Joint Office of Gas Transporters

UNC Modification 0631:

Mod Title: Review of NDM algorithm post-Nexus

Proposer: Corona Energy (Tim Hammond)

Panel Date: 19 October 2017

Why change?

- UIG levels are extremely high and unpredictable, resulting in significant costs to shippers.
- Estimated around £20-40m a month.
- Work is being undertaken by Xoserve on addressing issues loading daily meter reads and rolling AQ will correct NDM consumption estimates.
- Remaining potential source of error is the NDM algorithm and this modification seeks to review the current process.

Options

NDM process is currently embedded into the UNC process and so any review is best undertaken using via a review group.

Solution

Creation of a report that identifies possible improvements to the current NDM algorithm process.

- Xoserve to fully evaluate the accuracy of the NDM algorithm parameters and if weather sensitivity factors are punishing NDM LSP sites more than NDM SSP sites
- Xoserve to review whether universal individual meter point reconciliation is working correctly and, more importantly, fairly
- Assess whether UIG can be fixed each day and subsequently reconciled beyond D+5
- Xoserve to carry out analysis of the EUC1B ALP and DAF change and assess what impacts, if any, this has made to UIG levels

Solution

- Consider bringing forward the ALP and DAF review if new changes do not improve UIG levels significantly after 1 October 2017 and make this a monthly process
- Xoserve to provide DESC with as much information required such that DESC are able to quickly adjust the algorithm if a change should be made
- Analysis of why TWG (DESC) recommended Option E of the NDM algorithm and why option A and C were ignored.
- Xoserve to obtain data from industry to assist on UIG and demand

Recommended Steps

The Proposer recommends that this modification should be sent to a workgroup to commence development.