

# UNC Demand Estimation Sub-committee Technical Workgroup Minutes

**Monday 27 April 2015**

**via teleconference**

## Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Ceirán Sheehan	(CS)	Total Gas & Power
Changbin Li	(CL)	EDF Energy
Christian Ivaha	(CI)	British Gas
Colin Thomson	(CT)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
Fiona Speak	(FS)	RWE npower
Joseph Lloyd	(JL)	Xoserve
Karen Visgarda	(KV)	Joint Office
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Penny Rowland	(PR)	E.ON
Rob Nickerson	(RN)	National Grid NTS
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/270415>

## 1. Introduction

### 1.1. Apologies for absence

None received.

### 1.2. Note of Alternates

None appointed.

## 2. Review of Minutes of previous meeting (19 January 2015)

The minutes were approved.

## 3. Spring Analysis – Phase 1: Data Validation and Aggregations

### 3.1 Background and Summary of Validated Sample Data

MP gave an overview of the Demand Estimation changes for this year, drawing attention to and reminding participants of the revision to the NDM Nominations and Allocation formula (effective from 01 October 2015). The profiles created this summer will need to fit in with these new arrangements. MP reiterated the purpose of NDM Modelling and pointed out the new formula means the NDM demand figure will be a 'bottom up' estimate. MP also observed that from 01 October 2015 any site would have the ability to be reconciled through Meter Point Reconciliation.

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The agreed 2015 timetable for the Modelling Workplan was displayed and briefly outlined, together with the basis of the modelling.

A short summary of the validated data was provided. It was observed that some sites had incorrect data and this must be validated before use in the modelling. (The spreadsheets provided to participants outside of this meeting carried further details.) It was noted that NDM Sample count numbers had dropped marginally, and the trend was continuing.

### **3.2 Small NDM – Proposed Aggregations and WAR Band Limits**

Validated data was reviewed. MP directed participants to spreadsheets provided outside of this meeting when referring to information in greater detail. Sample size issues only arose in EUC Consumption Band 03. Wales South only had 13 supply points - this was now well below the recommended minimum sample size and it was proposed to combine this with South West. Following a brief discussion the TWG gave its approval to this proposal.

MP reiterated there were no proposed changes to EUC definitions for Gas Year 2015/16.

#### *WAR Band Analysis – Consumption Bands 3 and 4 combined*

MP directed participants to spreadsheets provided outside of this meeting when referring to information in greater detail.

An issue only arose in WAR Band 4, where the NO LDZ only had a sample size of 18 sites; as it stands, MP believed it was too small to continue with an individual LDZ analysis, and indicated that 30 would be preferable as a target. Three options were considered as a potential remedy and a discussion ensued. Referring to the alternatives on the spreadsheet Xoserve explained its preference. The spreadsheet showed various pre-defined aggregations available in the system, based on the likely geographical combinations as agreed last year. PR commented that she would not like to aggregate LDZs unnecessarily, and would prefer to run with a low number. Xoserve was not comfortable with running with what was nearly half the target number - it could statistically prove to be a very weak fit; the second option was believed to be the least risky and provides adequate cover. FC would counsel against choosing a new aggregation, as the development work to implement a new aggregation could delay progress by up to a week.

It was questioned what was the downside of percentages not being as close to the ratios. MP gave a brief explanation; this was trying to avoid introducing volatility into WAR Bands and skewing thresholds downwards, and making a category more peaky, and potentially a step change for quite a few sites (disadvantage for winter data).

Noting the preference for continuing the running of NO with a small sample size, MP then suggested a parallel running of an aggregation so that comparison could be made. It was agreed to do this, selecting the aggregation, which combined NO, NW and WN. The TWG approved this approach.

### **3.3 Large NDM – Proposed Aggregations and WAR Band Limits**

MP directed participants to spreadsheets provided outside of this meeting when referring to information in greater detail.

For Band 06 it was proposed to run an individual LDZ analysis and combine WS/SW LDZs in parallel. The TWG approved this approach.

For Bands 7 and 8 combined, it was proposed to run individual LDZs and combine WS/SW and SE/SO LDZs. The TWG approved this approach.

For Band 9 it was proposed to continue with the current approach of a national aggregation. The TWG approved this approach.

#### *WAR Band Analysis*

MP directed participants to spreadsheets provided outside of this meeting when referring to information in greater detail.

For Band 05, due to low sample numbers, analysis for 4 LDZs was proposed. PR referred to a 7-group version (SC, NO/NE, NW/WN, EM/WM, EA/NT, SE/SO, SW/WS) where the results looked reasonable, (although accepting there were 5 datasets below the target) and indicated her preference for this. Following a short discussion it was agreed that Xoserve should do the 4 and 7 LDZ group runs in parallel, subsequent to which the TWG would review the results and decide which to take forward. The TWG approved this approach.

For Band 06, 3 LDZ groups were proposed to maintain good sample numbers. PR suggested running 4 and 3 groups together in parallel. The TWG approved this approach.

For Bands 7 and 8, parallel running of 2 and 3 LDZ groups were suggested. The TWG approved this approach.

It was noted that the movement to 3 decimal points for WAR Band thresholds was a great improvement. The TWG confirmed it was happy with the WAR Band ratios proposed.

## **4 Next Steps**

It was confirmed that Single Year Modelling will be commenced, and any emerging issues will be communicated.

Results will be presented and preferences established as to which should be used, at the next meeting on 19 May 2015.

PR suggested that a list of aggregations for next year could be reviewed in advance to see what might be preferred/substituted. FC noted this for further consideration and suggested it should be added to the ad hoc work areas log to be discussed later in the summer.

## **5 Any Other Business**

### **5.1 Visibility of Shipper share of Unidentified Gas (UG) in Gemini Post-UK Link replacement**

It was noted this had been discussed at other forums, and although perhaps more of an item for discussion at DESC it was to be considered under this meeting due to pressures of time.

SB had raised concerns regarding the visibility of the Shipper share of Unidentified Gas (UG) in Gemini post-UK Link replacement. FC observed there were a lot of changes going into Gemini for 01 October 2015, including EU reform and other areas. The changes being made to UK Link had already been scoped and any additional changes at this point could put the whole delivery at risk. SB would like a single API (automated download) to provide UG at various levels (currently only at Shipper level, not LDZ level), rather than as a manual report (very time consuming). It was observed that having multiple Shipper Short Codes might make it more complicated, because it would not be wanted at an aggregated Shipper/national level. SB and CI confirmed that purchasing has to be done at a LDZ level.

FC thanked parties for the extra clarification which would help Xoserve in understanding what potential changes might be required to the Gemini system and what workarounds might be put in place until such time as a system solution can be developed and delivered.

Referring to data through file flows '.MNO' and '.MTO' (at logical meter level ID), FS indicated she was under the impression that this would include the required data at LDZ/Shipper levels. FC agreed to clarify this and report back.

**Action DTWG0401: Gemini File Flows '.MNO' and '.MTO' - Xoserve to confirm if data flowing would include UG at LDZ/Shipper levels.**

## 6 Diary Planning

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

Please note location change for next meeting on Tuesday 19 May 2015.

FC added that a further DESC meeting would be required and it was agreed to hold this after the next DESC Technical Workgroup meeting on 19 May 2015. Details will be notified nearer the time.

### DESC and DESC Technical Workgroup Meetings 2015

Time/Date	Venue	Meeting	Programme
10:00 Tuesday 19 May 2015	31 Homer Road, Solihull B91 3LT	<b>DESC TWG and</b>	Review single year modelling results and provide approval to commence model smoothing stage
		<b>DESC</b>	<i>To be confirmed</i>
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 July 2015	31 Homer Road, Solihull B91 3LT	<b>DESC</b>	Review and Approval of 2015/16 NDM Algorithms as recommended 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

### DESC TWG Action Table (27 April 2015)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<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>Pending</b>