

Summary of Key Messages from DESC on 1st April 2019

Outcomes

2.0 Review of ALP and DAF Uplift Factors in Gas Year 2018/19 (and potential use in Gas Year 2019/20)

- DESC reviewed the impact (so far) of the uplift factors, which have been applied to Annual Load Profiles and Daily Adjustment Factors (ALPs and DAFs) used in daily gas allocation, on Unidentified Gas (UiG) during 2018/19. Results showed that generally the UiG levels have been running as a negative value during the autumn/winter months which DESC understood cannot be the realistic UiG position. It was agreed that the ALP uplift factors were driving the estimated levels of NDM demand to be too high resulting in the frequently negative UiG.

The DAF uplift factors help the weather correction element of the NDM algorithm provide more of a reaction when weather is different to normal. Improvements to the weather variable are being addressed as part of the Composite Weather Variable (CWV) formula review, however conclusions from this work cannot take effect until Gas Year 2020/21 at the earliest.

- DESC discussed the use of uplift factors in Gas Year 2019/20 and agreed that it would be sensible to **continue** with the existing **DAF** uplift factors until the results of the CWV formula review are implemented, however in the absence of more appropriate values it was agreed that uplift factors for the **ALP** will **not** be applied.
- A change to the UNC Related document – “Demand Estimation Methodology” will be made to reflect the decision made by DESC.

3.0 Seasonal Normal Review

- DESC agreed to investigate the use of additional weather data items as part of this year’s CWV formula review. A set of freshly optimised benchmark results for the existing formula are being calculated which any proposed revised formula is expected to improve upon should it be selected for future use.

DESC are expecting to finalise the decision on the composition of the CWV formula at the end of Q2 2019.

4.0 Publication of Derived Factors (ALPs, DAFs and PLFs)

- DESC approved the publication of the ALPs, DAFs and PLFs in the public domain. The underlying demand models and daily consumption data will continue to only be available to UNC parties on the secure area of Xoserve’s website.

5.0 DESC Related Modification / Change Updates – Improvement to day ahead Noms

- DESC reviewed the impacts of change proposal XRN4717 which was implemented in February. The review highlighted the large improvement seen in the day ahead 11am Nominations run, which prior to the change had been unreliable.