

UNC Demand Estimation Sub-committee Technical Workgroup Minutes

Tuesday 26 April 2016

via teleconference

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andy Smith	(AS)	British Gas (Representative)
Fiona Cottam	(FC)	Xoserve
Fiona Speak	(FS)	RWE npower (Representative)
Jason Blackmore	(JB)	British Gas
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Martin Attwood	(MA)	Xoserve
Sallyann Blackett	(SB)	E.ON UK (Alternate)
Tony Davey	(TD)	SSE (Representative)

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/260416>

1. Introduction

1.1. Apologies for absence

Colin Thomson, Chris Warner and Anupa Purewal.

1.2. Note of Alternates

Fiona Cottam (Xoserve) for Transporters Scotia Gas Networks and National Grid Distribution, and Sallyann Blackett for Anupa Purewal.

2. Review of Minutes and Action(s)

2.1. Approval of Minutes (17 November 2015)

The minutes of the previous meeting were approved.

2.2. Action(s)

DTW1201: FC to prepare an email for circulation to the industry inviting parties to support DESC Technical Workgroup analysis and data sets, if the use of Shipper data in the autumn validation exercise is a success.

Update: FC reported that this had been completed in February 2016. **Closed**

3. Spring Analysis - Phase 1: Data Validation and Aggregations

3.1. Background and Summary of Validated Sample Data

MP gave an overview of Demand Estimation and the associated timetable.

The changes resulting from Modification 0432, which will be implemented on 01 October 2016, were explained and attention drawn to key points.

The key objectives of this meeting were reiterated, i.e. to obtain the TWG's agreement to sample sizes, agreed aggregations and WAR band limits - this was needed prior to commencing next phase of modelling.

The basis of the 2016 modelling was outlined and the position regarding the use of Third Party Data was explained. Following analysis presented at its November meeting, the DESC had approved the use of third party supplied data, starting with Spring 2016 modelling work. A note had been issued in February, via the Joint Office, requesting support from third parties in providing data to boost NDM sample numbers.

MP then presented the completed analysis (current position), noting that additional spreadsheets had been provided that summarised the outcome of the validation and Xoserve's proposed aggregations/recommendations. As previously arranged, a WAR Band Decision spreadsheet had also been provided as a tool for TWG representatives to use to try out different WAR band permutations ahead of the meeting where they had to be agreed.

Summary - Small NDM and Large NDM EUCs

A table was displayed, indicating the validated sample counts available for modelling and the reasons for reductions in numbers for EUC Band 1 were briefly discussed (battery replacement programme, and smart meter rollout to a lesser degree). MP pointed to a welcome increase in sample numbers for Bands 2 and above, mainly due to the third party provided data along with the consequential impact of MOD 428 being fully implemented. Attention was then directed to the accompanying spreadsheet; no questions or concerns were raised.

3.2. Small NDM Analysis - Proposed Aggregations and WAR Band Limits

EUC Bands 1-4

The analysis for EUC Bands 1-4 was presented. MP reported there were no sample issues for Bands 1, 2 and 4.

Band 3 had a small sample size in Wales South (WS) LDZ with only 20 supply points, and it was proposed to undertake two modelling runs (consistent with the previous year):

- INDIVIDUAL LDZ with NW/WN and WS/SW combined; and
- INDIVIDUAL LDZ with NW/WN combined

and then review the results/impacts for both models.

The DESC TWG agreed with the aggregations and the recommendations made for Bands 1-4.

WAR Bands 1-4

The analysis for WAR Bands 1-4 was presented (NB: There are no WAR Bands associated with Bands 1 and 2).

For **Bands 3 and 4** combined, MP proposed the following aggregation:

- INDIVIDUAL LDZs with NW/WN and SW/WS combined

For WAR Band definitions the recommendation was made to use 0.412, 0.488 and 0.587. This would provide good sample numbers and a close proximity to the target of the 20:30:30:20 split.

The DESC TWG agreed with the aggregation and the recommendations made for Bands 3 and 4.

3.3. Large NDM Analysis - Proposed Aggregations and WAR Band Limits

EUC Bands 5-9

The analysis for EUC Bands 5-9 was presented. MP confirmed the Bands for which Xoserve was running models, and confirmed the merge was as previously agreed for Bands 7 and 8.

For **Band 5**, it was proposed to undertake 2 modelling runs using the following aggregations:

- INDIVIDUAL LDZ with NW/WN and WS/SW combined; and
- INDIVIDUAL LDZ with NW/WN combined

and then review the results for the WS individual model and the impacts to SW of combining this with WS.

The DESC TWG agreed with the aggregations and the recommendations made.

For **Band 6**, proposals were made to undertake 2 modelling runs using the following aggregations:

- INDIVIDUAL LDZ with NW/WN and WS/SW combined; and
- INDIVIDUAL LDZ with NW/WN combined

and then review the results for the WS individual model and the impacts to SW of combining this with WS.

The potential for a future increase in certain sample sizes was discussed, and it was questioned whether fewer aggregations would be reintroduced in future years. JL explained that each year was treated individually and that the preference was to use LDZs individually if the sample size was deemed sufficient to do so. FC added that Xoserve was supporting the Transporters to achieve sample increases. As populations reduce in the higher Bands it becomes harder to achieve a good coverage; some have a supply point population of much less than 30 (the target) and so will never achieve that target. In some areas there is never going to be enough of a population to build a good representative picture and therefore it is better to merge with another LDZ.

FC reminded the meeting that where 2 possible levels of aggregations were agreed at this meeting, the results of both runs would be reviewed at the May meeting, and TWG would need to select one of the options to take forwards into model smoothing.

The DESC TWG agreed with the aggregations and the recommendations made.

For **Bands 7 and 8**, it was proposed to undertake 2 modelling runs using the following aggregations:

- INDIVIDUAL LDZ with NW/WN and WS/SW and SE/SO combined; and
- INDIVIDUAL LDZ with NW/WN combined

and then to review the results for the WS individual model and the impacts to SW of combining with WS, along with comparisons of SE/SO combined with their individual models.

The DESC TWG agreed with the aggregations and the recommendations made.

For **Band 9**, it was noted that this was one contingency Band for sites which should be Daily Metered (DM). No change was proposed to existing treatment.

WAR Bands 5-8

The analysis for WAR Bands 5-8 was presented (NB: There is no WAR Band associated with Band 9).

For **Band 5**, it was proposed to undertake 2 modelling runs using the following aggregations:

- 4 LDZ GROUP
- 5 LDZ GROUP, with SC as an INDIVIDUAL LDZ

For WAR Band definitions the recommendation was made to use: 0.372, 0.442 and 0.524. This would provide good sample numbers and a close proximity to the target of the 20:30:30:20 split.

The DESC TWG agreed with the aggregations and the recommendations made for Band 5.

For **Band 6**, it was proposed to undertake 2 modelling runs using the following aggregations:

- 3 LDZ GROUP
- 2 LDZ GROUP

For WAR Band definitions the recommendation was made to use: 0.331, 0.396 and 0.495. Xoserve believed this would provide good sample numbers and a close proximity to the target of the 20:30:30:20 split. This was discussed and two alternative series of numbers were suggested by SB and AS respectively.

SB suggested using the combination 0.331, 0.395 and 0.494, and explained the effect of using these numbers. JL input these into the spreadsheet and the results obtained were discussed. The results noted were considered to be satisfactory (net position of absolute differences to target splits were closer to zero).

AS then suggested using the combination 0.330, 0.395 and 0.494, and JL input these numbers into the spreadsheet and the results obtained were discussed. The downside of using this combination appeared to be the losing of a sample point in WAR Band 1 in Scotland group; it also moved 3 extra into Band 2. MP observed that overall there was not a lot of difference. FC commented that it might lead to one step more of aggregation than currently considered.

JL then summarised the effects of both alternative suggestions, following which it was decided that SB's was to be preferred.

The proposals and recommendations were then restated to be as:

Proposal to undertake 2 modelling runs using the following aggregations:

- 3 LDZ GROUP
- 2 LDZ GROUP

and for WAR Band definitions the recommendation was made to use: 0.331, 0.395 and 0.494.

The DESC TWG then agreed with the restated aggregations and the recommendation made for Band 6.

For **Bands 7 and 8**, it was proposed to use the following aggregation:

- 3 LDZ GROUP

For WAR Band definitions the recommendation was made to use: 0.318, 0.357 and 0.433. Xoserve believed this would provide good sample numbers and a close proximity to the target of the 20:30:30:20 split. This was discussed and SB suggested an alternative combination of 0.318, 0.356 and 0.431. JL input these into the spreadsheet and the results obtained were discussed. This looked to be a useful combination and a slight improvement on the original proposal.

The proposal and recommendation were then restated to be as:

Proposal to use the following aggregation:

- 3 LDZ GROUP

and for WAR Band definitions the recommendation was made to use: 0.318, 0.356 and 0.431.

The DESC TWG then agreed with the restated aggregation and the recommendation made for Bands 7 and 8.

3.4 Conclusion and Next Steps

MP summarised the decisions reached.

Small NDMs - Xoserve's proposals had been accepted and agreed.

Large NDMs - Xoserve's proposals in respect of aggregations had been accepted and agreed.

Xoserve's proposals regarding WAR Band definitions had also been accepted and agreed, but with the exceptions of Band 6 and Bands 7 and 8. In respect of these, alternative proposals had been made regarding combinations of numbers and in each case alternatives had been accepted and agreed.

For Band 6, the following combination was agreed for use: 0.331, 0.395 and 0.494.

For Bands 7 and 8, the following combination was agreed for use: 0.318, 0.356 and 0.431.

Next Steps

Xoserve will commence single year modelling. The data sets will be run against CWV and the modelling results will be presented to the DESC TWG, with the aim of providing the material at least 5 days in advance of the next meeting so that parties have opportunity to review and consider.

JB enquired when the 2015/16 sample data would be available on Xoserve's website. MP responded that the data was usually published by May 31st. FC added that this was the intention, but that at present the NDM Modelling had to take precedence, to ensure that industry deadlines can be met.

4. Any Other Business

4.1 Technical Workgroup Representatives

HC drew attention to the recent change to the British Gas Representative, noting that Andy Smith (AS) had replaced Tim Wong.

HC invited and encouraged all Representatives to formally nominate a standing alternate representative to provide cover for future absences (planned and unplanned).

4.2 Modification 0565 - Central Data Service Provider: General framework and obligations - Changes to UNC TPD Section H

HC reported that at the Workgroup 0565 meeting (06 April 2016) Chris Warner from National Grid Distribution had presented some suggested changes to UNC TPD Section H.

The Workgroup 0565 desired that the DESC should have an opportunity to review the suggested changes being made under Modification 0565 and provide Workgroup 0565 with any views/feedback.

HC confirmed that a copy of the proposed text had been emailed to the DESC members and was also available to view at: <http://www.gasgovernance.co.uk/0565/060416>.

She confirmed that Workgroup 0565 is expecting to review UNC TPD Section H again at its subsequent meetings on 18 May 2016 and 13 July 2016 (before consolidating the changes on 03 August 2016), and proposed that the DESC should schedule an item to consider the UNC TPD Section H text changes planned. It was also suggested that a representative from the DESC should attend the Workgroup 0565 meetings and relay any input/feedback between the DESC and Workgroup 0565. This was discussed.

It was agreed to recommend that DESC place Modification 0565 discussions on its agenda(s) for 17 May (an interim DESC meeting to be convened), 06 July and 26 July 2016, and that FC could attend the Workgroup 0565 meeting on 18 May 2016 to contribute and relay the DESC's views if appropriate. Chris Warner will be invited to attend and address the DESC meeting on 17 May 2016 to provide context and background to the suggested changes to UNC TPD Section H proposed under Modification 0565.

In the meantime all DESC TWG participants were encouraged to review Modification 0565 which had been published on the Joint Office website: www.gasgovernance.co.uk/0565.

5 Diary Planning

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

DESC and DESC Technical Workgroup Meetings 2016

Time/Date	Venue	Meeting	Programme
10:00, Tuesday 17 May 2016	Please note venue: Consort House, 6 Homer Road, Solihull B91 3QQ	DESC TWG	Review single year modelling results and provide approval to commence model smoothing stage
13:00, Tuesday 17 May 2016 Please note this additional meeting	Consort House, 6 Homer Road, Solihull B91 3QQ Teleconference facilities will be	DESC	Single issue meeting: To consider changes to UNC TPD Section H proposed under Modification 0565

	available		
10:00, Wednesday 22 June 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC TWG	Review Technical Workgroup responses to draft proposals and agree key messages for DESC
10:00, Wednesday 06 July 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC	Review and Approval of 2016/2017 NDM Algorithms as recommended by the Technical Workgroup Modification 0565 - UNC TPD Section H changes Communication of Key Messages
10:00, Tuesday 26 July 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC	Response to industry representations on 2016/2017 NDM Algorithms Review of Autumn/Winter ad hoc Work Plan 2016/2017 Modification 0565 - UNC TPD Section H changes Communication of Key Messages
10:00, Tuesday 15 November 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	DESC	Evaluation of Algorithm Performance NDM Sample Update Communication of Key Messages

DESC TWG Action Table (26 April 2016)					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW1201 <i>(transferred to DESC TWG)</i>	03/12/14	DESC 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)	Closed

DESC Action Table (16 February 2016)					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0501	19/05/15	DESC 3.0	FC to investigate with National Grid NTS adding the Unidentified Gas values on to the National Grid Operational Data Website.	Xoserve (FC)	Closed