

## E.ON UK representation on NDM Profiling and Capacity Estimation Parameters 2008/9

In fulfilment of UNC Transportation Principle Document H 1.8.3 Users may submit representations to a Transporter in respect of the proposed End User Categories (EUCs) and Demand Models published during June. These representations should be submitted before 15<sup>th</sup> July in the Preceding Year.

This document should be taken as the formal representation on behalf of E.ON UK.

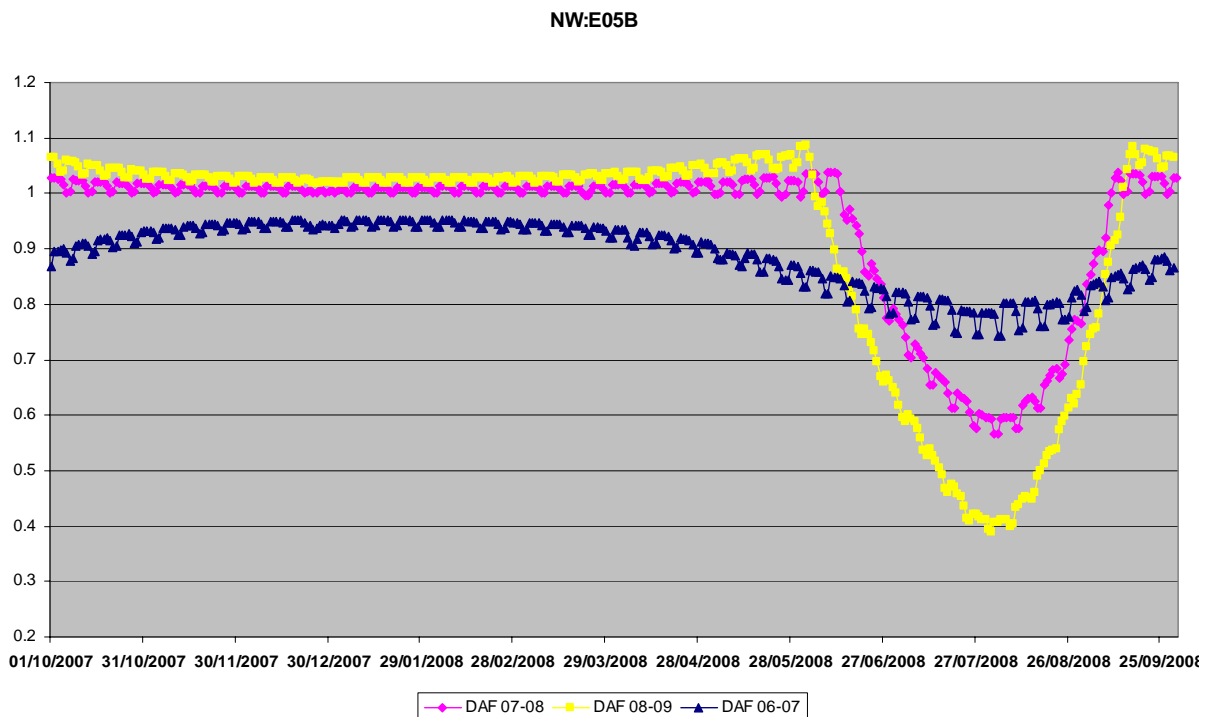
### **Seasonal Normal Demand Levels**

Subject to Mod 204 being approved we are happy that the work supported by the industry through the review group and Modification process will help the profiling over the coming year. In particular we would like to thank xoserve for their help in analysis through the review group process. We are concerned, however, with the clear lack of understanding within Transporter organisations of the operation and importance of the demand estimation process which has hindered a timely resolution of Mod 204.

### **Daily Adjustment Factors**

We have noted that the implementation of the CWV Cut-off levels within some EUC bands has resulted in the B category bands taking on characteristics of the W04 WAR bands.

Considering NW:E0805B as one of those impacted the chart shows the resulting DAF movement in smoothed models across the current proposals and the previous two years implemented values.



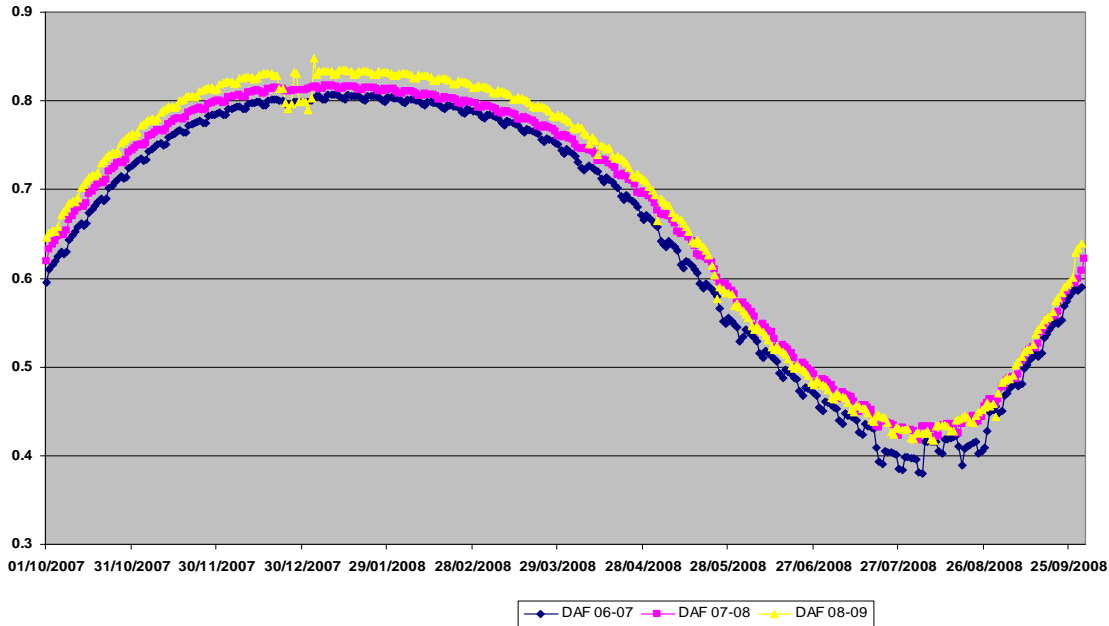
While we accept that the process defines application of CWV cut-offs to the smoothed model as applicable if the average of the three cut-off values is below the LDZ maximum CWV, this has the effect of 'switching on' impacts which can make quite significant changes.

As can be seen in the chart above the DAF was impacted last year and has an even greater effect in the current proposals. The change is marked and shows what impact CWV cut-offs can have on the profiles. It is difficult to believe that the relationship between this EUC band and the others will have changed markedly.

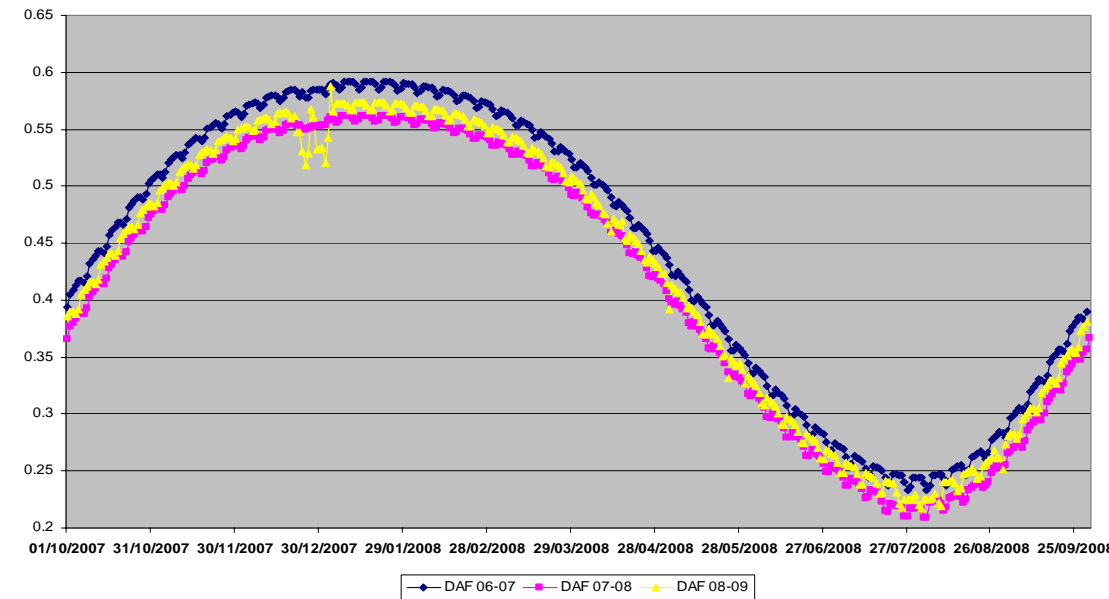
While these values do follow the current process we are concerned about the impact they can have on allocation and would suggest that this area is reviewed over the coming 12 months with a view to amending the implementation within model smoothing for coming years.

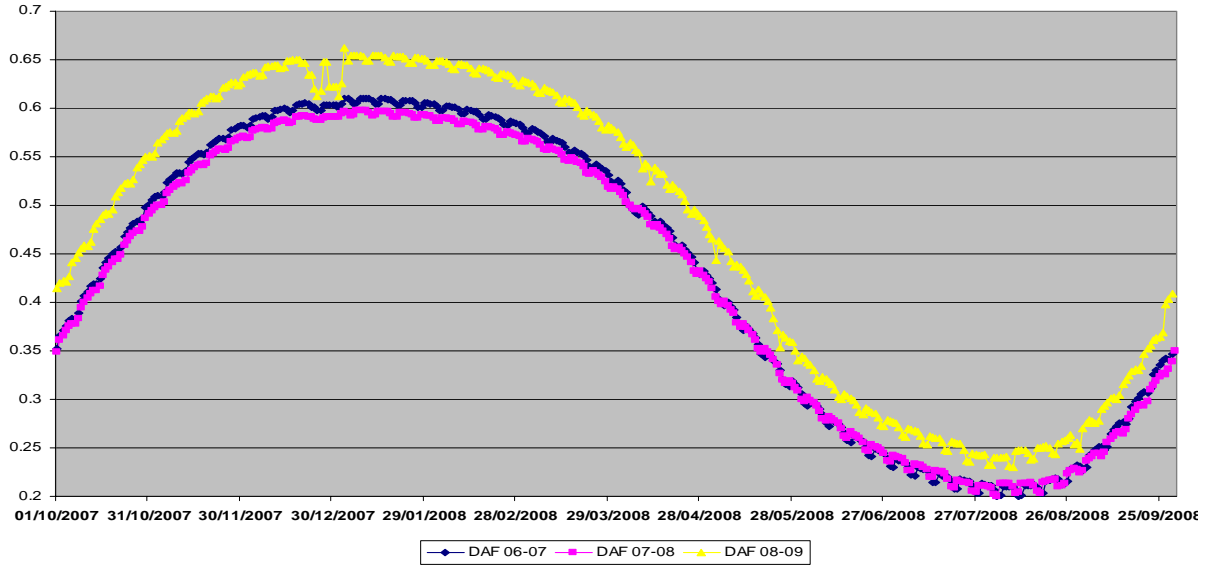
In addition there are LDZs, namely SC, SO and SE, where the DAF shows Christmas variability that was not present in previous years. We would appreciate some assurance that this is applicable, and an explanation why this is not evident in other LDZs to the same extent.

SE:E05B



SC:E05B



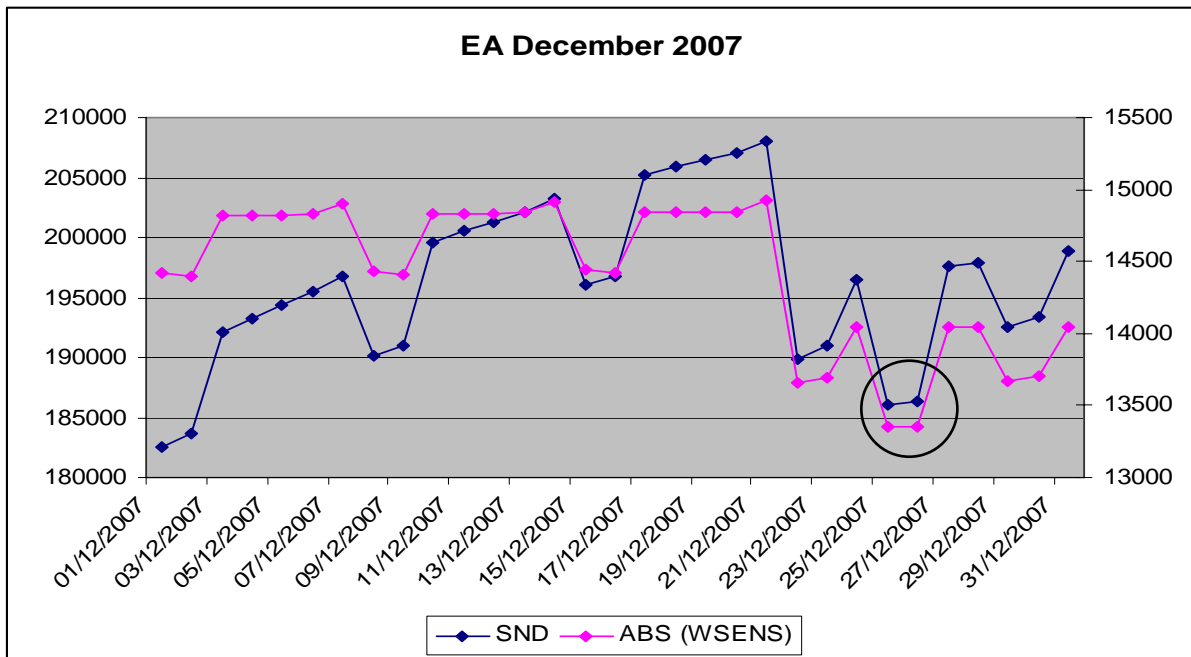


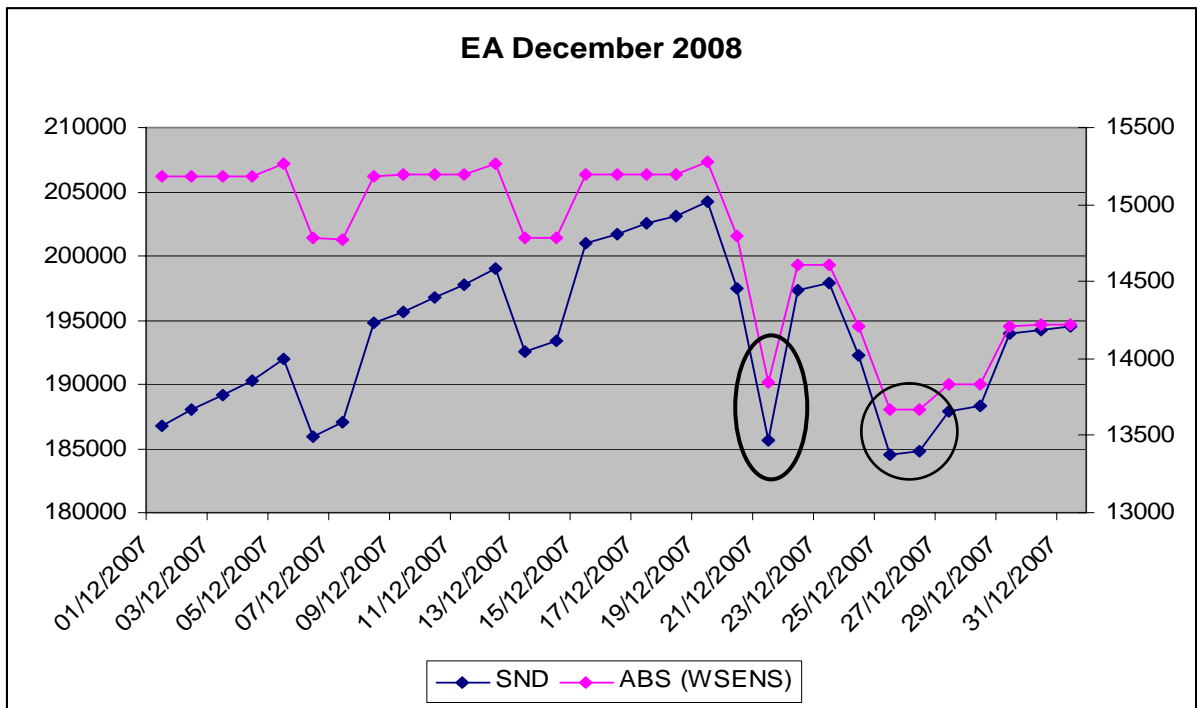
**WSENS and SND levels**

In these comments we have assumed that if Mod 204 is approved this will only implement changes to the WCF calculation, and that changes to the DAF basis will be implemented over the coming year in time for the 2009/10 proposals. In this case the Transporter SND view and associated WSENS levels are those applicable.

There are a number of special day and holiday impacts that we would like clarification about prior to approving the NDM proposals. The following are examples of the impacts and are not an exhaustive list as a number of LDZs exhibit similar characteristics.

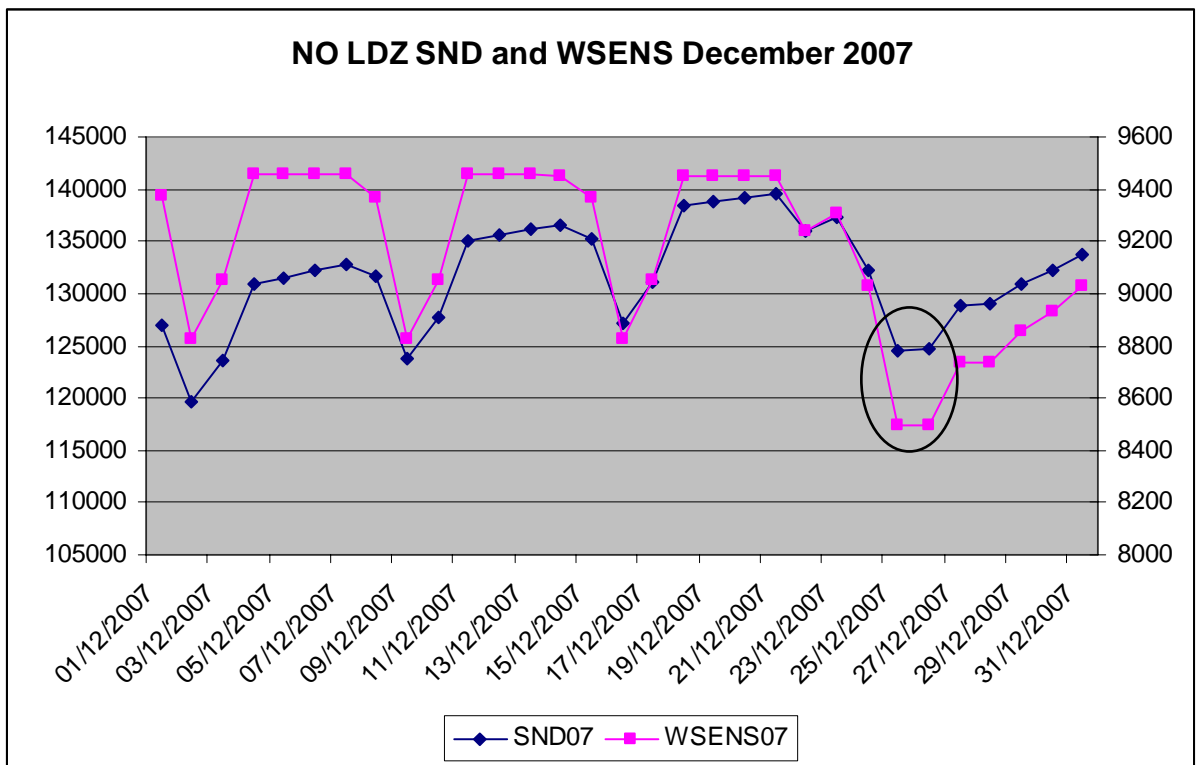
Within EA LDZ there is a SND and WSENS drop on Sunday 21<sup>st</sup> December that is quite severe compared to previous years. As this day is in advance of the Christmas period (circled on the charts below) can the Transporters please explain the reasoning behind this reduction?

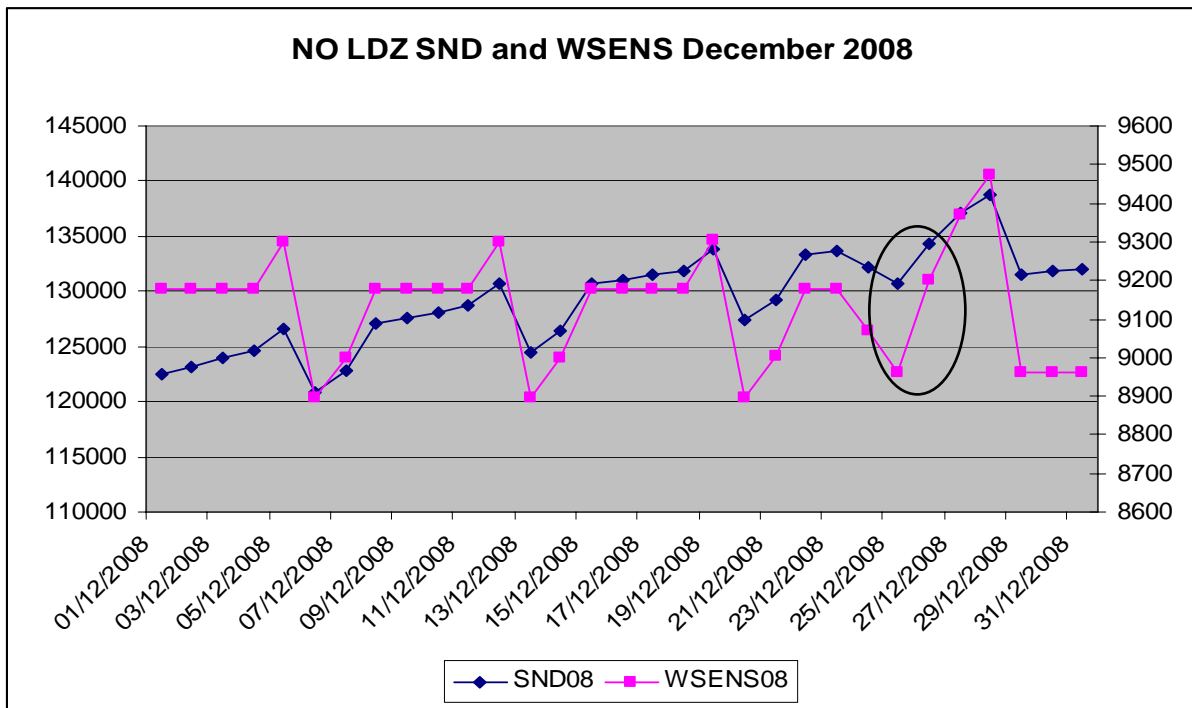




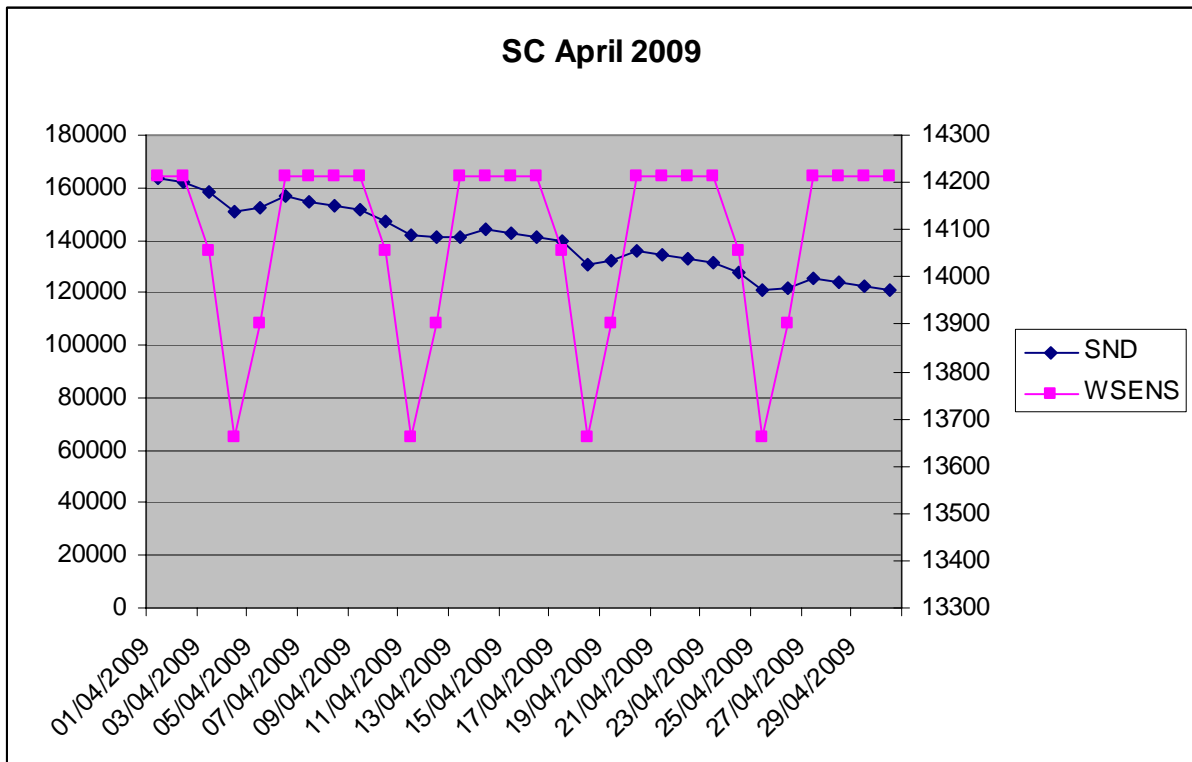
While the drop for the 25<sup>th</sup>/26<sup>th</sup> allows the underlying weekday/weekend shape to be seen during 2007 this is not clear during 2008.

Moving to NO LDZ, there appears to be little or no Christmas reduction. Even allowing for the misalignment with days of the week present in the 2007 profile data this looks unusual.





The third example shows no evidence of an Easter impact during April within SC LDZ. While we are aware of the issue with Easter during the last set of profiles there is also no evidence of an Easter reduction during March either – can this be checked?



There are also a number of LDZs where the May WSENS values seem unusual. Perhaps these can be confirmed as accurate?

## **Summary**

To conclude there are a number of areas of the proposals that gives us cause for concern. Where areas cannot be resolved before the NDM proposals require implementation we would like to see an agreed action plan to be taken forward with the support of DESC. We would like to see the work plan for the coming year amended to incorporate discussion of CWV cut-off impacts on resulting smoothed models.

Some items should be resolved before E.ON UK can determine whether these proposals are sufficient. These include:

- DAF Christmas shape for SC, SO and SE
- Special day and holiday implementation within the WSENS values used to derive DAF values. Including the 21<sup>st</sup> December impact, Christmas values and missing Easter and unusual May bank holiday reductions.

We look forward to the Transporters response covering the issues we have raised.