Joint Office of Gas Transporters

UNC Demand Estimation Sub-Committee (DESC) Minutes
Tuesday 19 December 2023
Radcliffe House, Blenheim Court, Warwick Road Solihull B91 2AA and via Microsoft Teams

Attendees

Helen Cuin (Chair)*	(HC)	Joint Office
Harmandeep Kaur (Secretary)*	(HK)	Joint Office

Shipper Members (Voting)

Bhavesh Tailor	(BT)	E.ON
Cosmin Popovici	(CP)	Total Energies Gas & Power Ltd
Katherine Uzzell	(KU)	SSE
Mark Linke	(ML)	Centrica
Tom Parker	(TP)	Brook Green Trading

Transporter Members (Voting)

David Mitchell	(DM)	Scotia Gas Networks (SGN)
Murugan Babumohanan	(RL)	National Gas Transmission (NGT)
Neil Stovold	(NS)	Wales & West Utilities (WWU)
Paul O'Toole	(POT)	Northern Gas Networks (NGN)
Sanjeev Loi	(SL)	Cadent Gas

Observers (Non-Voting)

Adam Wilson	(AW)	Brook Green Trading
Caspar Ruane	(CR)	AMP Clean Energy
Catarina Casteleiro	(CC)	Shell Energy
Jamie Fleming	(JF)	Scottish Power
Jonathan Freeman	(JFr)	Representative of Xoserve
Joseph W Lloyd	(JL)	Representative of Xoserve
Mark Perry	(MP)	Representative of Xoserve
Michael Maguire*	(MM)	Representative of Xoserve
Pascal Tchen	(PT)	AMP Clean Energy
Penny Griffiths*	(PG)	Representative of Xoserve
Sarah Palmer	(SP)	E.ON
Simon Bissett*	(SB)	Representative of Xoserve
Simon Geddes	(SG)	National Gas Transmission

at Radcliffe House, Solihull

DESC meetings will be quorate where there are at least four Voting Members or their alternates, of which at least two shall be Users and two Transporters are in attendance.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: https://www.gasgovernance.co.uk/desc/191223

1. **Introduction and Status Review**

Helen Cuin (HC) welcomed everyone to the meeting.

1.1. **Apologies for Absence**

No apologies. All members were present.

1.2. **Note of Alternates**

None to advise.

1.3. **Quoracy Status**

 The meeting was confirmed as being quorate.

1.4. **Approval of Minutes (04 October 2023)**

The Minutes of the previous meeting were approved.

1.5. **Approval of Late Papers**

The committee reviewed and approved the late papers concerning the Season Normal Review 2025 and the Strand 2 UIG Analysis for Algorithm Performance Gas Year 2022/23.

1.6. **Review of Outstanding Actions**

1001: DESC Members to consider volunteering for the Stakeholder Workgroup for the Climate Change Methodology (CCM) Project.
Update: Helen Cuin (HC) confirmed that two members previously offered support and asked whether anyone else would like to volunteer. Katherine Uzzell (KU) noted that she had volunteered a member of their company. Mark Perry (MP) noted this and agreed to discuss this further with KU. **Closed.**

2. **NDM Algorithms Update Gas Year 2023/24**

Mark Perry (MP) provided the 2023/24 NDM Algorithms Update. MP explained the background and the objective before presenting the Unidentified Gas Levels (UIG) review, AQ trends, and Post-Reconciliation analysis. To summarise, the Average UIG for Gas Year 2022/23 continued to run at negative values overall until May, and during the summer months, the average UIG levelled off at around 0%. MP noted that as per the early indications, the levels of UIG in Gas Year 2023/24 should not be as negative as they were last year as the AQs have reduced significantly.

For full details, please refer to the [NDM Algorithms Update](#) presentation published.

The Committee considered the analysis. Katherine Uzzell (KU) noted that there is some difficulty with the AQs being representative of the usage and that there appears to be under-allocation. It was noted more time may be needed for AQs to be representative of usage from meter reads taken a year ago, noting a switch in November for Non-Daily Metered (NDM) sites. MP explained the difficulty of predicting whether the base level usage will go up and increase to the level that it previously was, noting that UIG should be positive each day.

Jamie Fleming (JF) enquired about the relationship between consumption and weather. MP clarified that there was a particular difference in UIG during December. MP noted that the weather sensitivity graphs currently being used take their data from the previous 3 years and within those 3 years, events such as Covid 19 and the users' reaction to the economy have affected the data. MP explained that, at this stage, they are working to get an average of the figures. Mark Linke (ML) agreed with MP and noted that not all LDZs are reacting in the same way. Focusing on the domestic, a lot of reconciliation needs to be done and there are several ongoing Modifications working on this.

3. **NDM Sample Update**

Simon Bissett (SB) provided an update on the NDM Samples. SB provided a detailed breakdown of the Demand Estimation sample following the collection of data for the period 01 October 2022 to 30 September 2023. SB also discussed the sample data to be used in Strand 3 NDM Algorithm Performance and provided a sense check of data ahead of next year's Demand Modelling process. Furthermore, SB provided a summary of the volume and quality of data received and other sample-related updates.

For full details, please refer to the NDM Sample Update presentation published.

4. **NDM Algorithm Performance Review – Gas Year 2022/23- Introduction**

Penny Griffiths (PG) provided an update on the NDM Algorithm Performance Review. PG explained the approach to the Weather Analysis and UIG Analysis and noted that the main purpose of reviewing NDM Algorithm Performance is to review the performance of the End User Categories and Gas Demand Profiles for the latest Gas Year and Identify possible areas of improvement for future demand modelling. PG explained that the review has been broken down into Strands 1, 2 and 3.

PG noted that the accompanying document will be published later in the week which will provide further information on the Review.

For full details, please refer to the NDM Algorithm Performance Review presentation published.

4.1. Strand 1 Weather Analysis Xoserve (MM) Information

Michael Maguire (MM) presented Strand 1 of the NDM Algorithm Performance Review which is the Weather Analysis. MM provided a breakdown of the daily and monthly weather assessments and compared the analysis with the data obtained from previous years. MM noted that overall, the weather during Gas Year 2022/23 was warmer than the Seasonal Normal.

For full details, please refer to the Strand 1 Weather Analysis published.

4.2. Strand 2 Unidentified Gas (UIG) Analysis Xoserve (MM) Information

MM presented Strand 2 of the NDM Algorithm Performance Review which is the Unidentified Gas (UIG) Analysis. MM provided an overview of the National and Seasonal Analysis and showed the AQ and Reconciliation trends.

ML noted that the Summer Average UIG percentage for North Thames is quite different when compared to the other sites during the same period (Slide 15) as the Average UIG is at 2%. ML asked whether this is due to the algorithm being mixed because too many places using the same LDZ. ML highlighted the differences with the North Thames UIG percentage. MM noted that North Thames used the Heathrow LDZ which is a different location which means there will be some difference in the weather conditions etc. as well.

Murugan Babumohanan (MB) noted that they have obtained the floor-swapping models for North London and reviewed the numbers. MB explained that their review produced different results due to the floor-swapping models. MB agreed to discuss this in more detail with Xoserve.

MP noted that CDSP have not identified any anomalies with North Thames as can be seen in Strand 3 of the Review process. MP agreed to take the point raised by ML away for review.

For full details, please refer to the Strand 2 UIG Analysis published.

4.3. Strand 3 NDM Daily Demand Analysis

PG provided an update on Strand 3 of the process which is the NDM Daily Demand Analysis. PG presented the approach taken for the analysis, the sample count used, and the Tests

undertaken for the assessment, providing a detailed breakdown of the analysis.

PG noted that a separate Strand 3 document will be published shortly which will provide further information on the analysis and the benefits of change in holiday codes.

For full details, please refer to the [Strand 3 NDM Daily Demand Analysis](link) published.

5. DESC Adhoc Workplan Update

Simon Bissett (SB) provided an overview of the work plan items agreed with DESC in July 2023. Michael Maguire (MM) provided an update on Weather API. MM noted that Xoserve are currently running an extended 'Dual run' period to understand any differences in the data from the 2 streams and any impacts this may have on downstream calculations. MM noted that if the testing is successful, implementation is planned for mid to late January 2024.

SB provided a progress update on the Flexible Power Generation Sites and noted that 238 sites have been identified, 68 of which are either Class 1 or 2, 25 are in Class 3, and 137 are in Class 4. SB stated that the next step is to investigate the impacts of NDM modelling error and they require daily data from the sites for the investigation. SB asked whether DESC could support this.

Sarah Palmer (SP) noted the requirement for a list of meters, to determine whether data is available or not, noting it strange that Xoserve has to go through suppliers to obtain this data. SB noted that there will be checks to ascertain the owners of the MPRNs. It was noted that Class 1 and 2 should have daily reads. SB and JL agreed to examine this further and provide an update at the March meeting.

For full details, please refer to the [Adhoc Workplan Update](link) published.

5.1. Model Smoothing Methodology Review

PG provided an update on the Model Smoothing Methodology Review, the aim of which was to assess whether the current model smoothing approach continues to reduce volatility in the Demand Model and subsequent Gas Demand profiles year-on-year. PG also considered the Predictability and Trend analysis.

PG provided a detailed breakdown of the analysis and concluded that the current 3-year model smoothing is deemed to be appropriate and fit for purpose as there is a clear reduction of year-on-year Volatility, there is no degradation in model Predictability and there is no evidence of Trends being missed.

PG suggested that DESC may wish to consider reviewing the model smoothing methodology on an ad hoc basis rather than the current 2-to-3-year review cycle.

For full details please refer to the [Model Smoothing material](link) published.

6. Seasonal Normal Review 2025 Update

Michael Maguire (MM) provided a recap for information to confirm the scope of the Seasonal Normal CWV (SNCWV) Formula Review and to look at the next steps for the Seasonal Normal Review Cycle (SNRC).

For full details please refer to the [Seasonal Normal Review](link) published.

7. Draft Modelling Approach – Gas Year 2024/25

PG presented the Draft Modelling Approach for 2024 to deliver a set of Gas Demand Profiles, for use in Gemini and UK Link for Gas Year 2024/25.

PG shared the published [draft Modelling Approach](link) document and asked that the Committee members review the draft and provide comments. PG noted that the approach has not changed much since the 2023 modelling approach, and they are not looking to make further

changes to the current document.

For full details please refer to the Draft Modelling Approach presentation published.

8. DESC Survey

SB asked the Committee to complete the DESC survey used for DSC+ Contract performance measuring for the Xoserve Demand Estimation Team. Committee members completed the survey during the meeting.

9. Any Other Business

None raised.

10. Communication of Key Messages

No key Message Communication is required from today's Meeting.

11. Diary Planning

DESC meetings are listed at: https://www.gasgovernance.co.uk/DESC

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Wednesday 31 January 2024	5 pm Tuesday 23 January 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	See Agenda
10:00 Wednesday 06 March 2024	5 pm Tuesday 27 February 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
10:00 Wednesday 24 April 2024	5 pm Tuesday 17 April 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
10:00 Wednesday 22 May 2024	5 pm Tuesday 14 May 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
10:00 Wednesday 03 July 2024	5 pm Tuesday 25 June 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
10:00 Wednesday 24 July 2024	5 pm Tuesday 16 July 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC
10:00 Tuesday 08 October 2024	5 pm Tuesday 30 September 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC

10:00 Thursday 12 December 2024	5 pm Wednesday 04 December 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC

DESC Action Table						
Action Ref	**Meeting Date**	**Minute Ref**	**Action**	**Reporting Month**	**Owner**	**Status Update**
1001	04/10/23	5.0	DESC Members to consider volunteering for the Stakeholder Workgroup for the Climate Change Methodology (CCM) Project.	December	All Members	**Closed**