

UNC Demand Estimation Sub-committee Minutes

Tuesday 25 March 2014

31 Homer Road, Solihull B91 3LT

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Christian Ivaha	(CI)	British Gas
Dave Parker	(DP)	EDF Energy
Edward Pope*	(EP)	Met Office
Fiona Cottam	(FC)	Xoserve
Fred Brauer*	(FB)	Met Office
Jacob Prime	(JP)	Xoserve
James Hanks	(JH)	EDF Energy
Joseph Lloyd	(JL)	Xoserve
Kate Brown*	(K)	Met Office
Mandeep Pangli	(MPa)	Xoserve
Mark Perry	(MP)	Xoserve
Matthew Jackson	(MJ)	British Gas
Mo Rezvani	(MR)	SSE
Richard Pomroy*	(RP)	Wales & West Utilities
Sallyann Blackett	(SB)	E.ON UK
Stephen Marland	(SM)	National Grid NTS

*via teleconference

Copies of papers are available at: www.gasgovernance.co.uk/DESC/250314

1. Introduction

The meeting was declared quorate.

2. Confirmation of membership and apologies for absence

2.1. Apologies for absence

C Thomson (Scotia Gas Networks) and C Warner (National Grid Distribution).

2.2. Note of Alternates

R Pomroy (Wales & West Utilities) for C Thomson (Scotia Gas Networks); FC (Xoserve) for C Warner (National Grid Distribution).

3. Review of Minutes from previous meeting (12 February 2014)

3.1. Minutes

The minutes from the previous meeting were approved.

3.2. Actions

DE0201: In respect of corresponding during the Summer Analysis period (April to July), all parties to double check who in their respective organisations are the Technical Workgroup representative and whether these remain the appropriate contact personnel and advise Xoserve of the outcome within the following 4 weeks.

Update: Communicated. **Complete**

DE0202: All parties to suggest different ways that the EUC Banding might be split, based

on consumption levels or customer attributes.

Update: Referring to the recent modifications raised by Utilita and also under Project Nexus, CI suggested that closer consideration be given to EUC Band 1. Project Nexus Settlement “Products” were briefly discussed. It was observed that profiles were more important to Product 3 (shaping issue for Batched Daily Read NDM Product). The AQ 2015 review will be performed using the ‘old world’ systems and there will be no capability to differentiate profiles using data items other than current methods; differences could be implemented for 2016 at the earliest. Xoserve would like to start the analysis in 2015 ready for 2016’s AQ review process. **Carried Forward**

Action DE0203: In relation to the potential impacts of implementation of UNC Modification 0461 on CCM, Xoserve (FC) to look to identify ‘key’ considerations (associated to flexing, timings, weighting, ALPs / DAFs impacts etc.) that the Committee may need to consider and address in due course in time for consideration at the next meeting.

Update: See item 6, below. **Complete**

Action DE0204: All parties to look to provide evidence suitable to support Xoserve in completing the analysis for Action DE0203.

Update: SB confirmed E.ON have a data sample, which could be provided; work is in progress. **Carried Forward**

Action DE0205: DESC members to identify what PPM data (preferably Smart Meters in PPM mode) they have access to (including LDZ split, level of granularity, MPRNs if possible (for Xoserve analysis purposes only) etc.) and provide a view to Xoserve by no later than week ending Friday 28 February to enable consideration at the next meeting.

Update: SB confirmed a chart had been provided to Xoserve, which identifies the data that is potentially available from E.ON. CI also confirmed data could be available from British Gas. MR highlighted the care that needs to be taken on using smart reads data for any purpose other than providing a billing service. Use for other purposes has to be expressly sanctioned by the end consumer. RP suggested that relevant data could perhaps be sufficiently anonymised as to not present difficulties. Xoserve would prefer to be provided with MPRs and FC explained how the data would be used, assuring Shippers that any used for publication would be anonymised. **Complete**

Action DE0206: All parties to also consider a ‘blank’ piece of paper approach should no suitable data be available to undertake a profile-based solution.

Update: See item 5, below. **Complete**

4. Climate Change Methodology

MP provided a [Seasonal Normal Review](#) presentation, outlining the background to the development of the document. The draft Climate Change Methodology document had been released for DESC’s review and was available on Xoserve’s website in the Secure Area.

The Committee gave its approval of the document.

Next Steps

The next stage, Phase 2 of the project, will be for the Met Office to apply the methodology to create an output for Seasonal Normal calculations (output expected in June). There will be checkpoints during Phase 2.

MP asked if DESC were happy for the Stakeholder Group to continue to represent them in dialogue/meetings etc with the Met Office; this was agreed and MP will arrange a further meeting and keep DESC informed of progress/releases. Responding to questions regarding the anticipated timetable, FC confirmed that this will be finalised with the Met Office and that DESC would be provided with an update on the expected output delivery

dates.

Action DE0301: *Climate Change Methodology (Phase 2)* - Confirm output delivery dates.

5. UNC Modification 0451AV - Individual Settlements for Pre-Payment & Smart Meters - Considerations

FC provided a [0451AV Individual Settlement for Prepayment & Smart Meters](#) presentation.

The Committee discussed the implementation of UNC Modification 0451AV and the interim solution it provided until Project Nexus implementation. Attention was drawn to the proposal under Modification 0491 to amend the Project Nexus implementation date to 01 April 2016. Allocation was discussed, and FC explained how over-allocation could be addressed in the 'new world' via Meter Point reconciliation for all classes of meter. If Modification 0491 were implemented, "old world" allocation would still apply for 6 months, and new world would then take over, using the same ALPs, but new format DAFs. Improved profiles could be created post Nexus. A separate profile could be created for Pre Payment Meters (PPMs). FC explained that DESC need to create the profile for Modification 0451AV and validate it. Concerns were expressed about the impacts to other Shippers' costs and the re-profiling all of customer profiles based on a minimal data set provided by a single Shipper within a single LDZ.

RP suggested a Shipper may want to consider raising a modification to address the shortfalls of Modification 0451AV. Attention was drawn to the Decision Letter in which Ofgem set out its reasons for directing implementation.

MJ asked if the list of PPMs with a smart meter flag being provided by Shippers on a monthly basis could be used by Xoserve to contact those Shippers to obtain daily data to improve the profile.

FC suggested that the profile for Modification 0451AV is reviewed and assessed with additional data provided from Shippers, if a more robust profile could be developed.

The Committee considered the availability of data and the size of the sample, and periods where data may not be available. The Committee agreed to use a minimum of 12 months of data for each customer profile provided.

Concerns were expressed that parties might change the meter status (i.e. PPM v credit) according to season, to obtain credits, and this was not a 'safe' process. FC observed that this shortcoming was not something that DESC could resolve and the numbers involved would be relatively insignificant; DESC was tasked with creating a suitable profile.

Consideration was given to how to build a profile. Referring to the data provided by Utilita as its illustration for Modification 0451AV, FC observed this gave a flatter profile, and explained the movements and effects. SB commented that a more robust profile was required as Shippers would not be happy with their customers being billed based on a profile created from a single source across a single LDZ and applying this nationally. Source data to use to create a profile and the minimum requirements were considered and discussed, including minimum data period/flexibility of length of time, materiality of missing data, and interchangeability of sample customers/inconsistent portfolio. FC suggested that it would need to have the same customers across a year's history – Xoserve would require a minimum of 12 months data for each customer to give proper balance. SB questioned if level was more important than day of the week. Validation of data was then discussed.

Referring to slide 5, SB explained the graph based on E.ON's PPM data. Going backwards and recreating daily data was not possible, but interval data could potentially be used. A 400+ sample size would be preferred to create/validate the profile. Parties need to look at how the data they already had could be used. It needed to be continuous, with a minimum of 2 reads per month, and it must be positive (or at least zero)

consumption. SB advised that some customers charge their gas cards every day, so there is a sub-set of customers with 28/30/31 reads per month, which could be used to create a profile from scratch. FC expressed concerns that these customers might demonstrate unusual behaviours, perhaps due to extreme budgetary constraints, and caution should be exercised before developing a profile solely from their data.

FC explained that ultimately Xoserve are looking to create a 'PPM adjustment factor' to apply against a standard profile.

Action DE0302: UNC Modification 0451AV - Xoserve (FC) to review whether daily data could be obtained from any Shippers submitting lists of Smart meters in Prepayment mode, on which to base a profile.

Action DE0303: UNC Modification 0451AV - As soon as possible, Shippers to provide Xoserve with at least 12 - 18 months of Pre Payment data (to cover 2 winters - If 3 years' data is available that would be preferred) including prevailing AQs to assist building a profile.

It was agreed that DESC would delegate the further analysis and review to the DESC TWG.

It was noted that if the eventual profile established was significantly different to Ofgem's expectation in relation to the monetary adjustment and the business case for 0451AV was invalidated, then a further UNC Modification would need to be raised to address this. DESC could not cancel the Modification unilaterally.

6. Gas Day impacts (UNC Modification 0461 - Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes)

FC provided an initial assessment of the [Change of Gas Day Impacts/Areas](#) for further consideration in relation to UNC Modification 0461 - Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes. Three key areas had been identified for consideration: Weather Data, Sample Data, and NDM Profiles. These were discussed.

Weather Data

The benefits/disadvantages of switching from 'odd' to 'even' hours were considered, and it was concluded that the receipt of weather data at 'odd' hours should be retained. The twice yearly clock changes would also be more easily accommodated if 'odd' hours were retained.

Within-day weightings of weather observations were discussed, and how accurate these needed to be. It was suggested that this might present an ideal opportunity for the revision of CWVs.

Action DE0304: Changes to Gas Day - Impacts (Weather Data) - SB to produce and analyse a mix of data to demonstrate how a new set of weightings might improve fit to demand, i.e. perform a regression analysis of daily consumption against two-hourly temperature and four-hourly windspeed.

Action DE0305: Changes to Gas Day - Impacts (Weather Data) – Xoserve to explore with the Transporters what they are intending to do with their timings, e.g. forecasting, and whether they are staying on 'odd' hours.

Sample Data

FC confirmed that AMR data could be manipulated prior to change of Gas Day but not Logger data. It will need to match to the 05:00 – 05:00 day. Profile data might be a little askew because of the constraints of the equipment; the current data gathering times mean that there will have to be a 'blend' at some point, and it might be the preference to use I & C data rather than domestic. FC will discuss the datalogger position with the Transporters.

Action DE 0306: Changes to Gas Day- Impacts (Sample Data) – Xoserve to discuss the datalogger position with the Transporters.

NDM Profiles

Four options were considered and discussed, and it was concluded A and C were the preferred options, with MR expressing a preference for A. FC explained that for a further 6 months after change of Gas Day, allocation would be made without SSP reconciliation, if the Nexus implementation date is delayed to 01 April 2016. The effects on allocation were discussed in more detail (data gathering, blending, building of models, time periods); the purposes/use of data should be considered and any impacts, e.g. time lags. Further exploration was required to understand the implications.

FC confirmed some analysis will be required and the Impact Assessment table will be updated and progress reported on the actions.

7. Any Other Business

7.1 New ALPs/DAFs – Effect of a Mid Year Project Nexus Implementation

In response to questions from MR and whether a delay in Nexus implementation would offer an opportunity to make changes previously thought to be not possible due to time constraints, FC explained the position in relation to ALPs and DAFs and allocation.

FC confirmed a communication had been issued previously to clarify that a mid year Project Nexus implementation would not be a system issue; a shift in the implementation date would not be an issue.

7.2 Xoserve Website - UK Link Documentation Archiving

MP reported that it was proposed to remove and archive five years (2005/6 – 2009/10) of Demand Estimation parameter data from UK Link docs currently available on the Xoserve Secure website area.

Notification of the intended removal/archiving would be issued to the industry so that parties could access if necessary before archiving took place. A copy would be retained by the Demand Estimation team and could be made available on request, however all of the relevant parameter files on the current seasonal normal basis will still be present in the Gas Year 2010/11 folder.

8. Diary Planning

DESC and DESC Technical Workgroup Meetings 2014

Meetings will take place as follows.

Time / Date	Venue	Meeting	Programme
09:30 Friday 04 April 2014	Teleconference	DESC TWG	Review CWV Optimisation approach and approve.
10:30 Monday 28 April 2014	Teleconference	DESC TWG	Confirm modelling runs.
10:30 Wednesday 21 May 2014	31 Homer Road, Solihull B91 3LT	DESC TWG	Review modelling results and approve commencement of model smoothing stage.
10:30 Wednesday 25 June 2014	Teleconference	DESC TWG	Review responses to draft NDM proposals and agree key messages for DESC.
10:30 Wednesday	31 Homer Road, Solihull	DESC	Review and approval of 2014/15 NDM

09 July 2014	B91 3LT		Algorithms.
10:30 Wednesday 30 July 2014	Teleconference	DESC	Review representations (if any) and consider response.
10:30 Wednesday 12 November 2014	Energy Networks Association (ENA), 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	DESC	Evaluation of Algorithm Performance: Strand 1 – SF and WCF.

Action Table: Demand Estimation Sub-committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0201	12/02/14	5.	In respect of corresponding during the Summer Analysis period (April to July), all parties to double check who in their respective organisations are the Technical Workgroup representative and whether these remain the appropriate contact personnel and advise Xoserve of the outcome within the following 4 weeks.	All	Closed
DE0202	12/02/14	5.	All parties to suggest different ways that the EUC Banding might be split, based on consumption levels or customer attributes.	All	Carried forward
DE0203	12/02/14	6.1	In relation to the potential impacts of implementation of UNC Modification 0461 on CCM, Xoserve (FC) to look to identify 'key' considerations (associated to flexing, timings, weighting, ALPs / DAFs impacts etc.) that the Committee may need to consider and address in due course in time for consideration at the next meeting.	Xoserve (FC)	Closed
DE0204	12/02/14	6.1	All parties to look to provide evidence suitable to support Xoserve in completing the analysis for action DE0203.	All	Carried forward
DE0205	12/02/14	7.2	DESC members to identify what PPM data (preferably Smart Meters in PPM mode) they have access to (including LDZ split, level of granularity, MPRNs if possible (for Xoserve analysis purposes only) etc.) and provide a view to Xoserve by no later than week ending Friday 28 February to enable consideration at the next meeting.	DESC Members	Closed

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DE0206	12/02/14	7.2	All parties to also consider a 'blank' piece of paper approach should no suitable data be available to undertake a profile-based solution.	All	Closed
DE0301	25/03/14	4.	<i>Climate Change Methodology (Phase 2)</i> - Confirm output delivery dates.	Xoserve (FC)	Pending
DE0302	25/03/14	5.	<i>UNC Modification 0451AV</i> - Xoserve (FC) to review whether daily data could be obtained from any Shippers submitting lists of Smart meters in Prepayment mode, on which to base a profile.	Xoserve (FC)	Pending
DE0303	25/03/14	5.	<i>UNC Modification 0451AV</i> - As soon as possible, Shippers to provide Xoserve with at least 12 - 18 months of Pre Payment data (to cover 2 winters - If 3 years' data is available that would be preferred) including prevailing AQs to assist building a profile;	Shippers	Pending
DE0304	25/03/14	6.	<i>Changes to Gas Day - Impacts (Weather Data)</i> - SB to produce and analyse a mix of data to demonstrate how a new set of weightings might slot in, i.e. hourly demand and temperature, weight the hours, regression analysis, etc	E.ON (SB)	Pending
DE0305	25/03/14	6.	<i>Changes to Gas Day - Impacts (Weather Data)</i> – Xoserve to explore with the Transporters what they are intending to do with their timings, e.g. forecasting, and whether they are staying on 'odd' hours.	Xoserve and Transporters	Pending
DE0306	25/03/14	6.	<i>Changes to Gas Day - Impacts (Sample Data)</i> – Xoserve to discuss the datalogger position with the Transporters.	Xoserve and Transporters	Pending