
UNC Demand Estimation Sub-committee
Technical Workgroup Minutes
Wednesday 03 October 2012
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Christian Ivaha	(CI)	British Gas
Fiona Cottam	(FC)	Xoserve
Joseph Lloyd	(JL)	Xoserve
Mark Perry	(MP)	Xoserve
Martin Attwood	(MA)	Xoserve
Mo Rezvani (User Member)	(MR)	SSE
Paul Tuxworth (Transporter Member)	(PT)	National Grid NTS
Roy Malin	(RM)	National Grid Distribution
Sallyann Blackett (User Member)	(SB)	E.ON UK

**via teleconference*

Meeting papers are available at www.gasgovernance.co.uk/desc/031012

1. Confirmation of membership and apologies for absence

The meeting was declared quorate.

1.1 Apologies for absence

Apologies were received from R Pomroy (Wales & West Utilities).

1.2 Alternates

None appointed.

2. Review of Minutes and Actions from the previous meeting(s)

2.1. Minutes

The minutes from the Technical Workgroup (15 August 2012) were approved.

2.2. Actions

DTW0801: Complete analysis for options A, C and E by the end of September.

Update: Presentations were provided for Options A and E; CI reported that analysis for Option C was continuing. **Carried forward**

DTW0802: *TWG Work Planning* – Algorithm Performance Analysis: TWG to consider the various strands of Algorithm Performance Analysis and the frequency of analysis and provide comments on what should be done going forward.

Update: Following the previous meeting Xoserve had provided background information and a summary of the various strands of analysis associated with Algorithm Performance at: www.gasgovernance.co.uk/desc/150812.

No comments had been received in the interim. The group briefly discussed and reconsidered the priorities, agreeing that there was no point to doing the Algorithm performance analysis twice a year. MR observed that it was prudent to do everything once a year.

It was suggested that the analysis for the three strands be done once a year in the autumn following completion of the gas year, with the results repeated in Appendix 13 of the NDM booklet; if more was required at any point that could be discussed and agreed as necessary. Appendix 13 should therefore be kept but would contain the previous autumn's analysis without any further update.

It was concluded that the recommendation to DESC would be to do the analysis once a year. **Closed**

DTW0803: *Ref No 2: Review of appropriateness of current EUC definitions for Small and Large NDMs* – Consider different approaches and submit suggestions/preferences to Xoserve by 31 August 2012.

Update: No comments had been received in the interim; Shippers indicated that they were still considering the position. FC pointed out that it might now be more difficult to add in any extra indicators/data items and carry out system testing to achieve changes in EUC definitions for October 2013; October 2014 would be impacted by Project Nexus. Approaches that had been put forward under Nexus and the reasons for their abandonment were reiterated. Reducing the ceilings of various EUC Bands were briefly discussed. RM pointed out the need to consider wider impacts - the DNs' three charging functions were based on the current EUC Bands, and that any changes to the Bands may therefore affect these. It would be helpful if any revised Bands could remain within the same charging function parameters. However, if any changes were to be made now would be a good time to do it from the DNs' perspective as charges had been recently reviewed and the supporting data was fresh. **Carried forward**

3. Project Nexus – New Allocation Algorithm

Presentation of analyses relating to Options A and E, and update on Option C.

3.1 Option A (E.ON UK)

SB gave a presentation on progress made, explaining the data used and its sources. Results were illustrated using a variety of graphs. Referring to Slide 4 'Residuals' (scatter graph), SB advised that she was not completely satisfied with the results, as she believed they contained an error (either in the sample or the calculation) that so far had eluded identification. Moving on to Slide 5 'Site by Site comparison with Smart data (Meter 1 – AQ)' (graph) the results gave a very close match and seemed to indicate that this actually works quite well for Small Supply Points, however she would also like to compare for larger meters.

Results on Slide 6 'Site by Site comparison with Smart data (Meter 2 – AQ 48011)' (graph) and Slide 7 'Site by Site comparison with Smart data (Meter 3 – AQ 11139)' (graph) also demonstrated a good match. SB commented that she was not observing any flaws in using the new methodology for small supply points, although there was not much difference to the current methodology. The indications so far were that it would not worsen the position for sites in Band 1, even with the big adjustment factor. She was prepared to continue to do analysis on larger supply points and present at the next meeting.

3.2 Option C (British Gas)

CI gave a brief report on progress made, and suggested that the CWV could be improved by including rainfall and solar radiation to support this Option. (Some internal analysis had indicated that summer cut-offs might have to be reduced as well.) A presentation would be made at the next meeting.

3.3 Option E (Xoserve)

MP gave a presentation detailing the Option E Formula explaining the analysis (objectives, data used and sources, method) performed.

The results (by day of the week and by month) were illustrated together with graphs depicting the daily profile for different time periods. MP observed that so far the results looked promising.

Next Steps

It was suggested that the TWG should now agree the approach for comparing the Options in a consistent manner. This was discussed.

FC summarised that what was required was a reasonably good standalone estimate of consumption that compares with actual data. She was concerned that the Scaling Factor would be seen as the main driver, and was not convinced that this should be so – in her view accuracy rather than money should influence the focus. PT suggested that it would be sensible to use the same base data for each of the models, especially C and E, and that Xoserve might provide the sample data so that the same periods could be used for modelling and testing. It would be important that CI considers regression within the data sets. MP suggested consideration of three years – 2008/09, 2007/08, and 2006/07. It was confirmed that the sample data would be online; it was pointed out that it would not be for the same customers and would require ‘normalising’, though there was not believed to be a great amount of churn year on year. It was suggested that the consistent IDs could be extracted and these could be used as the basis across the three years.

All three options would use Option E as the example for presenting the data/results; a summary of the agreed criteria for presenting results is shown below:

- Compare ‘Option’ prediction to 2009/10 actuals
- Focus on West Midlands LDZ
- Display results of MAPE
- Display results of MPE (bias)
- Display results at Day of Week and Calendar month level (as per Option E)
- Display results at Daily level in charts similar to Option E
- Consider scale for all graphs presented
- When deriving parameters for models then data should be used and smoothed from following years - 2008/09, 2007/08, and 2006/07 – i.e. same data that was used to derive smoothed parameters in Option E parameters such as ALPs and DAFs.

MP confirmed that Xoserve would rework (and republish) the Option E results for period 2009/10 with MAPE and MPE. Also sample data will be provided for gas years 2010/11 and 2011/12 in order that these years can also be tested by the various Options.

Further analysis would be produced and presented at the next DESC Technical Workgroup meeting (see 5.2 below, for confirmation of dates).

4. Any Other Business

5.1 Tender Progress

Responding to an enquiry on progress of the tender, FC reported that the team was in the middle of the selection process, meeting with Suppliers, and a decision might be expected shortly.

FC indicated that it might be necessary to convene a DESC meeting at short notice to confirm the scope of the data set. This was likely to be by teleconference and would be communicated through the Joint Office. A provisional date of Thursday 11 October 2012 (starting at 15:00) was put forward.

Discussions on the second phase of the tender to establish DESC's requirements could be commenced once the contract for the first stage has been signed.

SB observed that a replacement for Hulme Library was time critical and stressed the importance of concluding the tender fairly quickly.

5. Diary Planning

5.1 DESC Meetings

The next DESC meeting has been arranged for 10:30 on Wednesday 07 November 2012, at Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

5.2 DESC Technical Workgroup Meetings

DESC Technical Workgroup meetings are held on a monthly basis, and arrangements have been made accordingly (see Table below).

In order to allow sufficient time for the analysis on the 3 options to be progressed, it was agreed to defer the meeting previously arranged for Friday 02 November 2012. The next DESC Technical Workgroup meeting has therefore been arranged for Monday 20 November 2012, 10:30 – 15:00 at 31 Homer Road, Solihull B91 3LT; teleconference arrangements can be made on request.

DESC and DESC Technical Workgroup Meetings 2012

Date	Time	Venue	Meeting	Programme
02 November 2012 - DEFERRED	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	DEFERRED to 20/11/12
07 November 2012	10:30	Energy Networks Association (ENA), Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC	Strand 1 Algorithm Performance – WCF & SF Analysis
20 November 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	Options A, C and E – analysis to be presented
05 December 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	TBC

Action Log: Demand Estimation Sub-committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0404	04/04/12	7.0	<i>Minimising Losses of Xoserve AMR Equipment</i> – DESC members to establish appropriate contacts and provide a view on the procurement of non-Transporter data for samples as permitted under Modification 0258A.	DESC	Carried forward
DE0404A	11/07/12	2.2	<i>Minimising Losses of Xoserve AMR Equipment</i> – Transporters to confirm how any data gathered by Shippers should be provided and any minimum requirements (samples, details, formats, etc).	Transporters	Pending

Action Log: Demand Estimation Sub-committee – Technical Work Group

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0801	15/08/12	3.0	Complete analysis for options A, C and E by the end of September. 09 November 2012.	CI, MR, SB and Xoserve	Carried forward - Presentations to be made on 20/11/12
DTW0802	15/08/12	4.2	<i>TWG Work Planning</i> – Algorithm Performance Analysis: TWG to consider the various strands of Algorithm Performance and the frequency of analysis and provide comments on what should be done going forward.	ALL	Closed
DTW0803	15/08/12	4.2	<i>Ref No 2: Review of appropriateness of current EUC definitions for Small and Large NDMs</i> – Consider different approaches and submit suggestions/ preferences to Xoserve by 31 August 2012.	ALL	Carried forward to 20/11/12