

UNC Demand Estimation Sub-Committee (DESC) Minutes
Wednesday 26 April 2023
via Microsoft Teams

Attendees

Yvonne Reid-Healy (Chair)	(YRH)	Joint Office
Vera Li (Secretary)	(VL)	Joint Office

Shipper Members (Voting)

Sarah Palmer	(SP)	E.On
Cosmin Popovici	(CP)	TotalEnergies Gas & Power Ltd
Dan Stenson	(DS)	Brook Green Trading
Katherine Uzzell	(KU)	SSE

Transporter Members (Voting)

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

Observers (Non-Voting)

Jonathan Freeman	(JFr)	Representative of Xoserve
Joseph Lloyd	(JL)	Representative of Xoserve
Mark Perry	(MP)	Representative of Xoserve
Michael Maguire	(MM)	Representative of Xoserve
Paul Orsler	(POr)	Xoserve (<i>item 6.0 only</i>)
Penny Griffiths	(PG)	Representative of Xoserve
Simon Bissett	(SBi)	Representative of Xoserve

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/260423>

1. Introduction and Status Review

Yvonne Reid-Healy (YRH) welcomed everyone to the meeting.

1.1. Apologies for Absence

Helen Cuin – Chair
Emma Buckton – Transporter Member
Mark Linke – 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 (01 March 2023)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There was one late paper published on 24 April 2023 for Agenda Item 2.

No objection was received from the attendees of the meeting.

1.6. Review of Outstanding Actions

0102: Xoserve (MP) to confirm “*Seasonal Normal Review 2025 - Climate Change Methodology*” (added for clarity) Governance route, timelines, and dependencies for the procurement of a Service Provider.

Update: Michael Maguire (MM) provided an update under Agenda Item 4.

Please refer to the discussion undertaken as part of the consideration of Agenda Item 4.0 below.

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

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

Update: Paul Orsler (PO) provided an update under Agenda Item 5.

Please refer to the discussion undertaken as part of the consideration of Agenda Item 5.0 below.

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

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

Update: MP advised that this action is also related to Agenda item 5. He thanked all the Shippers that have helped to provide sample data on Band 1 and 2.

Paul Orsler (POr) provided an update under Agenda Item 5.

Please refer to the discussion undertaken as part of the consideration of Agenda Item 5.0 below.

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

0301: Shippers to confirm the 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.

Update: SBi confirmed that nothing has been received, and advised the Committee any additional data that could be provided by Shippers could complement the work process. DESC committee members agreed this is not an action and agreed this could be closed.

YRH suggested Shippers explore and share data for Band 3 and upward if preferred.

Closed

2. Collection of Daily Gas Consumption Data for EUC Modelling

Simon Bissett (SBi) provided an overview of the Collection of Daily Gas Consumption Data for EUC Modelling with the Presentation pack. All details could be found [here](#).

SBi noted to the Committee that in Section 3: Review of Sample Datasets available for use in Small Non-Daily Metered (NDM) Modelling, and Section 4: Review of Sample Datasets available for use in Large NDM Modelling, all the Recommendations highlighted in amber are their preferred option, however, they will run the reports for both options and present to the Committee Members to vote on their preference in the next DESC Meeting.

Committee members commented on the data presented looked sensible and had no further queries.

YRH asked DESC Members to vote for the following:

- **Confirm the Optimum data sets to be used to represent the demand models, using LDZ aggregations where necessary.**

Voting was by Exception. No Voting Members were against the proposal and therefore the Proposal was considered Approved.

- **Agree on the Winter Annual Ratio (WAR) Thresholds for EUC Bands 3 and above.**

Voting was by Exception. No Voting Members were against the proposal and therefore the Proposal was considered Approved.

SBi concluded the Next Steps:

- Demand Estimation team to share EUC Demand Modelling result for DESC to review - w/c 15 May 2023
- DESC Members to discuss the Modelling result in the DESC meeting on 24 May 2023
- Demand Estimation team to prepare draft profiles for Gas Year 2023/24 – 25 May to 09 June 2023

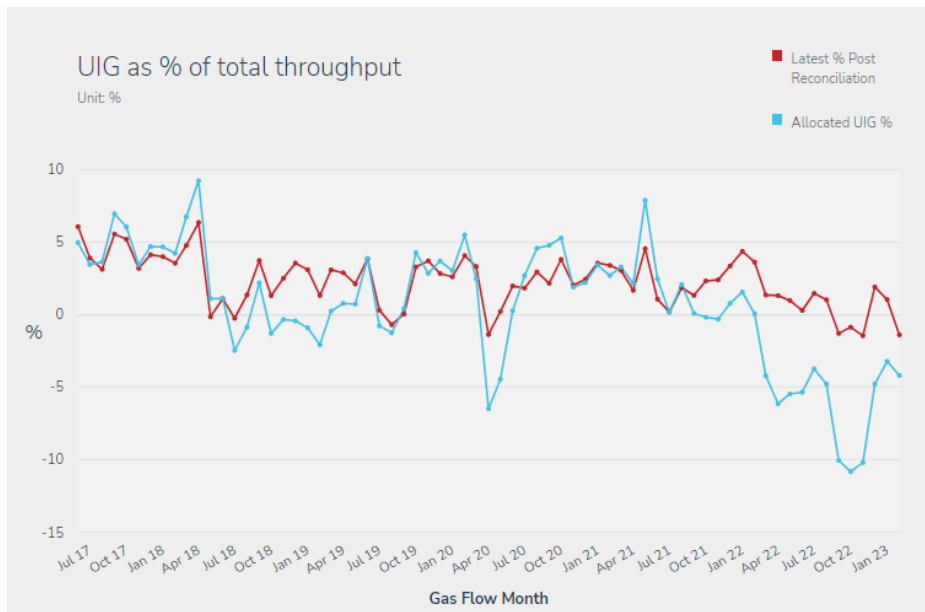
3. NDM Algorithms Update – Gas Year 2022/23

MP provided an overview of the “NDM Algorithms Update Gas Year 2022-23” during which the key point was noted as follows:

Analysis – Gas Year 2022/23: AQ Trends – slide 7

- MP highlighted that over the last 12 months (May 22 to Apr 23) the average AQ has declined by 15% however, the real figure is likely to be more, given that the average AQ figure includes 3m supply points that have not had an AQ calculated for over 6 months.
- MP advised the Committee Members that they could review the Data Pack, which can be accessed via the link provided in the published presentation.

Analysis – Gas Year 2022/23: Post Reconciliation – slide 8



- Katherine Uzzell (KZ) asked how the ‘post reconciliation’ line on the chart was calculated and whether it related to the process used for sharing the UGR charges.

MP replied that it was not reflective of the UGR smearing methodology. The line reflects the best guess estimation of which months the meter point reconciliation energy has actually been consumed using the monthly variance profiles, thus providing an indicative view of the ‘real’ UIG once all meter reads have been received.

Conclusions - slide 9

- MP concluded the average UIG (%) for the current Gas Year has been declining each month probably due to the reduction of AQs in the NDM market, suggesting AQs are becoming more reflective of current demand levels.
- Until average AQ levels flatten off it is expected that over-allocation of NDM demand will continue during Gas Year 22/23 and possibly beyond.
- It is expected that evidence of the end consumer behaviour change will be evident during the modelling results which DESC will continue to discuss for the remaining meetings of this Gas Year.

4. Seasonal Normal Review 2025 – Climate Change Methodology

Michael Maguire (MM) provided a verbal update on the Climate Change Methodology procurement exercises. (Action 0102).

MM noted that some exploratory discussions with the MET Office, who is the current Service Provider for the Climate Change Methodology (CCM), had taken place. This is not a formal approach but it was to get some indication of the relevance of the current Methodology data that the MET Office produced.

DESC will be updated as soon as Xoserve are able to formalise an agreed way forward in terms of timescale, governance and costings.

Discussions included a debate on having conversations with additional suppliers at the same time to benchmark with the MET Office.

MM confirmed that in terms of the outstanding Action 0102, this could be carried forward for further updates in the May Meeting.

MP suggested adding the wording Seasonal Normal Review - 2025 to Action 0102 for clarification. (Joint Office Noted and updated)

MP further clarified that they were still negotiating with Procurement to work out the Procurement method to follow, the regulations and navigate the right routes. MP will communicate with DESC once this is confirmed. MP also noted DESC will take into consideration the suggestions made by Committee Members.

5. NDM Sampling – Procurement update

Paul Orsler (PO) provided a verbal update on the procurement exercise to procure NDM Sample data for Cadent, Wales & West Utilities (WWU) and Northern Gas Networks (NGN).

PO advised The CDSP on behalf of Cadent, WWU, and NGN confirmed the procurement exercise has now been successfully concluded. A new Service Provider (Technology) has been appointed and service started on 01 April 2023.

SBi noted there has been a smooth transition of services and no issues have arisen.

6. Any Other Business

6.1. DESC May 23 Meeting

YRH invited the Committee to attend the May Meeting face-to-face at the Joint Office in Solihull. Due to limited spaces, the Committee Members were advised to confirm their attendance to the Joint Office Enquiries email address or place their interest in the meeting chat room.

Xoserve representatives confirmed they will attend face-to-face at the May meeting.

6.2. 0831/0831A - Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method <https://www.gasgovernance.co.uk/0831>

Dan Stenson (DS) asked the Committee members for their views and comments on the Modification regarding the Allocation of LDZ UIG. The Committee Members were encouraged to contact Dan with their feedback.

7. Communication of Key Messages

It was agreed Xoserve will circulate a Key Message Communications from today’s Meeting.

8. Diary Planning

The Committee considered having a face-to-face meeting in May meeting in Solihull....

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 24 May 2023	5 pm Tuesday 16 May 2023	Solihull Office or Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 05 July 2023	5 pm Tuesday 27 June 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 19 July 2023	5 pm Tuesday 11 July 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 04 October 2023	5 pm Tuesday 26 September 2023	Microsoft Teams	DESC agenda items TBC
10:00 Wednesday 13 December 2023	5 pm Tuesday 05 December 2023	Microsoft Teams	DESC agenda items TBC

DESC Action Table (as of 26 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
0102	17/01/23	2.0	Xoserve (MP) to confirm “ <i>Seasonal Normal Review 2025 - Climate Change Methodology</i> ” (added for clarity) Governance route, timelines, and dependencies for the procurement of a Service Provider.	Representative of Xoserve (MP)	May 2023	Carried Forward
0201	13/02/23	2.1	Xoserve (PO) to report back to DESC on the procurement exercise.	Xoserve (PO)	April 23	Closed
0202	13/02/23	2.1	Shippers to check what NDM sample for bands 3 upwards data could be provided to assist.	All Shippers	April 23	Closed

0301	01/03/23	3.0	Shippers to confirm the 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.	All Shippers	April 23	Closed
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