

# NDM Profiling and Capacity Estimation Parameters 2011/12

## E.ON Representation

15<sup>th</sup> July 2010

Re: NDM Gas Demand Allocation Profile data for Gas Year 2011/2012

With regards to the draft NDM Allocation Profile parameters issued in late June 2011 for use in Gas Year 2011/12 and in line with UNC TPD section H requirements we would like to raise two main concerns.

### DAF shape

The relative levels of DAF values through the week (i.e. the “shape”) are inconsistent with previous years, and suggest an error in derivation (*figs. 1 and 2*). This is apparent upon inspection of the DAF values during non-holiday periods, with Friday at a Monday-Thursday level, Saturday at the Friday level and only Sunday exhibiting the expected weekend shape. This inconsistency is replicated across all EUCs that we have examined.

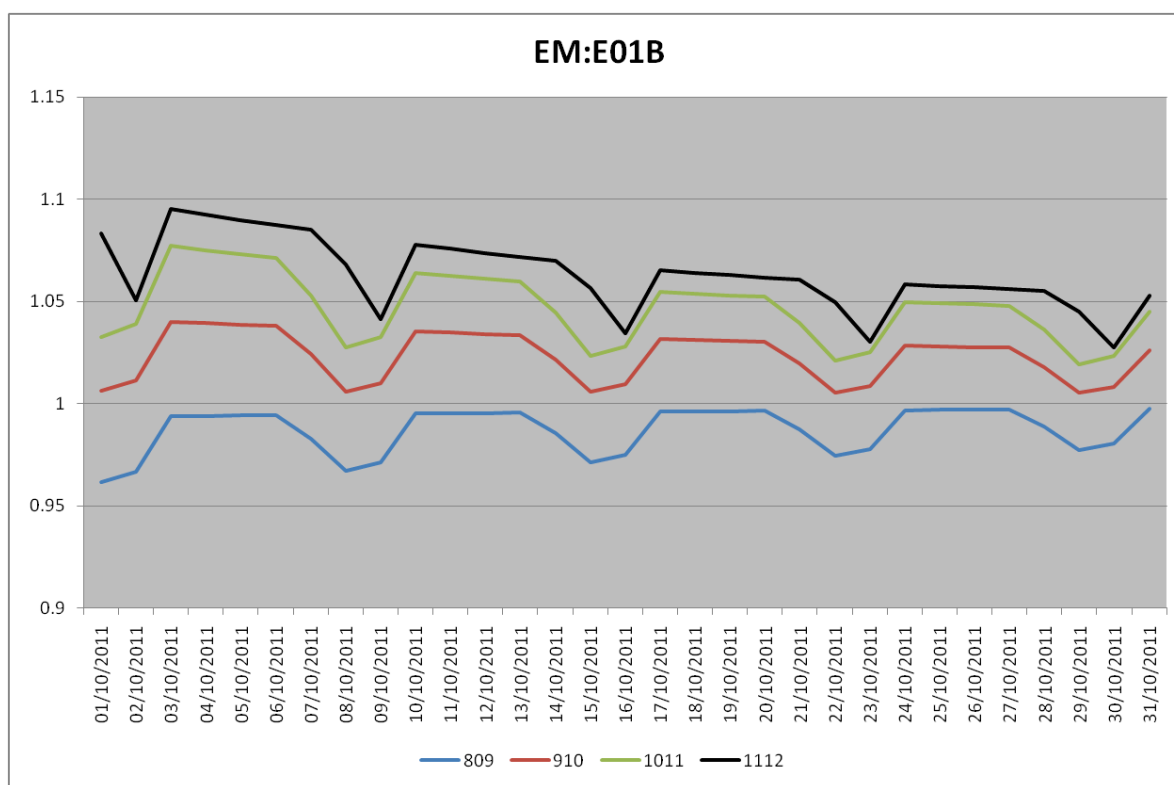


Fig 1. DAF values for EM:E1101B, October 2011. Years prior to 2011/12 mapped to match day of week with 2011/12.

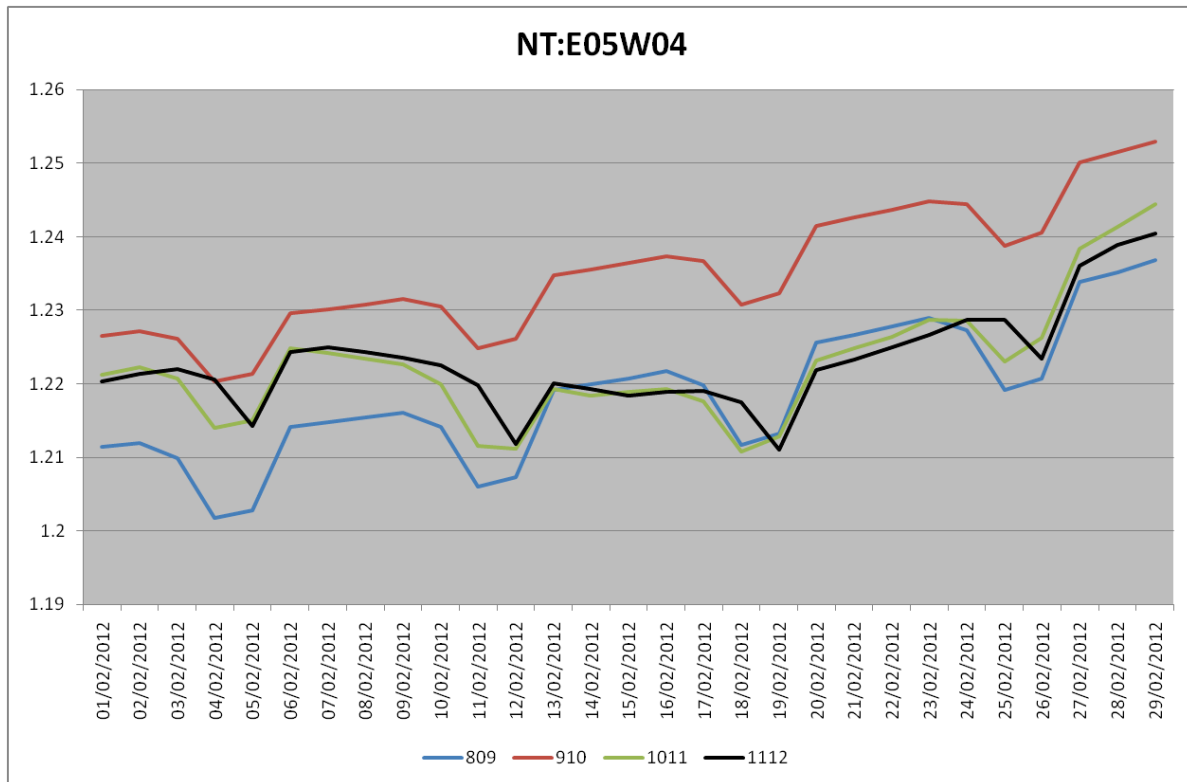


Fig 2. DAF values for NT:E1105W04, February 2012. Years prior to 2011/12 mapped to match day of week with 2011/12.

We request that this be investigated and should any underlying error be identified, that this be rectified and the profile data reissued.

### **Christmas Period ALP values**

The relative levels of ALP values (i.e. the “shape”) in the Christmas Holiday are not consistent with what would be expected from the sequence of Bank Holidays in that period (figs. 3 and 4).

Christmas Day in Lieu (Monday 26<sup>th</sup> December) and Boxing Day in Lieu (Tuesday 27<sup>th</sup> December) currently have values higher than the following weekdays, which consist of non-Bank Holiday days with holiday reductions (Wednesday 28<sup>th</sup> to Friday 30<sup>th</sup> December). Additionally, the New Year period appears questionable, with no reduction for New Years’ Day (a Sunday) relative to the previous day, and a rise into Monday 2<sup>nd</sup> January 2012, which would be expected to be a Bank Holiday in Lieu, and consequently reduced relative to 28<sup>th</sup>-30<sup>th</sup> December.

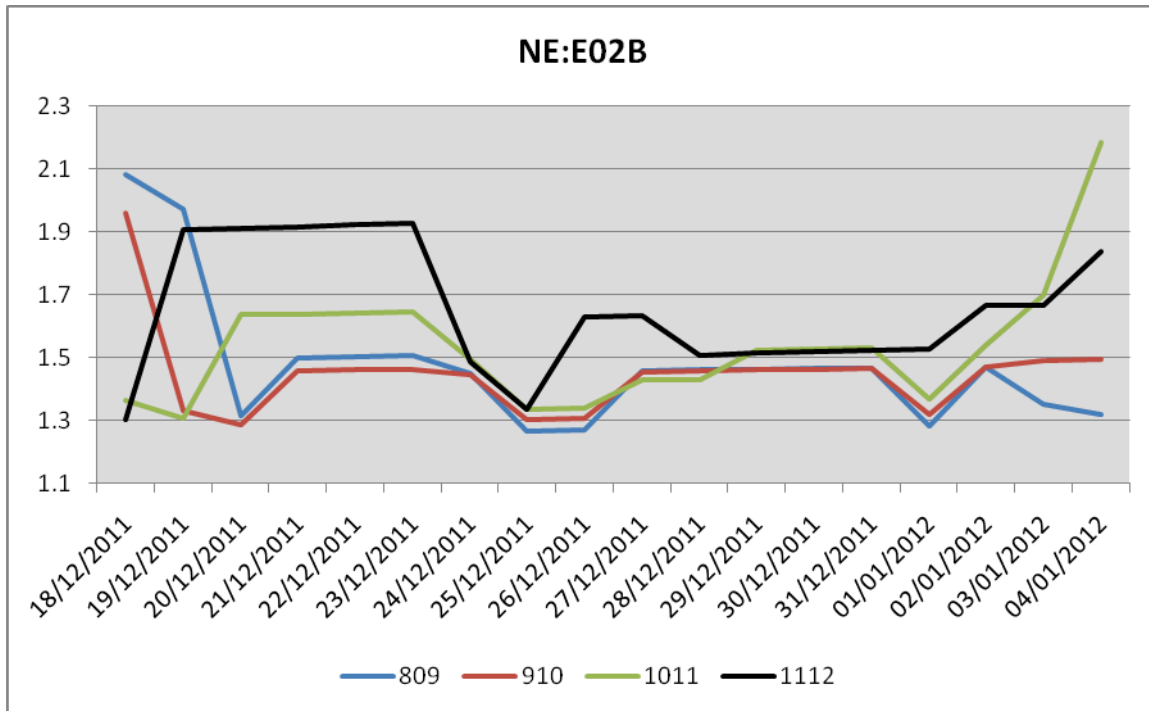


Fig 3. ALP values for NE:E1102B, Christmas 2011. Years prior to 2011/12 mapped to match day of week with 2011/12.

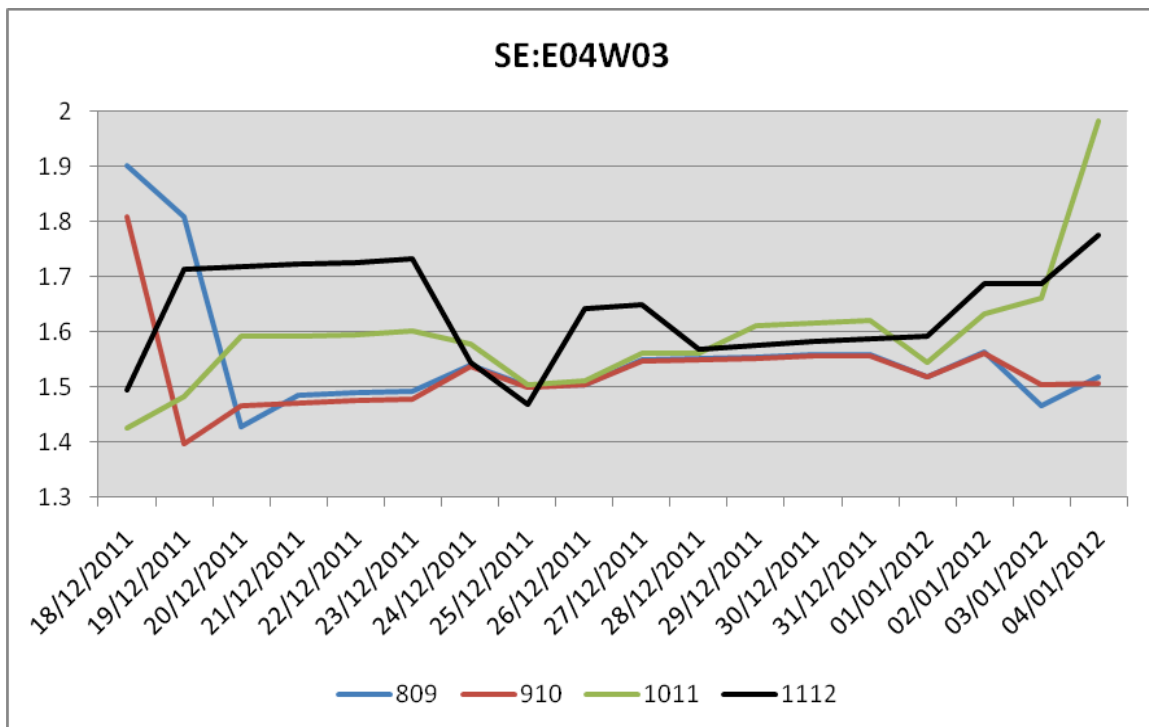


Fig 4. ALP values for SE:E1104W03, Christmas 2011. Years prior to 2011/12 mapped to match day of week with 2011/12.

We are aware of the modifications to the Holiday Code period as proposed and accepted at the DESC meeting of November 2011. We do not expect that this change in period and Holiday Code designation should cause the observed effect and we would like to seek confirmation that the Holiday Factor values, in particular with regard to 26<sup>th</sup> December 2011, 27<sup>th</sup> December 2011, 1<sup>st</sup> January 2012 and 2<sup>nd</sup> January 2012, are robust and as expected.

In addition to the issues raised we would like to make the following comments:

We would reiterate our concern that the Transporters appear reluctant to undertake the required updates to the seasonal normal analysis. We are disappointed that the industry has been required to raise Mod 330 to require suitable analysis despite the clear understanding that a review would take place for full implementation of the EP2 weather stream as agreed to allow implementation of the previous set of profiles.

Given the significant concerns we have over the questionable methodology used in the derivation we would not be happy to see this normal used for a full 5 years before a full review and would repeat our request from last year to urge the Transporters to ensure that work takes place to update the values within a two year maximum period.

The WAR bands have shifted considerably again this year as a direct result of the cold weather experienced over the winter. Last year we raised the potential of using smoothing to minimise impacts from single extreme years as applied to other areas and we would again question as to whether this approach should be considered for WAR band breakpoints too. Potentially we would like Transporters to consider whether we should weather correct WAR bands to minimise unnecessary movement.

We would also like to raise the issue we made at the Technical forum that there appears to be sufficient evidence to consider splitting EUC band 4 and would question why analysis takes place if the results are not to be acted upon.

Finally where extreme days are impacted by other issues to weather – as per the snowy days in January – that are obvious enough to merit mention on the presentation we would question whether they should be excluded from the analysis on the basis we are mapping a temperature to demand relationship. Our opinion is that implementation of Mod 331 would allow questions on analysis methodology to be determined by a cross industry group and satisfactorily resolve these issues.

We look forward to receiving responses on the issues we have raised through xoserve at the earliest opportunity and to seeing some amendments to the profiles.

Regards,

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15/7/11