

UNC Demand Estimation Sub-committee Minutes
Wednesday 11 February 2015
31 Homer Road, Solihull B91 3LT

Attendees

Helen Cuin (Chair)	(HCu)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Ceirán Sheehan*	(CS)	Total Gas & Power
Changbin Li*	(CL)	EDF Energy
Fiona Cottam	(FC)	Xoserve
Indre DeksnYTE	(ID)	Northern Gas Networks
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Martin Attwood	(MA)	Xoserve
Rob Nickerson	(RN)	National Grid NTS
Sallyann Blackett	(SB)	E.ON
Shiv Singh	(SS)	National Grid Distribution
Tony Davey*	(TD)	SSE

* via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/110215>

1. Introduction, confirmation of membership and apologies for absence**1.1. Apologies for absence**

C Warner (National Grid Distribution) and R Pomroy (Wales & West Utilities).

1.2. Note of Alternates

S Singh (National Grid Distribution) for C Warner.

2. Review of Minutes and Actions from previous meeting (17 December 2014)**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: Data provided by two parties is still under analysis to see how Shipper data would work with the sample. It was agreed to review this at the meeting on 08 July 2015.

FC agreed to draft an email when the next related Action DE1201, below, is ready to commence. **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: See Action DTW0502, above; review at the meeting on 08 July 2015.
Carried forward

DE1202: *CWV Optimisation and SNCWV Process 2014* - All to provide feedback to the Xoserve Demand Estimation team (xoserve.demand.estimate@xoserve.com).

Update: Xoserve would welcome any additional comments/feedback to assist in improving the process for future use. **Closed**

3. TWG Recommendation for Spring 2015 Approach

MP gave a presentation [Approach to Spring 2015 Modelling Presentation](#) and drew attention to the supporting information within the [Spring 2015 NDM Analysis - Recommended Approach document](#).

Noting this was a very similar presentation to that made at the DESC TWG in January, MP briefly outlined the background, summarising the changes that would be necessary as a result of industry change this year, the modelling approach and output and the fall-back arrangements (TWG recommendation from its meeting on 19 January 2015).

MP drew attention to the output and its location:

- An NDM Report summarising the process followed, will be produced
- Parameters for all smoothed models will be published in an Appendix to the 2015 NDM Report. All other model parameters will be provided in electronic form
- The performance evaluation summary (Appendix 13) will reflect the review of algorithm performance for Gas Year 2013/14, due to be reported at February DESC
- All supporting documents and files will be on Xoserve's extranet site at ([www.xoserve.com:index.php:our-systems:extranet-secured-sites](http://www.xoserve.com/index.php:our-systems:extranet-secured-sites)).

Parties were encouraged to review the decision/interactions timetable (Spring Approach document, Appendix 2) to ascertain the level of involvement required during the modelling cycle. MP reminded DESC members to make sure that their contact details, and those of their Alternates and the DESC TWG representatives, remained current at all times as these would be used for communications during the Spring Analysis period. Any changes should be notified to the Joint Office (enquiries@gasgovernance.co.uk) by email.

DESC APPROVAL: At the conclusion of the presentation the DESC members unanimously approved the approach recommended by the DESC TWG.

4. Evaluation of Algorithm Performance: Strands 2 and 3 - RV and NDM Sample data

MA presented the [NDM Algorithm Performance \(Gas Year 2013/14\) Strand 2: Reconciliation Variance Analysis and Strand 3: NDM Sample Analysis](#) and drew attention to the supporting document [Algorithm Performance Strand 2 & 3 Evaluation 2013-14](#).

Strand 2: Reconciliation Variance (RV) Analysis

MA outlined the approach and the methodology and presented various charts illustrating the results of the analysis. These were reviewed.

MA then summarised the conclusions, noting that this analysis highlights a 'peaky' trend of over allocation in the winter and under allocation in the summer. There had

been a slight increase in the percentage of profiles defined as 'peaky' in 2013/14(49%) compared to 2012/13 (42%).

These results needed to be taken into consideration alongside those of other areas of analysis (Scaling Factor, Weather Correction Factor and NDM Sample data).

Strand 3: NDM Sample Analysis

MA outlined the approach and the methodology and presented various charts illustrating the results of the analysis. These were reviewed, with MA summarising the key outcomes observed.

When commenting on the results on Slide 17 (Allocated Error as % of Actual Demand - 'Best Estimate 13'), MA observed this was a slightly improved way of comparing the algorithm - a more helpful way of assessing the performance of the algorithm itself. This was briefly discussed.

Summarising the conclusions to be drawn from the Strand 2 and Strand 3 analyses, MA noted that the "Best Estimate 13" and "Best Estimate 14" analyses suggested for all EUC Bands i.e. (01 to 08) there was under allocation (positive errors) in the winter and over allocation (positive errors) in the summer, giving a profile that was too flat. The RV analysis indicated profiles that were too 'peaky' in the majority of LDZs in EUC Bands 02 and 03; that were good in the majority of LDZs in Bands 04 and 05; and were a mix of both profiles in Bands 06, 07 and 08.

MA pointed out the limitations of the analyses, and taking these into account, observed that both approaches suggested only small inaccuracies over the year as a whole. A brief discussion ensued. FC drew attention to the further detail on all consumption Bands in the supporting document.

Next Steps

It was noted that under the new arrangements Post-Nexus, this analysis becomes mostly redundant. SB questioned whether it worth doing for the current gas year (2014/15), as it would not have much relevance to the 2015 algorithm and would be almost academic? The DESC's view was sought.

FC confirmed that Xoserve was giving thought to what should be measured, analysed and presented, post-Nexus. Xoserve were looking to bring proposals for new-world Algorithm Performance measures, including Unidentified Gas (UG) monitoring, to a future meeting of DESC.

Traditionally the Algorithm Performance exercise is only done after the end of the Gas Year. However there was discussion of performing an interim assessment, prior to commencing the 2016 Spring Analysis, in case any early tweaks are needed to the Algorithm or Parameters. Findings could be included in the NDM Booklet (Appendix 13).

It was proposed this should be the last year of the current Algorithm Performance analysis because of the industry changes to be implemented later this year.

It was recommended therefore to drop all three Strands for 2014/2015 algorithm performance analysis, and that the 2013/2014 analysis will be the last year. FC confirmed that a note to this effect would be included in Appendix 13 of the 2015 Booklet to make this clear. If there were any concerns in the interim then these should be communicated to Xoserve.

Action 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.

5. New Seasonal Normal Basis Implementation Update

JL provided the [New Seasonal Normal Basis Implementation Update](#), reiterating the background to the new SNCWV and explaining how it would be used as a component of the Weather Adjusted Annual Load Profile (WAALP), and consequently in the AQ calculation.

Progress made to date was outlined; Xoserve was currently in the process of calculating the new ALPs and DAFs for Gas Years 2011/12 - 2014/15 for use in the WAALP calculation, and establishing a process to manage subsequent calculations for the remainder of the current Gas Year. JL confirmed that the revised WAALPs, when calculated, would be uploaded to the UK Link Document folder at: www.xoserve.com/index.php:our-systems:extranet-secured-sites.

Preparation was now underway for the Spring Modelling, and JL concluded by outlining the work currently being undertaken to get to a position where the simulations/analysis for March could be run.

FC added that this update would also be given at the AQ Forum to promote awareness of impacts on AQs. AQs and Peaks could potentially go up slightly – due to the new Seasonal Normal basis and new, shorter weather history, although this could be offset by customer conservation. However it was noted that the modelling needed to be finished before a more accurate picture could be confirmed.

6. Any Other Business

6.1. Gas Day Change

It had been noted in the wider industry that Terminal Operators may not be able to adapt to the change to 05:00 - 05:00, and that referral had been made to the EU Commission (Terminal Operators were not parties to UNC and not bound by the proposed change, which was a consequential effect of EU Reform). However at present there was no move to reinstate the Gas Day as 06:00 - 06:00 and Xoserve continued to work on 05:00 - 05:00.

7. Diary Planning

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

DESC and DESC Technical Workgroup Meetings 2015

Time / Date	Venue	Meeting	Programme
10:00 Monday 27 April 2015	Teleconference	DESC TWG	Discuss and confirm modelling runs to take forward based on data aggregations and WAR band definitions
10:00 Tuesday 19 May 2015	ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC TWG	Review single year modelling results and provide approval to commence model smoothing stage
10:00 Wednesday 24 June 2015	31 Homer Road, Solihull, B91 3LT	DESC TWG	Review TWG responses to draft proposals and agree key messages for DESC
10:00 Wednesday 08	31 Homer Road, Solihull, B91	DESC	Review and Approval of 2015/16 NDM

July 2015	3LT		Algorithms as recommended by TWG
10:00 Wednesday 29 July 2015	31 Homer Road, Solihull, B91 3LT	DESC	Response to industry representations on 2015/16 NDM Algorithms
10:00 Tuesday 17 November 2015	31 Homer Road, or ENA	DESC	Evaluation of Algorithm Performance: Strand 1 - SF and WCF

DESC Action Table (11 February 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 <i>(08 July 15)</i>
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.	Xoserve (FC)	Carried forward <i>(08 July 15)</i>
DE1202	17/12/15	3.3	<i>CWV Optimisation and SNCWV Process 2014</i> - All to provide feedback to the Xoserve Demand Estimation team (xoserve.demand.estimate@xoserve.com).	All parties	Closed
DE0201	11/02/15	4.0	<i>2014/2015 Algorithm Performance</i> - All 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	Objections to be provided by 26 June 2015 Pending