

UNC Demand Estimation Sub-committee Minutes
Monday 17 November 2014
31 Homer Road, Solihull B91 3LT

Attendees

Helen Cuin (Chair)	(HCu)	Joint Office
Ian Hollington (Secretary)	(IH)	Joint Office
Christian Ivaha	(CI)	British Gas
Colin Thompson*	(CT)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
Indre DeksnYTE	(ID)	Northern Gas Networks
Joseph Lloyd	(JL)	Xoserve
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MPe)	Xoserve
Martin Attwood	(MA)	Xoserve
Rob Nickerson	(RN)	National Grid NTS
Sallyann Blackett	(SB)	E.ON
Shiv Singh	(SS)	National Grid Distribution
Tim Wong	(TW)	British Gas

* via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/DESC/171114>

1. Introduction, confirmation of membership and apologies for absence**1.1. Apologies for absence**

C Warner (National Grid Distribution) and R Pomroy (Wales & West Utilities)

1.2. Note of Alternates

SS (National Grid Distribution) for C Warner (National Grid Distribution) and FC (Xoserve) for R Pomroy (Wales & West Utilities).

2. Review of Minutes from previous meeting**2.1. Minutes**

The Minutes of the previous meeting were approved.

2.2. Actions**DTW0502:**

- a) DESC and Xoserve to work together to look at ways to enhance the current data sets with a target to have additional data for October.

Update: SB confirmed data sets had been provided for all LDZs and CI confirmed data sets should be available by mid December. **Carried Forward.**

DE1001: MPa to check and provide the values of the average AQ used in the prepayment meter profiles figures.

Update: FC provided a brief overview on the information in the presentation: [values of the average AQ](#) used in the prepayment meter profiles figures which had been created at the request of Utilita. She confirmed that she had provided a link to the information published on the Joint Office website to Utilita. **Complete.**

DE1002: FC to provide an analysis of the annual SOQ variances to enable DESC to consider the risk of the Timing Mismatch of WAR Band deviations and impact and provide a view on the potential exposure.

Update: FC provided the action update: [Analysis of the annual SOQ variances](#) to enable DESC to consider the risk of the Timing Mismatch of WAR Band deviations and provide a view on the potential exposure. FC explained the concern raised and that the negative value indicates a reduction in total SOQ during the AQ review. SB relayed Gazprom's concerns regarding the risks to the WAR band from using out of date data which would run from October through to March. After discussing the issue DESC concluded that there was no additional risk to the WAR band EUCs and FC agreed to provide an update to Gazprom. **Complete.**

3. Evaluation of Algorithm Performance 2013/14: Strand 1 – SF and WCF

MA provided the NDM Algorithm Performance Strand 1: Weather Correction Factor (WCF) and Scaling Factor (SF) [presentation](#) and an additional evaluation of Algorithm Performance – 2013/14 [paper](#) for reference.

MA provided three LDZ examples, SC, NE and EM and the committee considered the comparison values from 2012/2013 to 2013/2014, the average values of the scaling factor and Xoserve's conclusions. Issues identified included a colder than expected August possibly caused by the passage of Hurricane Bertha over the UK which coincided with this drop in temperature and a step change seen in January and July thought to have been due to erroneous AQ values and an inputting error respectively. The trend identified across most LDZs involved a negative average WCF between Mondays and Thursdays. MA noted that there was so much derivation of scaling factors going on at that time it was very difficult to pin-point any one likely cause.

TW enquired what it means if a scaling factor is greater than 1 and MA explained that the algorithm would have to scale up allocations to bring the calculated consumption back in line with actual usage.

MA also provided the average values for the Weather Correction Factors and the aggregate NDM AQ changes for 2014/2015.

After considering the information provided by MA the committee raised no issues.

4. NDM Sample Update

MA provided an [NDM Sample Update](#). He gave a brief overview of the presentation, which included information on the sample sites that had been used in the algorithm. He advised that the AMR population remains slightly above target, whilst the datalogger population has declined further, explaining the main reasons for a reduction in the numbers. FC noted that modelling of EUC Bands 7 and 8 had been consolidated as a result of the continuing fall in the population and MA confirmed that 160 new loggers had been installed since November 2013.

5. CWV Optimisation Production Phase

Further to the DESC TWG meeting and agreed rankings for each of the LDZs. DESC members thanked Xoserve for collating and presenting the data. FC confirmed the choices that had been made and the members agreed to proceed on this basis. FC outlined the next steps which will be to use the outputs in the review of Seasonal Normal CWV.

DESC agreed to proceed into the next phase to provide information on what the SNCWVs will look like.

6. Work plan and Meeting dates for 2015

MPE provided the [DESC Workplan](#) for the next year noting in particular the changes.

7. Any Other Business

7.1. Final Approach to Seasonal Normal Basis

MPE drew attention to the [Final Approach to Seasonal Normal Basis 2015](#) document which had been updated with the agreed approach to derivation of the seasonal normal basis from October 2015 onwards. This would now be applied in the Seasonal Normal calculations, which would be reviewed at the December meeting.

8. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

DESC and DESC Technical Workgroup Meetings 2014/15

Time / Date	Venue	Meeting	Programme
10:00 Wednesday 03 December 2014	31 Homer Road, Solihull, B91 3LT	DESC TWG and DESC	Seasonal Normal Review update
10:00 Wednesday 17 December 2014	31 Homer Road, Solihull, B91 3LT (Teleconference if necessary)	DESC TWG and DESC	Consideration of industry SNCWV comments Seasonal Normal Review update
10:00 Monday 19 January 2015	Teleconference	DESC TWG	Spring Approach 2015
10:00 Wednesday 11 February 2015	31 Homer Road, Solihull, B91 3LT	DESC	Evaluation of Algorithm Performance: Strands 2 & 3 - RV & NDM Sample data TWG recommendation for Spring 2015 Approach
10:00 Monday 27 April 2015	Teleconference	DESC TWG	Discuss and confirm modeling runs to take forward based on data aggregations and WAR band definitions
10:00 Tuesday 19 May 2015	ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC TWG	Review single year modeling results and provide approval to commence model smoothing stage
10:00 Wednesday 24 June 2015	31 Homer Road, Solihull, B91 3LT	DESC TWG	Review TWG responses to draft proposals and agree key messages for DESC

10:00 Wednesday 08 July 2015	31 Homer Road, Solihull, B91 3LT	DESC	Review and Approval of 2015/16 NDM Algorithms as recommended by TWG
10:00 Wednesday 29 July 2015	31 Homer Road, Solihull, B91 3LT	DESC	Response to industry representations on 2015/16 NDM Algorithms
10:00 Tuesday 17 November 2015	31 Homer Road, or ENA	DESC	Evaluation of Algorithm Performance: Strand 1 - SF & WCF

DESC Action Table					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DTW0502 <i>transferred in from DESC TW</i>	21/05/14	<i>DESC TWG 3.0</i>	DESC and Xoserve to work together to look at ways to enhance the current data sets with a target to have additional data for October	All	Carried Forward
DE1001	15/10/14	3.0	MPa to check and provide the values of the average AQ used in the prepayment meter profiles figures.	Xoserve (MPa)	Complete
DE1002	15/10/14	4.0	FC to provide an analysis of the annual SOQ variances to enable DESC to consider the risk of the Timing Mismatch of WAR Band deviations and impact and provide a view on the potential exposure.	Xoserve (FC)	Complete