

UNC Demand Estimation Sub-committee Minutes
Tuesday 19 May 2015
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Changbin Li*	(CL)	EDF Energy
Colin Thomson*	(CT)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
Ian Tanner*	(IT)	npower
Indre DeksnYTE	(ID)	Northern Gas Networks
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Nadya Kunawicz	(NK)	Corona Energy
Naomi Nathaneal	(NN)	Plus Shipping
Penny Rowland	(PR)	E.ON
Sallyann Blackett	(SB)	E.ON
Shiv Singh	(SS)	National Grid Distribution
Tim Wong	(TW)	British Gas
Tony Davey*	(TD)	SSE

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/190515>

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

None.

1.2. Note of Alternates

Indre DeksnYTE for Joanna Ferguson (Northern Gas Networks)

Shiv Singh for Chris Warner (National Grid Distribution)

2. Review of Minutes and Actions from previous meeting (27 April 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: Action not due until 08 July 2015. **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: Action not due until 08 July 2015. **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: Action not due until 08 July 2015. **Carried forward.**

3. **Initial Analysis of possible Unidentified Gas (UG) Levels under new Allocation Arrangements.**

FC provided background regarding Modification 0432 and explained that its implementation will introduce a New Daily Gas Allocation regime and that one of the changes will be the initial visibility of UG by day, whereas it is not currently possible to do so. FC stated that Modification 0473 has been approved by Ofgem and will be implemented in line with Modification 0432 and there is nothing within Modification 0473, which will impact the calculation of total Unidentified Gas.

FC overviewed that currently there is no way of identifying Unidentified Gas, and that analysis had been undertaken to simulate the likely levels of UG and to look at the key drivers of Unidentified Gas. FC stated that in Phase 2, work will be undertaken to identify suitable Algorithm Performance Measures going forward.

FC stated that using the new process, Unidentified Gas could be calculated as 'Negative' for a day, even at D+1 and D+5 and these should not be seen as errors as there are legitimate reasons. PR commented that one of the issues with current NDM Allocation was that in some instances, incorrect figures could be inputted to create an error, and asked whether there will be controls in the new regime to prevent such errors. FC explained that this was a very rare occurrence and that there will still be the same stringent checks and balances to assist with the accuracy of the Unidentified Gas figures.

MPa provided an in depth overview of the data and total proportions of Unidentified Gas analysis, which simulated how the new algorithm would have worked for Gas Years 2011 to 2013. MPa explained to the Workgroup the content of the analysis and associated percentages of total throughput. SB wanted clarification that the UG as a percentage of through-put on Slide 8 was a 'straight average' and FC confirmed this was the case. MPa went on to review Unidentified Gas by LDZs and that this figure was mostly negative across those specific LDZs. SB commented that E.On had completed their own analysis, which gave even more negative results, however, they did not have access to all the national data. E.On had also undertaken a regression analysis, using more data items, and had achieved fits (R^2) of up to 60%. General discussion took place within DESC surrounding the negative affect of Unidentified Gas, especially comparing to positives in Northern and North Thames LDZs and the impact of seasonal variances, together with comparisons to national volume weighted CWV. A brief debate was undertaken regarding the AQ calculations, together with the impact of the Multiple Regression Results and the number of variables that had been considered. SB requested whether it was possible to have the Unidentified Gas levels that were used by Xoserve to enable EON to use their model with the same data. FC confirmed she would investigate this request. TD wanted clarification concerning the Shrinkage figures and whether it was appropriate to use a fixed daily amount. FC stated that the Shrinkage figures were estimated by the Transporter, as actual measurements do not exist, and were fixed for each day on the basis that they were not subjected to seasonal variations. Shrinkage was previously (several years ago) a % of Daily Throughput, but Ofgem had supported a change to a fixed daily amount. General debate within the Workgroup took place regarding theft, leakages and the subsequent impacts. FC explained that now the data analysis had been undertaken, this information was going to be used to educate the industry regarding Unidentified Gas.

FC overviewed the next steps to the Workgroup as below:-

Continue to monitor Unidentified Gas for 2014/2015

Look at potential new Algorithm Performance Measures

Ensure the information is shared at other forums e.g. UKLIEF and publish the documents

Prioritise further work as part of the 'ad hoc' work list.

SB requested if the daily UG values could be published on the National Grid Operational Data Website as with other Gemini data, which would then enable the Industry to gain a complete overview of the Total Flows. FC stated she would investigate this request, but explained that she would have to make enquiries as to who hosts the website and that there may be issues with placing material on to the Website site as the information may be restricted.

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

4. Any Other Business

4.1 Modification 0451AV

FC explained that she needed to raise the subject of Modification 0451AV at the meeting to highlight that due to the change of the Nexus Go Live date, new prepayment profiles will be required from 01 October. FC suggested that the most pragmatic approach would be to re-run the existing 3 years of Shipper data against the new CWV and SNWCV data. It was felt that there was insufficient time or business benefit to attempt to obtain and validate an extra year of Shipper data. The meeting agreed to the proposed approach, and Xoserve would now aim to issue the PPM profiles at the same time as the standard 2015/16 profiles for review.

5. 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 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 July 2015	31 Homer Road, Solihull, B91 3LT	DESC	Review and Approval of 2015/16 NDM 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 (19 May 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>
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	<i>Objections to be provided by 26 June 2015</i> Carried forward
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.	FC	Pending