconference meeting. However, this will be defined by the amount of comments or responses that are received regarding the proposals. A decision regarding the format of the meeting will not be made until Thursday 23 July 2015.

Agenda items and any associated meeting papers for the next DESC meeting should be submitted to the Joint Office by Monday 20 July 2015.

DESC and DESC Technical Workgroup Meetings 2015

Time / Date	Venue	Meeting	Programme
10:00 Wednesday 29 July 2015	31 Homer Road, Solihull, B91 3LT	DESC	Responses to NDM published proposal. Autumn/Winter workplan
10:00 Tuesday 17 November 2015	31 Homer Road, or ENA	DESC	Evaluation of Algorithm Performance: Strand 1 - SF and WCF

DESC Action Table (08 July 2015)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0502 <i>(transferred in from DESC TW)</i>	21/05/14	DESC TWG 3.0	DESC and Xoserve to work together to look at ways to enhance the current data sets with a target to have additional data for October.	All	Carried forward

DESC Action Table (08 July 2015)					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE1201 <i>(related to DTW0502, above)</i>	03/12/14	2.2	FC to prepare an email for circulation to the industry inviting parties to support DESC Technical Workgroup analysis and data sets (<i>see Action DTW0502, above</i>), if the use of Shipper data in the autumn validation exercise is a success.	Xoserve (FC)	Carried forward
DE0201	11/02/15	4.0	<i>2014/2015 Algorithm Performance</i> - Parties to consider the DESC proposal to cease analyses of all three Strands (2013/2014 analysis to be the last year), and to provide any objections to this proposal to Xoserve no later than Friday 26 June 2015.	All parties	Closed
DE0501	19/05/15	3.0	FC to investigate with National Grid NTS adding the Unidentified Gas values on to the National Grid Operational Data Website.	Xoserve (FC)	Carried forward
DE0701	08/07/15	4.0	DESC Members to consider future or additional strands on algorithm performance.	All parties	Pending