
UNC Demand Estimation Sub-committee Technical Work Group Minutes

Wednesday 23 May 2012

at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Christian Ivaha	(CI)	British Gas
Dave Parker	(DP)	EDF Energy
Fiona Cottam	(FC)	Xoserve
Joseph Lloyd	(JL)	Xoserve
Leyon Joseph	(LJ)	Scotia Gas Networks
Louise Gates	(LG)	EDF Energy
Louise Hellyer	(LH)	Total
Mark Perry	(MP)	Xoserve
Matt Jackson	(MJ)	British Gas
Mo Rezvani	(MR)	SSE
Paul Tuxworth	(PT)	National Grid NTS
Sallyann Blackett	(SB)	E.ON UK

Meeting papers are available at www.gasgovernance.co.uk/desc/230512

1. Confirmation of membership and apologies for absence

The meeting was declared quorate.

2. Review of Minutes and Actions from the previous meeting

2.1. Minutes

The minutes from the [Technical Workgroup Minutes from 20 April 2012 meeting](#) were approved.

2.2. Actions

Action TW0401: Xoserve to set up a log of possible activities for the Autumn analysis and to add “investigation of appropriateness of data spike rejection rules used in Spring data validation” to the list.

Update: FC confirmed that Xoserve had set up log which was available at the end of the presentation provided under item 4. **Complete**

Action TW0402: Xoserve to calculate average values for summer consumption for the Small NDM Sample for the 2011/12 data compared to the 2010/11 data to determine whether the change to the read spike tolerance was appropriate and report back to the Group.

Update: Xoserve provided [a presentation in response to this action update](#). Xoserve acknowledged the lessons learnt with regards to the consultation process and investigating spike criteria data. **Complete**

Action TW0403: Xoserve to add “Investigation of EUC Consumption Band and weather correction of WAR Band definitions” to the log of possible activities for the Autumn analysis.

Update: The committee briefly revisited the minutes of the last meeting and the break point of the EUC bands, and the need for a system impact assessment and wish list priorities. It was agreed to amend this action to include the possibility of weather correcting winter consumptions for use in WAR Band definitions. FC confirmed that Xoserve had set up the log, which was available at the end of the presentation provided under item 4. **Complete**

3. **Progress on Single Year Modelling results – Small and Large NDM (2011/12 data)**

Xoserve provided a presentation on the [EUC Modelling 2012/13 – Single Year Modelling Results](#).

Xoserve wished to move onto the model smoothing stage after today, considering the results and obtain decisions in response to the single year modelling.

MP reminded the group of the request by Xoserve in March to ask for clarification on the content and format of the material they would like to see for this meeting. E.On was the only Shipper to respond and Xoserve have attempted to address 2 of the 3 points raised and were considering the third.

On the third point, SB confirmed she was keen to use the data to assist with the decision making process and let the data guide the committee on what it should be doing rather than following the same process each year, she was keen to look at the data and consider if things need to change. It was suggested the data could be put into a model and analysed.

MP explained that Xoserve collect data from April to March to allow consideration of the most recent winter which is required because this is the period that will be used by the AQ review process when calculating WAR Band ratios and assigning EUCs, however this does result in a small window of time for the data to be analysed.

SB suggested indicative figures could be produced by cutting the period short.

3.1. Discussion of results and confirm way forward

Small NDM Modelling

MP provided the modelling results for the Small NDM.

DP suggested that Xoserve look at the Small NDM Modelling data and look at the top 1% of residuals, to establish if there is a pattern. MR suggested looking at the data month by month to establish if there was any pattern.

FC explained that historically Xoserve have looked at the data and have found the sample to have been a good fit.

MR asked from the Small NDM EUC WAR band analysis if the type of customer sites have a usage class for example gas central heating, FC explained that Xoserve do not record this information, however the WAR bands try to allocate a usage pattern. MJ asked if WAR bands could be used for domestic customers however FC explained from previous consideration WAR bands would probably not make much of a difference on the domestic market. MR was keen to see in the future the ability to class site usage, however FC pointed out that reliable usage classification data would be needed for both the sample and the whole population. SB commented that SSPs do tend to behave homogeneously.

It was agreed from the modelling data presented that the Small NDM models would remain as is therefore allowing the model smoothing process to commence.

Large NDM Modelling

JL provided the modelling results for the Large NDM.

He explained that there was a decision point on the LDZ grouping for the Band 7 and Band 8 models, the results of which were presented and Xoserve asked for a decision on the Band 7 and Band 8 modelling results.

The results of Scotland on its own were presented for Band 7. JL asked the group for its preference for a 4 LDZ or 5 LDZ group. However DP believed it was difficult to be confident based on the information presented. PT had a preference to be more cautious due to the small sample size. FC believed there would be a marginal impact. MR's preference, based on the data presented today and the balance of probability, would be to keep Scotland separate from a modelling perspective. There was a general consensus to go for a 5 LDZ group separating Scotland for Band 7.

The results of Band 8 LDZ groupings were also presented. JL asked the group for its preference for a 3 LDZ or 4 LDZ group. Again PT was concerned about the sample sizes used. However there was a general consensus to go for a 4 LDZ group for Band 8.

Large NDM WAR Band Analysis

JL provided the analysis on the Large NDM Bands 5 to 8 he explained there were no decisions to be made with regards to this analysis.

Following the decisions made by the group, the model smoothing process for Large NDM could also now be commenced.

JL confirmed that the draft parameter values will be published week commencing 11 June 2012. MP requested that comments and feedback from the Technical Workgroup be sent in as soon as possible in order that they could be addressed in time for the DESC meeting in July,

4. Spring Cut Offs

Following one of the additional requests received from E.on MP provided a presentation on the [Warm Weather Cut Off examples](#) and provided analysis on 10%, 20% and 30% cut-offs.

It was agreed that this should be given further consideration and was added to the Technical Workgroup work area review list.

5. Aggregate NDM Demand Model

JL provided a presentation on the [Aggregate NDM Model](#).

Xoserve have developed their own model since in-sourcing of service for the 2012 Modelling process.

JL described differences between the new and previous models and the impact on output values. A key output, the DAF, has a slightly different shape under the new model. The differences were highlighted in several charts with the key message being that the new smoother shapes were credible and there was no real reason for the weekends and holidays effect to be visible in the DAF shape.

The Workgroup gave a consensus to accept a change for a smoother DAF shape in the 2012 models.

6. AOB

None raised.

7. Diary Planning

Xoserve confirmed that the key output from the modelling, i.e. ALPs, DAFs and LFs would be provided during w/c 11 June to the Technical Work Group. The group should then be looking for a recommendation to be made to DESC. Xoserve explained that the responses on the modelling output would be required asap.

It was agreed to arrange a teleconference for the TWG at 15:00 hrs on Wednesday 27 June 2012 to discuss all responses received.

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

Action Ref*	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TW0401	20/04/12	2.0	Xoserve to set up a log of possible activities for the Autumn analysis and to add "investigation of appropriateness of data spike rejection rules used in Spring data validation" to the list.	Xoserve (FC/MP)	Complete
TW0402	20/04/12	2.0	Xoserve to calculate average values for summer consumption for the Small NDM Sample for the 2011/12 data compared to the 2010/11 data to determine whether the change to the read spike tolerance was appropriate and report back to the Group.	Xoserve (FC/MP)	Complete
TW0403	20/04/12	3.0	Xoserve to add "Investigation of EUC Consumption Band and <u>weather correction of WAR Band definitions</u> " to the log of possible activities for the Autumn analysis.	Xoserve (FC/MP)	Complete