

# UNC Demand Estimation Sub-committee Technical Workgroup Minutes

Tuesday 19 May 2015

at 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 Deksnyste	(ID)	Northern Gas Networks
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Nadya Kunawicz	(NK)	Corona Energy
Naomi Nathanael	(NN)	Plus Shipping
Penny Rowland	(PR)	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

### 1.1. Apologies for absence

None received.

### 1.2. Note of Alternates

Tim Wong for Christian Ivaha (British Gas)

Fiona Cottam for Rob Nickerson (National Grid NTS)

Shiv Singh for Chris Warner (National Grid Distribution)

## 2. Review of Minutes and Actions from the of previous meeting (27 April 2015)

The minutes were approved.

### Actions

**DTW0401:** Gemini File Flows 'MNO' and 'MTO' – Xoserve to confirm if data flowing would include UG at LDZ/Shipper levels.

**Update:** FC confirmed that Unidentified Gas was included in the file flow and so this action can now be closed. **Closed**

### **3. Progress on Single Year Modelling results – Small and Large NDM (2014/15)**

#### **3.1 Discussion on results and way forward.**

FC gave an overview of the Demand Estimation changes for this year and provided an overview of the results from the Single Year Modelling data analysis. FC overviewed the impact of the change of Nexus 'Go Live' date to Modification 0432 with regards to the change in formulas and based on the weather variables. BF explained to the Workgroup that a letter had been sent to the Industry from Ofgem explaining that a recommendation will be made by the Project Nexus Steering Group on 02 June 2015 with regards to a new go live date. Once a new date has been confirmed then an urgent Modification will be raised.

MP provided an in-depth review of the analysis undertaken at the request of the Workgroup and highlighted the fact that new and old style ALPs and DAFs will be produced. MP explained that there would be two sets of DAFs and one set of ALPs with the associated load factors. MP overviewed the role and responsibilities of the DESC Workgroup and talked through the current Milestone Plan, explaining that the Small and Large Supply Point Single Year Modelling had been now completed.

MP stated the objective of the TWG Workgroup during the meeting, was to obtain sign off the proposed models to then enable Model smoothing to be undertaken. MP then overviewed with the Workgroup the approach to the data modelling with regards to CWV Composite Weather variations and Demand Modelling that is impacted by effects such as holidays, to try to achieve the closest fit with the sample data and good differentiation in indicative load factors, to enable a decision to be reached.

#### **3.2 Small NDM – Single Year Modelling Results**

MP summarised the modelling results for the Small NDM consumption bands. The vast majority of these were modelled at individual LDZ level and returned good results. Moving onto the models for WAR Bands 1, 2, 3 and 4 MP stated that the results were good and did not give cause for concern, however there was a decision to be made by TWG regarding NO WAR Band 4. PR felt the modelling results for NO on its own were good enough to avoid aggregating the data. Following a brief discussion within the TWG, all agreed with this approach, especially as, the models were all strong in their own right, as shown by the percentages provided in the data, which included, the holiday and seasonal impacts.

The TWG agreed with the recommendations proposed.

#### **3.3 Large NDM – Single Year Modelling Results**

JL overviewed the approach for the data analysis of the Large NDM EUCs and explained that these represented approximately 11.7% of the total load and 0.03% of the supply points. JL stated that Bands 7 and 8 are now combined for modelling purposes and that Band 5 and 6 were strong in their own right, and that Band 9 was treated from a National perspective. JL said that the data had been updated since the initial publication, as an error was identified on NW/WN in several Bands, which had been in relation to demand. JL overviewed the data sets with the TWG Workgroup and a brief discussion was undertaken regarding the potential aggregation of SW and WS LDZs in Band 6. PR was concerned that the results did not improve with the proposed additional combinations of LDZs in Band 6 and was not in favour of continuing with this model, other members agreed with this view and it was decided by all not to combine these LDZs at this time.

From the meeting on the April 27<sup>th</sup> there were no further Large NDM Consumption Bands requiring decisions.

#### *WAR Band Analysis*

JL moved on to the Large NDM WAR Band EUCs. JL overviewed the data for the WAR Band EUCs in Band 5 and the options of combining them into 4 groups rather than the alternative option of 7 groups, to address the small sample sizes in certain LDZs/Bands. The TWG Workgroup discussed this proposal in depth and it was felt that these LDZs should be modelled as 7 groups, as they have sufficient strength from an individual perspective and the fact there was little seasonality impact, and in some instances they have improved. The TWG Workgroup all agreed that Band 5 WAR bands should go forward to model smoothing based on 7 groups.

JL overviewed the analysis for Band 6 WAR Bands and the potential for this to be aggregated into 3 or 4 groups, this was discussed by the TWG Workgroup and from the results of the data analysis it was agreed that this should be aggregated as 3 groups, as the model fits were improved. Likewise, the decision was made for Band 7 and 8 WAR Bands to be aggregated in 2 groups rather than 3, as it was felt that model fits were improved across the board. The TWG Workgroup were all in agreement with this decision.

JL then confirmed that this decision would now allow the required Model Smoothing to be undertaken, where single models would now be put together with the previous two years to develop the NDM Algorithms. JL stated that published drafts for ALPs and DAFs would be available by 08 June 2015, ready for feedback, in readiness for the TWG Workgroup meeting on 24 June 2015.

FC asked the TWG Workgroup that following the discussions in the meeting regarding the data analysis, did the Workgroup feel that the T-Stats information was necessary, as it took a great deal of time and effort to produce. The consensus of the TWG Workgroup was that it was not needed, as similar information was available via the 'Slopes' data. Also, when given the option, the TWG Workgroup confirmed that the graphs of model results with seasonal breakdown should be retained but that the results graphs without the seasons could be dropped. FC confirmed this would no longer be included in future data analysis of this kind.

#### **4 Next Steps**

It was confirmed that Model Smoothing would now be undertaken and published results to be made available on 08 June 2015.

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

None raised.

#### **6 Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

#### **DESC and DESC Technical Workgroup Meetings 2015**

<b>Time/Date</b>	<b>Venue</b>	<b>Meeting</b>	<b>Programme</b>
10:00 Wednesday 24 June 2015	31 Homer Road, Solihull B91 3LT	<b>DESC TWG</b>	Review TWG responses to draft proposals and agree key messages for DESC
10:00 Wednesday 08	31 Homer Road,	<b>DESC</b>	Review and Approval of 2015/16 NDM Algorithms as recommended

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

<b>DESC TWG Action Table (27 April 2015)</b>					
<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>DTW0401</b>	27/04/15	5.1	<i>Gemini File Flows '.MNO' and '.MTO' - Xoserve to confirm if data flowing would include UG at LDZ/Shipper levels.</i>	Xoserve (FC)	<b>Closed</b>