
UNC Demand Estimation Sub-committee Technical Workgroup Minutes

Wednesday 15 August 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
Louise Gates (User Member)*	(LG)	EDF Energy
Mark Perry	(MP)	Xoserve
Mo Rezvani (User Member)	(MR)	SSE
Paul Tuxworth (Transporter Member)	(PT)	National Grid NTS
Richard Pomroy (Transporter Member)*	(RP)	Wales & West Utilities
Sallyann Blackett (User Member)	(SB)	E.ON UK

**via teleconference*

Meeting papers are available at www.gasgovernance.co.uk/desc/150812

1. Confirmation of membership and apologies for absence

1.1 Apologies for absence

None received.

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 (27 June 2012) were approved.

2.2. Actions

No actions outstanding.

BF then drew attention to outstanding DESC Action DE0401 (originated at the DESC meeting on 04 April 2012) as this may be considered as being more relevant to the work of the DESC Technical Workgroup. The status was briefly discussed and it was agreed that this action should be closed, and that a new action will be raised if deemed appropriate at the conclusion of this meeting.

3. Project Nexus – New Allocation Algorithm

Further updates on analyses relating to Options A and C.

3.1 Option A (E.ON UK)

SB gave a presentation on progress made, explaining the data used and its sources.

The R^2 results were good; the MAPE results were not so good. The illustrative graph was discussed and SB explained she had tried to create an equivalent of the Scaling Factor. It was reasonably consistent across the summer, and more variable across winter. She had applied to all EUCs across the LDZ. She had not yet reviewed whether it was LDZ specific, and also intended comparing against Smart meter data.

SB will consider performing the analysis against other LDZs.

Analysis would be completed by the end of September 2012.

3.2 Option C (British Gas)

CI gave a presentation on progress made, explaining the regression analysis (model and results) performed. The regression analysis parameters were illustrated and the results displayed, and a short discussion ensued.

PT suggested using an adjusted R^2 , rather than Straight R^2 .

FC commented that cut-offs would be needed in this arrangement.

MR suggested modelling different seasons.

CI noted the comments made for further consideration. He will revise and extend the results taking account of the observations and suggestions made for refinement.

Next Steps

It was agreed that presentations of the results for Options A, C and E should be made at the next TWG meeting (Wednesday 03 October 2012) to enable comparisons to be made to the 'status quo' and to each other, with the objective of moving closer to a decision on which should be taken forward.

Following discussion it was agreed that only NDMs would be modelled, and that DMs and Shrinkage would be excluded for comparison purposes.

New Action: TWG 0801: Complete analysis for options A, C and E by the end of September.

4. Technical Workgroup (TWG) Work Planning

MP gave a presentation.

4.1 Lessons Learnt – Spring 2012 analysis

MP explained that TWG had been invited to send in their feedback on which areas had gone well and where there is room for improvement with regards to the 2012 analysis. Xoserve had also conducted its own review. MP reiterated the importance of proposing/agreeing any changes for 2013 in good time before the commencement of the modelling process.

A high level view of the 2012 cycle was illustrated. MP indicated that views would be welcome on how the work is allocated across the 20 week period. SB suggested

reducing the EUCs and the number of models (this would be discussed further during adhoc work plan review).

It was noted that there was not too much scope for flexibility within the 20 week timeframe, and various ways of phasing differently or short cutting were discussed and considered. JL pointed out that Xoserve was constrained in some ways by availability of resources – it was hard to know in advance what might be required for any potential issues. MP suggested that Xoserve could indicate the times when decisions have to be made and the Technical Workgroup (TWG) could indicate in advance what data it would require to support its decision making.

MP pointed out that there will still be tight timescales for the next year and he would appreciate some indications on what data the TWG would like to see for the ‘regular’ items. SB observed that Shippers have commented in previous meetings what they would have liked to have seen at the various points.

MR commented that the different ways of working together over the past year had made a positive difference.

Consultation on Proposed NDM Profiling and Capacity Estimation Algorithms for 2012/13

Commenting on the process SB believed that DESC should have had the opportunity to respond to the representation submitted rather than have found out about it after the event.

FC explained that the ‘representation’ received was really seeking a clarification rather than offering a view/criticism of the proposals, and it was felt that it was better to respond to this directly, rather than convene a full DESC meeting. SB agreed that DESC would not have responded any differently to the content of the ‘representation’.

FC pointed out that it has highlighted that there is no formal mechanism for responding to a ‘representation’ that is really an information/clarification seeking communication rather a ‘formal representation’ in the currently accepted sense of the term when connected to a consultation.

Recognising that the convening of a formal meeting to discuss this type of submission might be unnecessary, it was suggested that any such might be communicated to DESC and dealt with via email or teleconference, allowing a few days for consideration. It might also be prudent to routinely formally schedule a teleconference for the Monday following the conclusion of the consultation period to maintain visibility.

The period allowed for industry consultation was discussed. SB commented that, as in the past, any major revisions suggested via any received representations were unlikely to be made at that point in the unlikely event that the industry suddenly raised something that DESC had not considered before.

BF pointed out that smaller organisations may need time to assess and respond; a week is not a very long time for an industry consultation, the standard generally being a minimum of 15 business days. SB observed it was not supposed to be a formal consultation, rather it was an opportunity for other parties to comment if they had not been able to attend the meetings. FC referred to the UNC and observed that it was silent on the timescales to be allowed; the end date of 15 August was the only formalised constraint.

Returning to the timescales for the planned work, FC said that a decision did not have to be made at this meeting regarding any future final timetable; the work that is done in the autumn/winter will feed into the picture and this may lead to a natural reappraisal as it proceeds.

4.2 List of potential work areas

During the Spring analysis the TWG and Xoserve had captured a total of six potential additional work areas to be investigated further.

MP reiterated what was currently included in the programme for 2012/13, and asked for views on a proposal to drop the RV analysis (this is done twice). SB had no objection to dropping this if there was more useful work that could be done. MP observed that it would still be reported on within Appendix 13.

A further question that could also be considered was, how useful to everyone was the information contained in Appendix 13?

New Action 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.

Post Meeting Note:

Xoserve will issue a note to TWG asap with more detail on the Algorithm Performance Analysis to assist TWG in this action

Modelling systems were discussed and CI extolled the benefits of using SAS/STAT software. MP explained the systems used by Xoserve. FC added that these were kept under constant review and any potential improvements will be assessed.

Having noted that the Project Nexus Allocation Algorithm will affect their lifespans, the suggested additional work areas were then considered individually, and thought given to eventual prioritisation.

Ref No 1: Review of 'spike' validation rules applied to sample data during Spring (and Autumn) analysis

It was thought that Xoserve would have responsibility for this. MR suggested looking at doing it for the month rather than the whole period. MP confirmed this could be possible but would require a system change.

Ref No 2: Review of appropriateness of current EUC definitions for Small and Large NDMs

This was discussed. PT suggested reducing the large NDM EUCs. MR queried if EUC1 could just include domestic sites. FC responded that RbD would present the difficulty with this category and explained why (different profiles will undermine the key premise of RbD; RbD does not profile energy).

SB believed that a decision was not possible until the analysis is done and the answer is known. Sites may all have the same profile but occur in different EUCs.

FC asked if would be acceptable to do analysis without doing system testing. SB observed that it clearly would not go in for next year (2013/14), so would not waste time on system testing; do the analysis, see what the outcomes are, and then reappraise for the next Gas Year (2014/15).

Ref No 3: Investigate possibility of providing TWG with data during the Spring analysis WAR Band definitions review, and consider application of weather correction to WAR Bands

Inconsistency was discussed, and Shippers having to discuss price changes with their customers when the EUC has not actually changed which could impact their transportation charges. PT gave the background history behind the original/current method. Weather correcting WAR Bands is traditionally difficult, and PT explained the splits. SB queried the purpose of the 20:30:30:20 ratio used for splitting WAR Bands and commented that E.ON have observed sites which do oscillate between different bands over time..

FC indicated that any change to the calculation of WAR Bands was likely to require a change to be made to Sites & Meters.

SB suggested that the first part could be done, ie “ *Investigate possibility of providing TWG with data during the Spring analysis WAR Band definitions review.....*”.

Ref No 4: Further consideration given to parameters/tests used for defining warm weather cut-off models

No comments were made.

Ref No 5: Complete analysis and investigations into Options A, C and E in order to conclude views on final algorithm to take forward

The three options remain under consideration and analysis is continuing (see section 3, above).

Ref No 6: Maintenance work on EUC modelling system/process following first run though of annual cycle – including re-write of systems, updates to existing ones, and documentation updates

No comments were made.

Ref No 7: Weather Station Closure – Hulme Library

SB had identified a further work area for consideration following receipt of recent information relating to the status of the weather station Hulme Library.

The TWG then gave attention to prioritising the 7 potential areas, with the following being agreed as high priority:

- EUCs analysis
- Project Nexus Allocation Algorithm
- Maintenance work
- Hulme Library

The remaining three areas will be placed on hold, for reassessment at a later date.

CI commented that he had already carried out some work on warm weather cut-offs (Ref No 4) and had some results.

Discussion then returned to *Ref No 2: Review of appropriateness of current EUC definitions for Small and Large NDMs*, to consider the scope and other criteria for assessment.

FC explained what was done previously, and questioned if using the sample data was the right starting point, and should a deliberate focus be placed on merging some bands. PT suggested aiming for a very broad level picture first. SB suggested letting the data inform where the break points should fall, and also suggested ignoring the WAR Bands initially. She was not comfortable with just looking at merging existing EUCs.

MR felt that this approach could be very time-consuming without a suggested new framework against which to test.

PT suggested testing for sites that are more homogenous (geographically, AQ, etc) for obvious groupings up and down the bands.

MR suggested starting from the current EUC break points and trying different break points, similar to what has been done in the past. JL observed that this approach could take a lot of time, would be very much based on 'trial and error', and would be very subjective.

BF observed that as the TWG would be making these recommendations to DESC it would be beneficial if parties should give the details (scope and other criteria for assessment) further time and thought and submit any suggestions/preferences to Xoserve.

New Action 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.

5. Any Other Business

None raised.

6. Diary Planning

6.1 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.

6.2 DESC Technical Workgroup Meetings

It was suggested and agreed that DESC Technical Workgroup meetings would be held on a monthly basis, and arrangements would be made accordingly (see Table below).

The next DESC Technical Workgroup meeting has been arranged for Wednesday 03 October 2012, 10:30 – 15:00 at 31 Homer Road, Solihull B91 3LT.

DESC and DESC Technical Workgroup Meetings 2012

Date	Time	Venue	Meeting	Programme
03 October 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	Project Nexus New Allocation Algorithm: Options A, C and E and 'as is' - presentation of analyses

02 November 2012	10:30	31 Homer Road, Solihull B91 3LT	DESC TWG	TBC
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
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
DE0401	04/04/12	4.0	Shippers to trial Options A and C and produce and present results.	All Shippers	Closed
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.	CI, MR, SB and Xoserve	Pending
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	Pending

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0803	15/08/12	4.2	<i>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.</i>	ALL	Responses to Xoserve by 31 August 2012