

UNC Demand Estimation Sub-Committee (DESC) Minutes
Wednesday 01 March 2023
via Microsoft Teams

Attendees

Helen Cuin (Chair)	(HC)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office

Shipper Members (Voting)

Anupa Purewal	(AP)	E.ON
Cosmin Popovici	(CP)	TotalEnergies Gas & Power Ltd
Dan Stenson	(DS)	Brook Green Trading
Katherine Uzzell	(KU)	SSE
Mark Linke	(ML)	Centrica

Transporter Members (Voting)

David Mitchell	(DM)	Scotia Gas Networks
Paul O'Toole	(PO)	Northern Gas Networks Alternate
Murugan Babumohanan	(MB)	National Gas Transmission
Neil Stovold	(NS)	Wales & West Utilities
Sanjeev Loi	(SL)	Cadent Gas

Observers (Non-Voting)

Jamie Fleming	(JFI)	ScottishPower
Jonathan Freeman	(JFr)	Representative of Xoserve
Joseph Lloyd	(JL)	Representative of Xoserve
Lauren Jauss	(LJ)	RWE
Mark Perry	(MP)	Representative of Xoserve
Mike Maguire	(MM)	Representative of Xoserve
Paul Orsler	(PO)	Xoserve (<i>item 6.0 only</i>)
Penny Griffiths	(PG)	Representative of Xoserve
Simon Bissett	(SBi)	Representative of Xoserve
Vera Li	(VI)	Joint Office

DESC meetings will be quorate where there are at least four Voting Members or their alternates, of which at least two shall be Users and two Transporters are in attendance.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/desc/010323>

1. Introduction and Status Review

Helen Cuin (HC) welcomed everyone to the meeting.

1.1. Apologies for Absence

Emma Buckton – Transporter Member

1.2. Note of Alternates

Paul O'Toole for Emma Buxton (Northern Gas Networks)

1.3. Quoracy Status

The meeting was deemed to be quorate.

1.4. Approval of Minutes (13 February 2023)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

It was noted there were no late papers published.

1.6. Review of Outstanding Actions

0704: CDSP (MP) to consider providing DESC Members with a list of data sets which would assist reviewing EUC definitions.

Update: During a brief discussion around being able to identify the meters in each segment, Dan Stenson (DS) advised that Smart Pear are a 'Smart Data' Company that he believes are able to provide Smart Meter Data from the DCC to clients (an example of which is the App Loop <https://loop.homes/>). This facility could be utilised to obtain historical daily reads from Smart Meter customers. A link to the company: <https://www.smartpear.co.uk/>

It was requested that Shippers liaise with Penny Griffiths (PG) offline on what information could be provided by them.

Thereafter, DESC Members agreed to carry forward the action. **Carried Forward**

Please also refer to the discussions undertaken during the review of Presentation Pack 3.0(b) below.

1003: CDSP (SBI) to share ideas on the Review of Existing Cleansing and Validation processes in December meeting.

Update: When PG referred to the information provided on slide 4 of the Presentation Pack 3.0(a), DESC Members in attendance agreed the action could now be closed. **Closed**

Please also refer to the discussions undertaken during the review of Presentation Pack 3.0(a) below.

1201: Xoserve/Joint Office to add NDM Algorithms Update for Gas Year 2022/23 as Standard Agenda Item to all forthcoming DESC Meeting whilst significant NDM allocation continues to be an issue.

Update: When HC advised that this action had now been completed (as per agenda item 2. below), DESC Members in attendance agreed the action could now be closed. **Closed**

1202: Xoserve to provide update on unexpected results for WS 02BNI, in Strand 3 NDM Algorithm Performance investigation.

Update: Penny Griffiths (PG) provided an overview of the 'Action 1202 WS:02BNI Update' presentation during which there were no adverse comments forthcoming.

DS went on to advise that Brook Green Trading had developed a code to allow linking of SIC data to MPRNs which he would be more than happy to share with fellow DESC Members.

Thereafter, DESC Members in attendance agreed the action could now be closed. **Closed**

0101: Xoserve (MP) to amend the Draft Climate Change Methodology Technical Requirements and circulate to DESC members for approval.

Update: When Mark Perry (MP) advised that this action had now been completed (as per agenda item 5. below), Mike Maguire (MM) explained that the Climate Change Methodology Technical Requirements had been circulated in early February 2023 and to date, no responses or adverse comments had been received.

MM went on to advise that the weather station utilised are those as per previous Gas industry events, whilst the cost associated with 'scaling up' requirements has been requested, which could result in a slightly different set of weather stations to the previous CCM

DESC Members in attendance agreed the action could now be closed. **Closed**

0102: Xoserve (MP) to confirm Governance route, timelines, and dependencies for the procurement of a Service Provider.

Update: When MP advised that work remains ongoing and that he expects to be able to provide a more meaningful update at the next DESC meeting in April 2023.

When asked, MM confirmed that Xoserve had not yet reached out to any service providers for information.

Thereafter, DESC Members in attendance agreed to carry forward the action. **Carried Forward**

0103: All Transporters to consider participation in the Workgroup and any meteorologist recommendations

Update: When MP advised that to date, no Transporter nominations had been forthcoming, HC asked the DESC Transporter Members whether they would be able to support participation in the DESC Technical Workgroup meetings, Murugan Babumohanan (MB) responded by explaining he had discussed the matter with his National Gas Transmission colleagues and unfortunately due to other industry wide work commitments, participation would not be possible at this time.

When MP highlighted that there already three (3) Shipper volunteers, DESC Members in attendance agreed the action could now be closed. **Closed**

0201: Xoserve (PO) to report back to DESC on the procurement exercise

Update: Please refer to the discussions undertaken as part of the consideration of agenda item 6.0 below.

DESC Members in attendance agreed to carry forward the action. **Carried Forward**

0202: Shippers to check what NDM sample for Bands 3 upwards data could be provided to assist.

Update: When asked Paul Orsler (PO) confirmed that to date, he had not received any feedback from Shippers and that it might be beneficial to also highlight the upper band data provisions in order to illicit responses. Perhaps another option would be to re-issue the previous key messages communication.

Please refer to the discussions undertaken as part of the consideration of agenda item 6.0 below.

DESC Members in attendance agreed to carry forward the action. **Carried Forward**

2. NDM Algorithms Update – Gas Year 2022/23

This agenda item considers the latest position with NDM allocation accuracy and Unidentified Gas (UIG) levels following a request from DESC in October to keep this as a regular agenda item during this period of demand volatility.

Mark Perry (MP) provided an overview of the '2.0 NDM Algorithms Update Gas Year 2022-23' presentation during which the high-level key points were noted (by exception), as follows:

Analysis – Objective 1: Gas Year 2022/23 Review – slide 6

- Provides information relating to the updated position.

Analysis – Objective 1: Gas Year 2022/23 Review – slide 7

- Provides information relating to the updated position, and
- 01 March 2023 effective date AQs to be collected soon.

Analysis – Objective 1: Gas Year 2022/23 Review – slide 8

- The 'Allocated UIG %' is at closeout D+5.

Conclusions – Objective 1: Gas Year 2022/23 Review – slide 9

- In referring to the second bullet point, MP suggested, and DESC Members in attendance agreed, to retain the agenda item to indicate to the industry that DESC are actively monitoring the situation;
- It was noted that UNC Modification 0831 is also investigating these matters;
- When asked about the view of AQ movement over time as seen at a previous DESC meeting, MP referred to the link provided on slide 7 of the presentation;
- It was noted that I&C sites are dropping more slowly year on year;
- MP suggested that as the next meeting would be April 2023, it might be beneficial for DESC Members to keep tracking the matter via the Xoserve web site provisions;
- A request for the provision of the cohort calculation breakdown information was made as some parties believe the information would be beneficial in providing a more ‘holistic’ view, and
- When asked whether there is a pre-Covid position view available, MP advised that the information stops where the new process was adopted, although he believes that the pre-Covid levels were circa 13,500k – it was noted that the average for October 2019 was circa 13,900k.

Analysis – Objective 2: Extra Bank Holiday – slide 11

- MP pointed out that whilst it is possible to undertake a mid-year adjustment, it is extremely rare to do so;
 - MP provided an update on the extra bank holiday for the Kings Coronation. It was proposed that the additional Bank Holiday is not reflected in the demand profiles;
 - DESC Members previously have not had strong views on updating the existing profiles. MP clarified the change can be made, and
 - MP provided an overview of the options provided a recommendation to leave the 6th to 8th May as a normal weekend.

DESC Members were asked to confirm their views on how this should be dealt with in terms of the NDM demand profiles.

VOTE: Members were asked to vote on the preference on the two options presented. Members voted **unanimously** for Option 2, which was to leave the 6th to 8th May as a normal weekend.

Voting Outcome:	Option 2	
Shipper Representatives	Option 1	Option 2
Anupa Purewal	-	For
Cosmin Popovici	-	For
Dan Stenson	-	For
Katherine Uzzell	-	For
Mark Linke	-	For
Total	0	5
Transporter Representatives	Option 1	Option 2
David Mitchell	-	For
Paul O’Toole for Emma Buckton	-	For
Murugan Babumohanan	-	For
Neil Stovold	-	For
Sanjeev Loi	-	For
Total	0	5

3. DESC Adhoc Workplan Update

3.1. Adhoc Workplan Update – (a) NDM Sample Validation Rules

Simon Bissett (SBI) provided an overview of the ‘3.0 Adhoc Workplan Update – (a) NDM Sample Validation Rules’ presentation during which he provided a summary of the actions undertaken in respect of outstanding action 1003 (please see slide 4 for more details).

DESC Members were provided with an update on the conclusion of this year’s Adhoc Workplan items:

- a) review of sample validation rules
- b) review of current EUCs and how the underlying demand models support them. The latter item will require DESC to provide its views on some proposed changes to this year’s modelling process.

There were no adverse comments forthcoming from DESC Members in attendance in reaction to the information provided, and no formal vote required either.

3.2. Adhoc Workplan Update – (b) EUC Review

Penny Griffiths (PG) provided an overview of the ‘3.0 Adhoc Workplan Update – (b) EUC Review’ presentation during which the key items were noted (by exception), as follows:

Band 1 Domestic – Actual vs Estimated – slide 13

When asked how it is possible to categorise ‘Domestic’ as comprising cooking loads, or heating and hot water only, PG responded by explaining that the assumptions only apply to Class 3 meters at this moment because of monthly reads. When asked what percentage of Class 3 meters are in Bands 1, 2 and 3, Mark Perry (MP) responded by advising that Xoserve are utilising the WAR Bands as a proxy in order to try to improve the calculation – in essence, a best guess.

DESC were asked to vote on the Options for WAR Bands 3-4, 5-8 and 9.

VOTE: Members were asked to vote on the preference on the two options presented for WAR Bands 3 and 4. Members voted by **majority** for Option 1 (with 7 out of 10 Members) as follows:

Voting Outcome:	Vote on WAR Bands 3-4	
Shipper Representatives	Option 1	Option 2
Anupa Purewal	For	
Cosmin Popovici	For	
Dan Stenson	For	
Katherine Uzzell	For	
Mark Linke	For	
Total	5	0
Transporter Representatives	Option 1	Option 2
David Mitchell		For
Paul O’Toole for Emma Buckton		For
Murugan Babumohanan	For	
Neil Stovold		For
Sanjeev Loi	For	
Total	2	3

Consideration of the information provided on slides 23 to 34 was undertaken with no adverse comments forthcoming from DESC Members in attendance.

DESC were asked to vote on WAR Bands, 5-8 and 9.

VOTE: Members were asked to vote on the preference on the two options presented for WAR Bands 5 to 8. Members voted by **majority** for Option 1 (with 9 out of 10 Members casting a vote) as follows:

Voting Outcome:	Vote on WAR Bands 5-8	
Shipper Representatives	Option 1	Option 2
Anupa Purewal	Not Present for vote	
Cosmin Popovici	For	
Dan Stenson	For	
Katherine Uzzell	For	
Mark Linke	For	
Total	4	0
Transporter Representatives	Option 1	Option 2
David Mitchell	For	
Paul O'Toole for Emma Buckton	For	
Murugan Babumohanan	For	
Neil Stovold	For	
Sanjeev Loi	For	
Total	5	0

Consideration of the information provided on slide 36 was undertaken during which PG advised that there is no real way to estimate the effect upon accuracy.

MP also reminded those in attendance that previously DESC had indicated that the Band 9 profile should be 'temporary' and therefore quite generic as the meter points should only ever transition through Band 9 on the grounds that NDM should not be included in the band.

DESC were asked to vote on WAR Band 9.

VOTE: Members were asked to vote on the preference on the two options presented for WAR Band 9. Members voted by **majority** for Option 1 (with 9 out of 10 Members casting a vote) as follows:

Voting Outcome:	Vote on WAR Bands 9	
Shipper Representatives	Option 1	Option 2
Anupa Purewal	Not Present for vote	
Cosmin Popovici	For	
Dan Stenson	For	
Katherine Uzzell	For	
Mark Linke	For	
Total	4	0
Transporter Representatives	Option 1	Option 2
David Mitchell	For	
Paul O'Toole for Emma Buckton	For	

Murugan Babumohanana	For	
Neil Stovold	For	
Sanjeev Loi	For	
Total	5	0

New Action 0301: Shippers to confirm ability to provide Xoserve with daily consumption patterns for domestic site customers (i.e. seasonal consumption behaviours and possible identification of meters in each segment) for further consideration of Domestic Meter Segmentation at the April DESC meeting

4. Modelling Approach – Gas Year 2023/24

Background

This agenda item is to finalise discussions for how the EUC Demand Modelling will be performed in 2023. The draft version of the Modelling Approach document was published in January, available here: <https://www.gasgovernance.co.uk/DESC/170123>

Up to this point no adverse comments have been received from DESC Members and so the working assumption is that Members were in support.

- Aspects of the Adhoc Workplan update (Item 3.0) will be included in this year’s approach and so any decisions taken under that item will need to be reflected in the final version of the Modelling Approach document, and
- One area for discussion will be how DESC may wish to use the data collected this year, for the latest 12m analysis period, given the change in consumer behaviour due to price changes (particularly in the Domestic sector).

Penny Griffiths (PG) provided an overview of the ‘4.0 Modelling Approach 2023’ presentation, during which the following high-level key items were noted (by exception) as follows:

Impact of Significant Socioeconomic Factors on Demand Modelling – Extract from Modelling Approach document – slide 7

PG advised that the current expectation is that further consideration will be undertaken at the May 2023 DESC meeting.

High Level Modelling Principles – slide 11

PG advised that the information had subtly changed when compared to previous years.

Summary of changes – slide 14

PG pointed out that an additional statement would be incorporated (for slide 9 aspects) in due course.

DESC were asked to vote on the Modelling Approach.

VOTE: Members were asked to vote on to formally record their support (“Option1”) (or not “Option 2”) for this year’s EUC Demand Modelling Approach.

Members voted by **majority** for Option 1 (with 9 out of 10 Members casting a vote) as follows:

Voting Outcome:	Vote on EUC Modelling Approach	
Shipper Representatives	Option 1	Option 2
Anupa Purewal	Not Present for vote	
Cosmin Popovici	For	
Dan Stenson	For	
Katherine Uzzell	For	

Mark Linke	For	
Total	4	0
Transporter Representatives	Option 1	Option 2
David Mitchell	For	
Paul O'Toole for Emma Buckton	For	
Murugan Babumohanam	For	
Neil Stovold	For	
Sanjeev Loi	For	
Total	5	0

Concluding consideration, PG confirmed the Next Steps as being:

- Publication of Modelling Approach
- Preparation of Sample Data and Modelling Systems
- Collection and validation of sample data
- Agreement of Gas Demand Modelling Runs

5. **Seasonal Normal Review 2025 – Climate Change Methodology**

Michael Maguire (MM) reported the finalised Technical Requirements document for the Climate Change Methodology procurement had been published. A copy is available to view and/or download at: <https://www.gasgovernance.co.uk/DESC/010323>.

MM then provided verbal updates for outstanding actions 0101 and 0102 – please refer to the discussions under agenda item 1.6 above for more details.

6. **NDM Sampling – Procurement update**

Paul Orsler (PO) provided a verbal update on the procurement exercise to procure NDM Sample data for Cadent, WWU and NGN, which Xoserve has been administering since end of Summer 2022.

PO went on to explain that work remains ongoing with the DNs (aimed largely at the Demand Estimation aspects) and outlined that there is a potential risk (gap) in the continuity of the data and corresponding activities.

PO then outlined that the public procurement exercise had now ceased and prospective bidders notified. Work has now commenced on exploring alternative options and working with the 3 DNs concerned to ensure a service can be implemented from 01 April 2023. Furthermore, there is no longer a significant risk and is now more a matter of confidence in the activities being undertaken.

Joseph Lloyd (JL) suggested keeping outstanding action 0201 open for the time being with the aim of issuing a communication to DESC Members ahead of the April meeting in order to enable them to make an informed decision at that meeting.

7. Any Other Business

7.1. Alternative Modification

Dan Stenson (DS) wished to advise of the intention to raise an Alternative Modification to 0831 - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method.

A copy of the Alternative Modification is available to view and/or download from the Joint Office web site at: <https://www.gasgovernance.co.uk/0831>.

DS explained that he would welcome feedback (on the AUGE weighting table and other matters), and should anyone have any views could they please contact him directly.

8. Communication of Key Messages

It was agreed Xoserve to circulate a Key Messages Communication (inc. NDM Sampling Data update) from today's meeting.

9. Diary Planning

In noting that some Companies may still be experiencing travel / cost / resourcing constraints, HC enquired whether any DESC Members had an appetite for a face-to-face meeting in the future.

The Committee discussed the option of having face-to-face meetings with a view to having ad-hoc face-to-face meetings. It was suggested having the May meeting in Solihull. It was agreed to consider this at the April meeting.

HC reminded members with the reduced meeting time to review all meeting material in preparation for the next meeting to allow documentation to be reviewed by exception.

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

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Wednesday 26 April 2023	5pm Tuesday 18 April 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 24 May 2023	5pm Tuesday 16 May 2023	Microsoft Teams Possible Solihull	DESC agenda items TBC
10:00 Wednesday 05 July 2023	5pm Tuesday 27 June 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 19 July 2023	5pm Tuesday 11 July 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 04 October 2023	5pm Tuesday 26 September 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 13 December 2023	5pm Tuesday 05 December 2023	Microsoft Teams	DESC agenda items TBC

DESC Action Table (as of 01 March 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
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0704	18/07/22	4.0	CDSP (MP) to consider providing DESC Members with a list of data sets which would assist reviewing EUC definitions. PG to provide test results of proposed changes.	Representative of Xoserve (MP/PG)	01/03/23	Update provided. Closed
1003	05/10/22	4.1	CDSP (SB) to share ideas on the Review of Existing Cleansing and Validation processes in December meeting	Representative of Xoserve (SB)	01/03/23	Update provided. Closed
1201	13/12/22	2.0	Xoserve/Joint Office to add NDM Algorithms Update as Standard Agenda Item to all forthcoming DESC Meeting whilst significant NDM allocation continues to be an issue.	Joint Office	01/03/23	Update provided. Closed
1202	13/12/22	4.3	Xoserve to provide update on unexpected results for WS 02BNI, in Strand 3 NDM Algorithm Performance investigation	Representative of Xoserve (PG)	01/03/23	Update provided. Closed
0101	17/01/23	2.0	Xoserve (MP) to amend the Draft Climate Change Methodology Technical Requirements and circulate to DESC members for approval.	Representative of Xoserve (MM/MP)	01/03/23	Update provided. Closed
0102	17/01/23	2.0	Xoserve (MP) to confirm Governance route, timelines, and dependencies for the procurement of a Service Provider.	Representative of Xoserve (MP)	01/03/23	Carried Forward
0103	17/01/23	2.0	All Transporters to consider participation in the Workgroup and any meteorologist recommendations	All	01/03/23	Update provided. Closed
0201	13/02/23	2.1	Xoserve (PO) to report back to DESC on the procurement exercise.	Xoserve (PO)	01/03/23	Carried Forward
0202	13/02/23	2.1	Shippers to check what NDM sample for bands 3 upwards data could be provided to assist.	All Shippers	01/03/23	Carried Forward
0301	01/03/23	3.0	Shippers to confirm ability to provide Xoserve with daily consumption patterns for domestic site customers (i.e. seasonal consumption behaviours and possible identification of meters in each segment) for further consideration of Domestic Meter	All Shippers	April 23	Pending

			Segmentation at the April DESC meeting.			
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