

Summary of Key Messages from DESC on 13th December 2022

Agenda Item Outcomes

Agenda Item 2.0: NDM Algorithms Update – Gas Year 2022/23

- DESC discussed the ongoing issue of over-allocation to the Non-Daily Metered (NDM) sector and subsequent negative Unidentified Gas (UIG). This has been particularly evident during the first few months of Gas Year 2022/23. DESC discussed the main reasons for this over-allocation being the current ‘disconnect’ between AQs and the real base level demand which is reducing due to enforced conservation (caused by high energy prices and cost of living).

DESC confirmed they were happy with its decision in October to **not intervene** in this period by applying ‘reduction factors’ to the NDM profiles, as ultimately the root cause is AQ.

To support the industry during this period DESC were advised that the CDSP’s Demand Estimation Team will be providing monthly updates on the latest average AQ position. Details of the latest averages following the December AQ calculation and where to find this are provided [here](#).

- DESC also discussed the recent announcement of an additional Bank Holiday in early May 2023. A proposal was discussed which could mean the current profiles are amended for this bank holiday weekend. DESC agreed to consider this proposal and make a final decision at its next meeting in March.

Agenda Item 4.0: NDM Algorithm Performance Review – Gas Year 2021/22

- DESC discussed the performance of the NDM demand profiles for the most recently completed Gas Year by assessing 3 Strands of analysis – Weather, UIG and NDM sample demand. As expected, with the unusually warm Spring and Summer combined with the conservational effects observed since around March 2022 the results were mixed, particularly in the main Domestic End User Category (EUC)

DESC will need to consider the impacts of changed consumer behaviour in its approach to preparing demand profiles next year for Gas Year 2023/24.

Agenda Item 7.0: Seasonal Normal Review 2025 – Climate Change Methodology

- In preparation for the next Seasonal Normal Review (2025), DESC discussed the high-level requirements needed to begin a procurement exercise for a new Climate Change Methodology and associated datasets. In addition, DESC will be asked to convene a Technical Workgroup (TWG) to assist the CDSP in this area. DESC expect to approve the high level requirements and confirm participants of the TWG in the early part of next year.

Material presented to DESC on the above items and more is available [here](#)