

UNC Demand Estimation Sub-Committee Minutes
Wednesday 21 July 2021
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office

Shipper Members (Voting)

Cosmin Popovici	(CP)	Total Energies Alternate
Daniel Stenson	(DS)	Centrica
John Jones	(JJ)	ScottishPower
Sallyann Blackett	(SB)	E.ON Alternate

Transporter Members (Voting)

Abbie Sheppard	(AS)	National Grid
Andrew Hayes	(AH)	Wales & West Utilities Alternate
David Mitchell	(DM)	SGN
Paul O'Toole	(POT)	Northern Gas Networks Alternate
Ricci Glen	(RG)	Cadent Alternate

Observers (Non-Voting)

Katherine Uzzell	(CU)	SSE
Mark Perry	(MP)	Correla on behalf of Xoserve
Michael Maguire	(MM)	Correla on behalf of Xoserve
Neil Crompton	(NC)	SSE
Penny Griffiths	(PG)	Correla on behalf of Xoserve
Simon Bissett	(SB)	Correla on behalf of Xoserve

Copies of papers are available at: <https://www.gasgovernance.co.uk/desc/210721>

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting.

1.1. Apologies for Absence

Anupa Purewal, EON
Emma Buckton, Northern Gas Networks
Louise Hellyer, Total Energies
Sanjeev Loi, Cadent
Smitha Coughlan, Wales & West Utilities

1.2. Note of Alternates

Andrew Hayes, Wales & West Utilities for Smitha Coughlan
Cosmin Popovici, Total Energies for Louise Hellyer
Paul O'Toole, Northern Gas Networks for Emma Buckton
Ricci Glen, Cadent for Sanjeev Loi

Sallyann Blackett, E.ON for Anupa Purewal

1.3. Quoracy Status

RH advised that the meeting was quorate.

1.4. Approval of Minutes (07 July 2021)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There was one (1) agreed late paper to consider.

1.6. Review of Outstanding Actions

None to consider.

2. 2021/22 NDM Algorithms

2.1. Review Industry Representations

Michael Maguire (MM) provided a brief overview of the 'Review Industry Representations' presentation, during which the following notable items are captured (by exception):

Demand Estimation: Background slide 4

MM advised that this is an annual process.

Demand Estimation Timetable – 2021 slide 5

MM pointed out the two **YELLOW** highlighted items (*Final Approval of Gas Demand Profiles (DESC)* and *Adhoc Work-plan Approved (DESC)*) as being the two main items for consideration at this meeting.

MM then advised that the next key deliverable date is the 15 August 2021 'SAP-ISU and Gemini updated (DESC)' item.

Industry Responses

MM confirmed that there had been NO additional comments / responses received in respect of the 2021 draft proposals and that the industry consultation window was now closed.

When Sallyann Blackett (SB) enquired as to whether the issue relating to the early May 2021 Bank Holiday profile drop (i.e. a mismatch with demand) had been resolved, Mark Perry (MP) responded by explaining that the associated data would remain in the profiles that are currently going live. Having said that, Correla have also been investigating historical UIG data (going back five (5) years) which has not revealed a major holiday reduction issue. In the end, Correla have concluded that it would be preferable to leave the data as-is and perhaps look at the domestic and I&C profiles in due course as part of this year's ad-hoc workplan area.

When asked, MP confirmed that this matter would potentially remain an issue for Spring 2022.

Concluding discussions, the **DESC Members present (unanimously) approved** the (draft) Gas Demand Profiles for Gas Year 2021/22.

Reminder: Where to find Demand Estimation Data slide 12

MM advised that should anyone have problems accessing the data, they should complete an 'Secure Site Access Form' using the following [link](#)

3. Weather Station Review

MM provided a brief overview of the 'Current Weather Station Review' presentation, during which the following notable items are captured (by exception):

Gas Industry Weather Stations slide 3

MM explained that there had been no significant changes to the previous year's information before highlighting the latest three (3) supporting commentaries for London Heathrow, Southampton Oceanographic Institute and Yeovilton Weather Station.

MM also advised that the tabulated list is also available in Section 11 of the NDM Booklet.

Gas Industry Weather Stations slide 4

When asked, MM confirmed that there had been no obvious recorded impacts (or provided evidence) associated with the recent UK flooding experienced in certain geographical locations.

MP pointed out that the issue of precipitation is one area that is to be considered by DESC going forward, especially bearing in mind that UNC Request 0754R Workgroup is also looking into the matter. He went on to note that in certain circumstances rain fall does seem to explain additional gas demand, however precipitation can be quite localised and so is not necessarily helpful. Investigations are ongoing in respect of identification of suitable variables to be applied where deemed appropriate.

It was also suggested that perhaps it would be beneficial to consider suitable 'trigger' points around when to, or when not to utilise rainfall factors (inc. time specific aspects) in calculating the CWV.

Daniel Stenson (DS) explained that Centrica utilises multiple weather station data in order to obtain a more reflective and meaningful set of core weather data. Furthermore, he is of the view that it would be beneficial to include this matter on next year's ad-hoc workplan, especially as it could generate (and involve) extensive and complex discussions.

Abbie Sheppard (AS) then explained that National Grid makes use of a >5mm trigger point in order to establish when to utilise an uplift percentage and that they employ a year-round monitoring exercise.

Acknowledging the points being raised, MP suggested that the real challenge would be in assessing how best to utilise the data – he would look to utilise the knowledge of DESC Members nearer the time.

4. Agreement of Ad-hoc Workplan

MP provided a brief overview of the '*Adhoc Workplan Review*' presentation, during which the following notable items are captured (by exception):

Workplan Items: Autumn / Winter 20 / 21: Update slide 4

In referring to the '*Support NDM Algorithm Review – (Consultation, UNC Workgroup)*' bullet point, MP advised that the UNC Request 0754R is considering matters in more detail.

Moving on to consider the '*Improve Demand Estimation Team systems for:*' bullet point and specifically the '*Handling and validation sample data submissions*' sub bullet, MP advised that data provision has significantly improved post implementation of UNC Modification 0654 and that the SAS system has been an invaluable asset in enabling efficient assessment and analysis of the information being provided.

Workplan Items – Autumn / Winter 21 / 22: Proposed slide 5

Opening the discussion on this item, MP advised that it is the intention to obtain DESC Members' agreement for these proposals.

Focusing attention on the '*Algorithm Performance for Gas Year 2020 / 21 (3 Strands of analysis)*' bullet point, MP explained that the three strands break down into the following:

- Strand 1 – how the actual data compares with the seasonal normal data;
- Strand 2 – UIG impacts;
- Strand 3 – comparison of sample data with the allocated data;

- When MP enquired what DESC Member views are around how much reliance should be placed on the data, SB responded by suggesting that in terms of the algorithm there appears to be very little benefit, although there is more benefit to be had in terms of assessing any potential UIG impacts;
- On the other hand some parties do not believe that DESC should change the previous modelling approach based on the latest data set, although perhaps a quick Covid review exercise might prove beneficial;
- It was suggested that there would be little value in undertaking a Band 1 assessment and that perhaps looking to prioritise the areas being considered by UNC Request 0754R Workgroup might prove more beneficial;

Moving on, attention focused next on the *'Modelling Approach 2022 preparations (for Gas Year 2022 / 23'* bullet point, during which MP explained that in terms of the *'Holiday Codes Analysis'* these could / would include any early May Bank Holiday and Christmas associated impacts – perhaps examination of the previous 2 to 3 year's of data would be beneficial in avoiding any Covid related skewing of the data set.

As far as the *'Focus on Prepayment EUCs'* bullet point is concerned, MP pointed out that the data source is now more than 10 year's old (post UNC Modification 0451 provisions) which is becoming a profile related concern as more time passes. In noting that all industry parties should be looking to provide pre-payment related data, DS believed that engagement with the industry (via an email communication) would be beneficial in building the data set.

MP pointed out that Xoserve / Correla had previously issued requests for the provision of pre-payment information in the past which could be repeated now, especially as the UNC Request 0754R Workgroup is also looking into this matter.

Moving on to consider the *'Support Workgroup 0754R'* bullet point, MP advised those present that Correla is committed to supporting the Workgroup activities and provides at least two resources to work on material and attend the meetings. When DS observed that the Workgroup is 'time flexible' and should be utilised to consider the issues and concerns being raised within DESC, RH agreed to undertake an action to request a 6 month reporting extension for the Workgroup at the August 2021 Panel meeting.

New Action DESC0701: Reference UNC Request 0754R Workgroup Report submission deadline – Joint Office (RH) to seek a 6 month extension to the current Panel reporting deadline at the August 2021 Panel meeting.

When asked, MP confirmed that in terms of prioritisation, he favours resolution of the first two bullet points although in an ideal world he would like to see all aspects completed.

Concluding discussions, the **DESC Members present (unanimously) approved** (i.e. no adverse comments raised) the Workplan Items – Autumn / Winter 21 / 22 proposals as presented.

5. NDM Algorithm Review Update

In providing a verbal update, MP noted the following key items:

- The last 0754R Workgroup meeting was undertaken on 07 July 2021;
- To date, there have been three (3) 0754R Workgroup meetings, and
- Following the earlier DESC approval, he would now feedback to the 0754R Workgroup.

MP advised that going forward he would be looking to provide regular updates to the DESC Members.

6. DESC Survey

In pointing out that both Correla and Xoserve have a suite of Demand Estimation related performance indicators, in the form of bi-annual assessments, MP advised that an email survey request was issued a few weeks ago. In order to support the process further a link has already

been provided in the chatroom for today’s DESC meeting for Members to utilise when filling in their responses – please take the next 15 minutes to review and respond.

Following a brief break, DESC Members indicated that they had considered the request at which point MP advised that the survey submission window would remain open for another week and Correla / Xoserve would welcome any and all responses.

7. Any Other Business

7.1. Wales North UIG Error Update

Parties discussed the recent error that occurred in the North Wales region over the course of two days in July (13 and 14) during which concerns were raised around the potential underlying cause of the problem and how the ‘up’ and ‘down’ (volume) spikes originated.

MP advised that it appears that following contact with National Grid in the first instance, and thereafter Wales & West Utilities (Greg Francis), this error occurred due to an I.T. related issue which was subsequently cleared after a 3rd (input side) run.

SB explained that in her opinion, the approach to resolving the issue whereby the whole volume correction (cumulative) amount was applied on Day 2, only served to exacerbate the problem.

New Action DESC0702: *Reference the Wales North UIG Error – Wales & West Utilities (AH) to investigate what happened and what corrective actions were undertaken by WWU to resolve the issue and provide an update as soon as practicably possible (and before the October 2021 DESC meeting).*

When RH enquired as to whether the issue is symptomatic of a process failure, SB suggested that without being in possession of the full facts, it is hard to know, although she believes that the ‘whole’ volume correction amount went into Day 2 which from a UIG perspective is unhelpful to the industry, especially as this amount is now theoretically ‘embedded’ in the data. When asked whether this is really an Offtake Arrangements Workgroup related matter, MP responded by advising that he remains unsure until he is able to assess more information in due course.

New Action DESC0703: *Reference the Wales North UIG Error – Wales & West Utilities (AH) to liaise with L Beccano to ensure that this matter is considered at the August 2021 Performance Assurance Committee meeting.*

8. Communication of Key Messages

RH advised that the DESC Summary of Key Messages document to be supplied by MP post meeting, would be published on the Joint Office website at:

<https://www.gasgovernance.co.uk/desc/summarykeymessages>

9. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:00 Wednesday 06 October 2021	Microsoft Teams	DESC
10:00 Tuesday 14 December 2021	Microsoft Teams	DESC

DESC TWG Action Table (as at 21 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
			None.			

DESC Action Table (as at 21 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
DESC 0701	21/07/21	4.	<i>Reference UNC Request 0754R Workgroup Report submission deadline</i> – Joint Office (RH) to seek a 6 month extension to the current Panel reporting deadline at the August 2021 Panel meeting.	Joint Office (RH)	06/10/21	Pending
DESC 0702	21/07/21	7.1	<i>Reference the Wales North UIG Error</i> – Wales & West Utilities (AH) to investigate what happened and what corrective actions were undertaken by WWU to resolve the issue and provide an update as soon as practicably possible (and before the October 2021 DESC meeting).	Wales & West Utilities (AH)	06/10/21	Pending
DESC 0703	21/07/21	7.1	<i>Reference the Wales North UIG Error</i> – Wales & West Utilities (AH) to liaise with L Beccano to ensure that this matter is considered at the August 2021 Performance Assurance Committee meeting.	Wales & West Utilities (AH)	06/10/21	Pending