

DEMAND ESTIMATION SUB COMMITTEE

Minutes

Monday 12th December 2005

Elexon Building

350 Euston Road, London

Attendees

Tim Davis		(TD) Joint Office
Dennis Rachwal		(DR) Joint Office
Craig Shaw		(CS) BGT
Dean Johnson		(DJ) xoserve
Lorna Dupont		(LD) Joint Office
Jonathan Aitken		(JA) RWE npower
Julie Round	(member)	(JR) RWE npower
Mo Rezvani	(member)	(MR) SSE
Peter Osbaldstone	(member)	(PO) National Grid NTS
Gareth Ewans		(GE) Elf Business Energy
Sallyann Blackett		(SAB) xoserve
Steve Taylor	(member)	(ST) BGT
Thomas Bradbury		(TB) Ofgem

1. Status Review

1.1 The minutes from 14th November 2005 were accepted.

1.2 Outstanding actions were reviewed (see separate Action Log). xoserve (SAB) distributed a handout on the average values of Scaling Factors (weighted by throughput), meeting the request made at the previous meeting.

2. Annual End of Gas Year Performance Evaluation (RV/NDM sample strands)

2.1 RV Analysis

xoserve (SAB) advised that not much reconciliation has been seen through the system yet. The analysis will be repeated in May 2006 with the benefit of greater experience. SAB suggested there would be merit in changing the dates when information is provided during future DESC "rounds".

xoserve (SAB) presented analysis detailing exclusions, RV data validation, categorisations, and profiles, using examples across different consumption bands and LDZs. The analysis supported expectations and consistencies in patterning. SAB pointed out that some data samples were not large, and that any seemingly significant findings were diminished when seen as part of the larger view. From a countrywide perspective the analysis continued to show a similar pattern to that of the last few years.

A discussion around errors in the metering market established that monitoring the scaling factor and weather correction factor in combination would enable any

differences/errors to be recognised and investigated by Shippers. Continuing low variance should give confidence in the model.

Action DE1008: xoserve (SAB) to provide end-to-end data relating to Whitwell (a past error) to the Committee at the next meeting, for illustrative purposes.

2.2 NDM Sample Strands

xoserve (SAB) presented graphical analysis, focusing on 'As Used' and 'Best Estimate'. The biggest percentage error happened in April/May 2005 when warm periods outside of the seasonal norm significantly affected figures and patterns – as might be expected in shoulder months.

In answer to Ofgem (TB) as to whether new methods were being applied by National Grid to short term forecasting, both National Grid (PO) and xoserve (SAB) commented that neither was aware that this was so. The existence of new short term forecasting was not ruled out, but the views expressed indicated that it was not relevant to current demand estimating methodology.

xoserve (SAB) stated that the amount of reconciliation that flows through the system is continuing to decrease year on year and that this was a good measure of the accuracy of allocation. Profiles were a 'better fit' to actual consumptions, and the shoulder months showed the expected disparity. These results indicated that profiles had improved this year.

Action DE1009: xoserve (SAB) to provide the Joint Office with the data for the slides (3.4 – 3.15) for distribution.

3. Met Office triggered Changes of Weather Stations

3.1 Wales South LDZ – Derivation of new Composite Weather Variable

xoserve (SAB) stated that, although previously advised as early 2006, the closure of the Cardiff weather station was now on hold. The Committee discussed the implications of this and agreed that it would be prudent to build next year's profiles on a different weather station that would last through a whole Gas Year. It was therefore agreed to follow SAB's proposal to use St Athan.

Comparative detail on both the Cardiff and the St Athan weather stations was provided. At St Athan the daily temperatures were generally lower and the wind speeds were generally higher due to its coastal location. xoserve will continue to derive CWV through the same methodology as was used for the review in 2004. The St Athan CWV was shown to be a reasonable fit overall (98.5%), though was not quite as good as Cardiff for use in demand modelling. The revised CWV will be used in the Spring NDM2006 analysis. Implementation will take place on 01 October 2006.

The meeting recorded qualified agreement on the switch to St Athan, unless it was confirmed by 06 March that Cardiff would remain operational for the Gas Year 2006/07.

3.2 Overview of Met Office triggered weather stations

Action DE1005 (Closed): National Grid (PO) advised that contractual controls were 'loose' and based on reasonable endeavours. Weather stations were based on sites

not owned by the Met Office and were therefore subject to closure, if commercial conditions so dictated. The only perceived form of influence over any such decisions was to take over any financial exposure accorded to the Met Office. It was apparent that there might need to be a greater acceptance that sites were likely to change ownership and that it may also be inevitable that more weather stations were likely to be moved or closed.

Action DE 1006 (Closed): Future changes were extremely difficult to predict, as the Met Office was undergoing a reorganisation. It was thought that one of the Met Office's objectives was to reduce the number of manned weather sites, and the assumption was that there was a greater likelihood of more closures to come.

Further discussion centred on the DESC taking a more proactive approach to establish the likelihood and level of future risk, with a particular focus on individual areas/LDZs.

Action DE1010 (Closed): National Grid (PO) to seek information relating to possible closures, ie by area/LDZ, timescales, and alternative weather stations for a 'fall back' position where appropriate, thereby identifying any risk areas for DESC to consider. (Action closed post meeting – please see attached information distributed with these minutes.)

4. Spring 2006 Modelling – Initial Approach

xoserve (SAB) stated that this needed to be agreed in January's meeting and a paper had been provided now to give DESC plenty of notice as to what was proposed. DESC were asked in particular to consider point 6 in section of the paper on Model Smoothing and advise their view at the next meeting – to agree to either an annual (as is now) or biannual basis. SAB indicated that xoserve's preference was to move to a biannual basis.

Action DE1011: xoserve (SAB) to highlight relevant sections of September 2005 presentation to assist consideration of appropriate approach for future Model Smoothing and resend via Joint Office.

5. Diary Planning

It was agreed that the next meeting would be held in the Solihull area, and that xoserve (SAB) would suggest a Programme of meetings for 2006/07.

23 January 2006	Solihull Area, venue tbc
05 June 2006	Elexon, 350 Euston Road, London
24 July 2006	Solihull Area, venue tbc