

**UNC Demand Estimation Sub-committee Minutes**  
**Wednesday 10 July 2013**  
**Consort House, 6 Homer Road, Solihull B91 3QQ**

**Attendees**

Helen Cuin (Chair)	(HC)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Ceirán Sheehan	(CS)	Total Gas & Power
Chris Warner	(CW)	National Grid Distribution
Colin Thomson*	(CT)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
James Hanks	(JH)	EDF Energy
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Matthew Jackson	(MJ)	British Gas
Mo Rezvani	(MR)	SSE
Penny Rowland	(PR)	E.ON UK
Zoe Ireland*	(ZI)	British Gas

\*via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/DESC/100713](http://www.gasgovernance.co.uk/DESC/100713)

**1. Introduction**

The meeting was declared quorate.

**1.1. Apologies for absence**

S Blackett (E.ON UK), P Tuxworth (National Grid NTS) and R Pomroy (Wales & West Utilities).

**1.2. Note of Alternates**

J Hanks for L Gates (EDF Energy); P Rowland for S Blackett (E.ON UK); and F Cottam (Xoserve) for R Pomroy (Wales & West Utilities) and P Tuxworth (National Grid NTS).

**2. Status Review****2.1. Minutes**

The minutes from the previous meeting (18 June 2013) were approved.

**2.2. Actions**

**DE0202: Modification 0330** - DESC members to provide suggestions for potential service providers.

**Update:** It was agreed to leave this action open until a final decision had been made regarding a Service Provider. **Carried Forward**

**3. Review and Approval of 2013/14 NDM Algorithms****3.1. Discussion of Results and confirm way forward**

MP gave a presentation, providing background and update on the NDM modelling process and availability of the NDM algorithm performance report. The DESC members approved the draft NDM proposals.

*Next Steps*

MP summarised the next steps. Xoserve will publish the algorithms and the NDM report

to the wider industry for review. The timetable for the review, submission and consideration of representations was confirmed, with responses to be requested by 19 July 2013.

The Committee recognised some flexibility may be required on the availability of documents before the scheduled review meeting and that there might also be the possibility of either bringing the review meeting forward or cancelling it, depending on whether any responses are received.

#### **4. Improvements Log**

MP presented the updated Improvements Log for review by DESC and to agree priorities on the areas of work. The Committee considered the priorities. There was a general consensus to prioritise Item 9 as the first Shipper priority, merging Items 4 and 11 as a second priority, and Item 1 as a third priority. MP agreed to update the Improvement Log and re-publish. FC emphasised that the first priority for Xoserve was Item 10 as all of Xoserve internal supporting systems were to be upgraded to Windows 7 and Microsoft Office 2010.

**Action DE0701: *Improvements Log* - Xoserve to re-set the priorities as agreed and publish the revised version.**

#### **5. Any Other Business**

##### **5.1. Draft Legal Text for Modification 0453 - Project Nexus: Demand Estimation**

CW introduced the background to raising Modification 0453 and the draft legal text provided for consideration by the 0453 Workgroup. The purpose of this was to provide DESC members with an early view of the main UNC sections involved and the approach that would be taken to effect the changes required.

Some concern was expressed about hard coding formulas into the UNC and there was a general consensus from DESC that the formulas should be within the methodology document rather than UNC itself.

CW agreed to take back the concerns to the legal team for further consideration. It was agreed to hold an additional meeting to consider the text following National Grid's review. CW advised a further version of the draft legal text would be provided for the Committee to consider on 19 August 2013.

**Action DE0702: *Modification 0453* - DESC members to review the provided legal text.**

##### **5.2. NDM Allocation - Negative Scaling Factors**

ZI enquired about negative scaling factors filtering through. FC explained this was not an algorithm issue as such, and that the suppression of negative factors would have consequences - for example, parties purchasing more gas and allocation becoming out of balance. Allocation is mathematical and is not reviewed every day; it was not an Xoserve process and is monitored by the individual Network Control Rooms. FC assured the Committee where negative scaling factors are identified these are investigated and the input data is corrected. Some concern was expressed that Shippers are not notified where negative factors have been identified and are being worked on. Shippers would like the comfort of knowing that an error has been identified and addressed. PR asked if this position might be improved by the UK Link Replacement programme. FC responded that the future process of a Scaling Adjustment for Unidentified Gas would also have the potential to generate negative Unidentified Gas.

FC confirmed she would feed back Shippers' concerns and comments and would establish what process/measures are in place to address these errors and provide an update. She would also ascertain the appropriate forum in which such concerns should be raised.

**Action DE0703: *NDM Allocation - Negative Scaling Factors* - Xoserve to look at the processes in operation that address negative scaling factors and provide an update, and ascertain the appropriate forum for reviewing the process/concerns.**

**6. Diary Planning**

Meetings will take place as follows:

**DESC and DESC Technical Workgroup Meetings 2013**

Date	Time	Venue	Meeting	Programme
Wednesday 31 July 2013	09:30	Teleconference	<b>DESC</b>	<i>(If required)</i> Review industry representations to 2013/14 NDM algorithms and consider response
Monday 19 August 2013	10:30	Consort House	<b>DESC</b>	Modification 0453 - draft legal text review
Wednesday 13 November 2013	10:30	Energy Networks Association (ENA), London SW1P 2AF	<b>DESC</b>	Evaluation of Algorithm Performance: Strand 1 - SF and WCF  Re-Evaluation of Model Smoothing methodology

**Action Table: Demand Estimation Sub-committee**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>DE0202</b>	11/02/13	5.	<i>Modification 0330</i> - Members to provide suggestions for potential service providers.	DESC Members	<b>Carried Forward</b>
<b>DE0701</b>	10/07/13	4.0	<i>Improvements Log</i> - Xoserve to re-set the priorities as agreed and publish the revised version.	Xoserve (MP)	<b>Pending</b>
<b>DE0702</b>	10/07/13	5.1	<i>Modification 0453</i> - DESC members to review the provided legal text.	DESC Members	<b>Pending</b>
<b>DE0703</b>	10/07/13	5.2	<i>NDM Allocation - Negative Scaling Factors</i> - Xoserve to look at the processes in operation that address negative scaling factors and provide an update, and ascertain the appropriate forum for reviewing the process/concerns.	Xoserve (FC)	<b>Pending</b>

**Action Table: Demand Estimation Sub-committee – Technical Workgroup**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>DTW0403</b>	24/04/13	4	<i>'Improvements Log'</i> - Xoserve to update for review at the DESC meeting on 10 July 2013.	Xoserve (FC/MP)	<b>Closed</b>