



Replacement WCF parameter

Review Group 176, January 2008

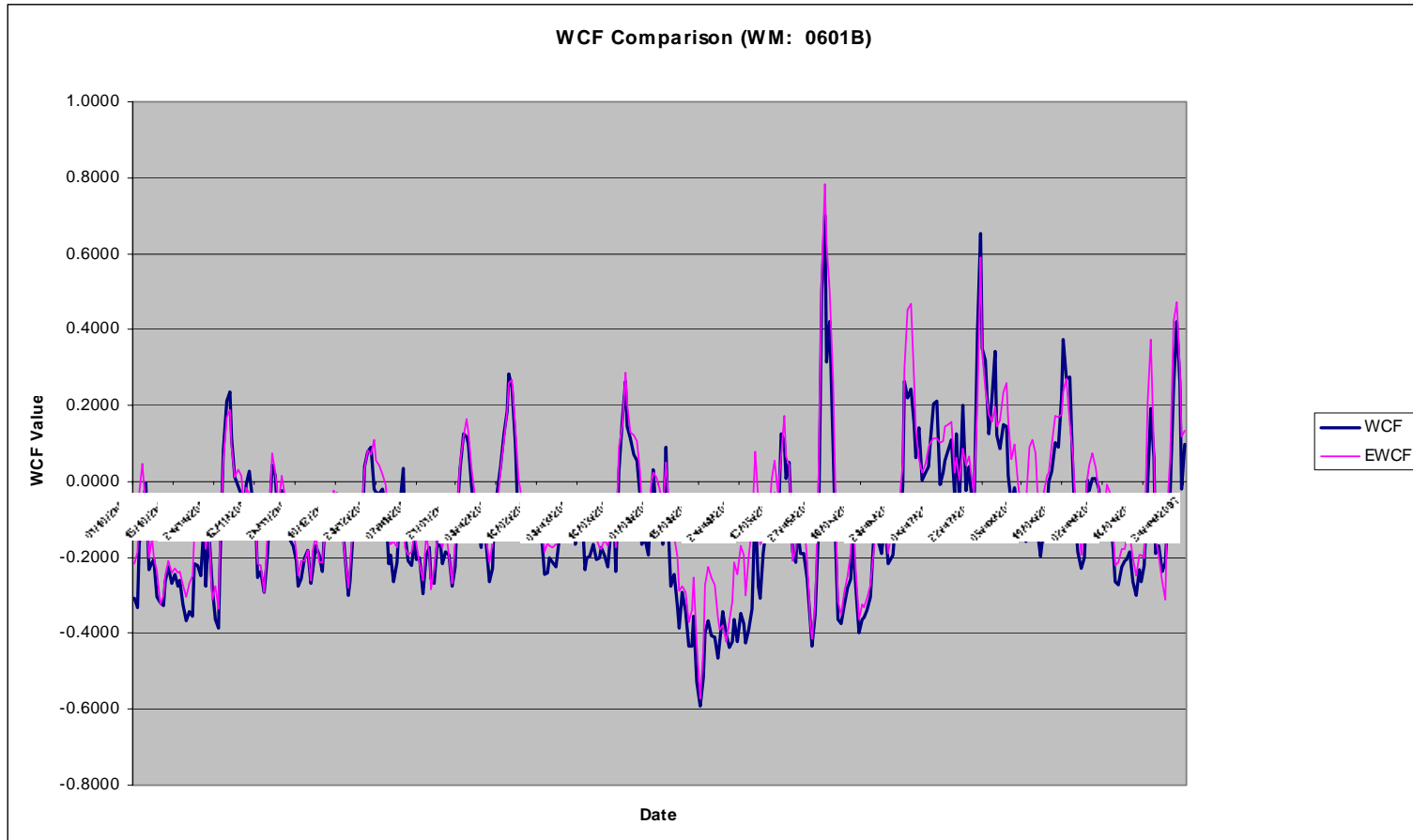
Summary to date

- Allocation is based on the formula defined in UNC H2.2.1
 - $SPD = AQ/365 * ALP_t * (1+DAF_t*WCF_t) * SF_t$
- The WCF parameter is defined using
 - $WCF_t = (ASD_t - SNDN_t) / SNDN_t$
- SND is derived by Transporters for different reasons and has been subject to disagreement over the past few years
- The review group is asked to consider alternatives to SND for definition of the WCF parameter

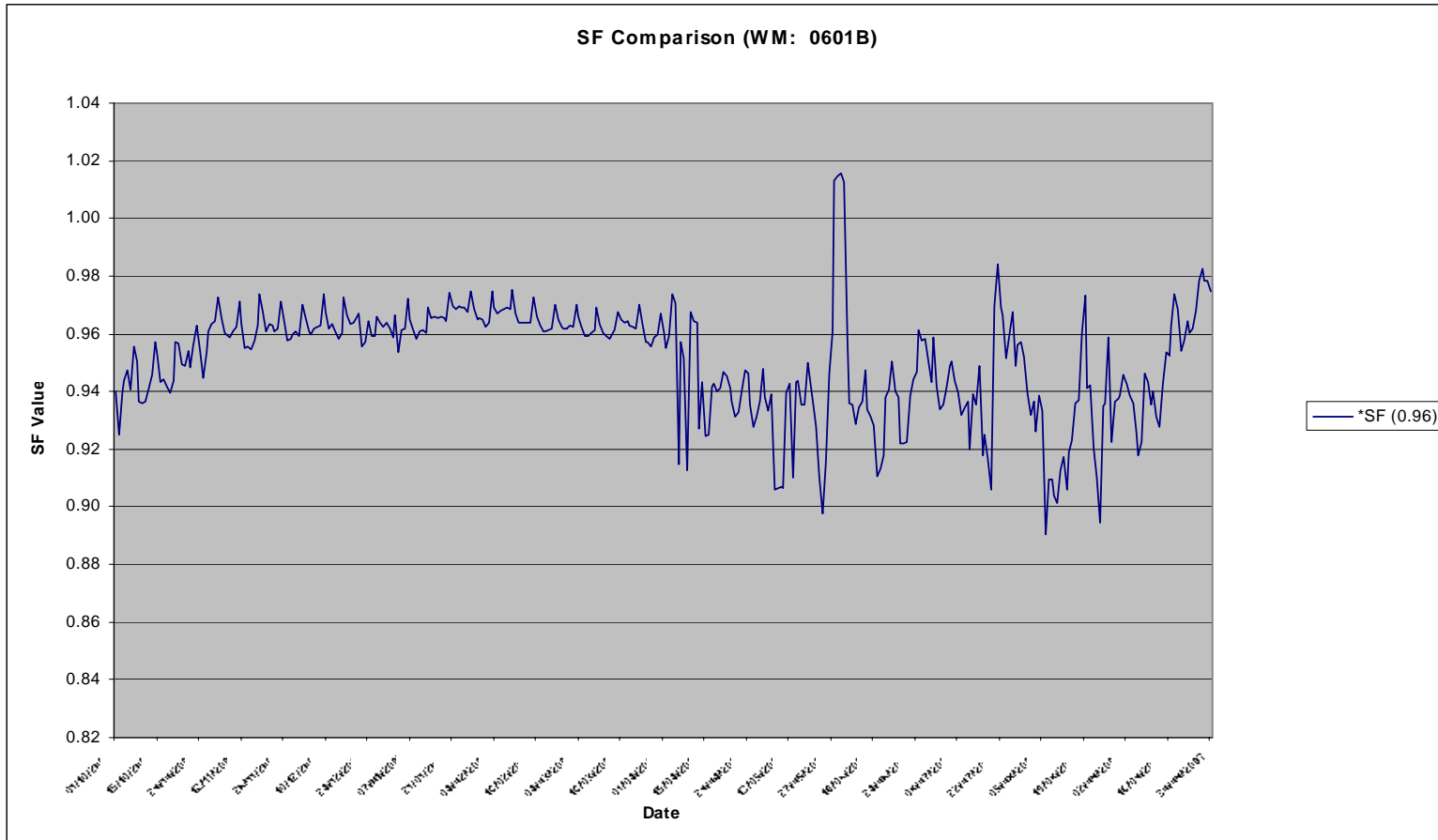
Requirement

- Replace WCF with a parameter based on other information
EXCLUDING SND
- There are a number of possibilities, these slides concentrate on a weather based alternative to assess possibilities
- Does not preclude other potential solutions
- Analysis expanded to look at an example EUC: WM: E0601B

WCF Performance over 2006/7 gas year



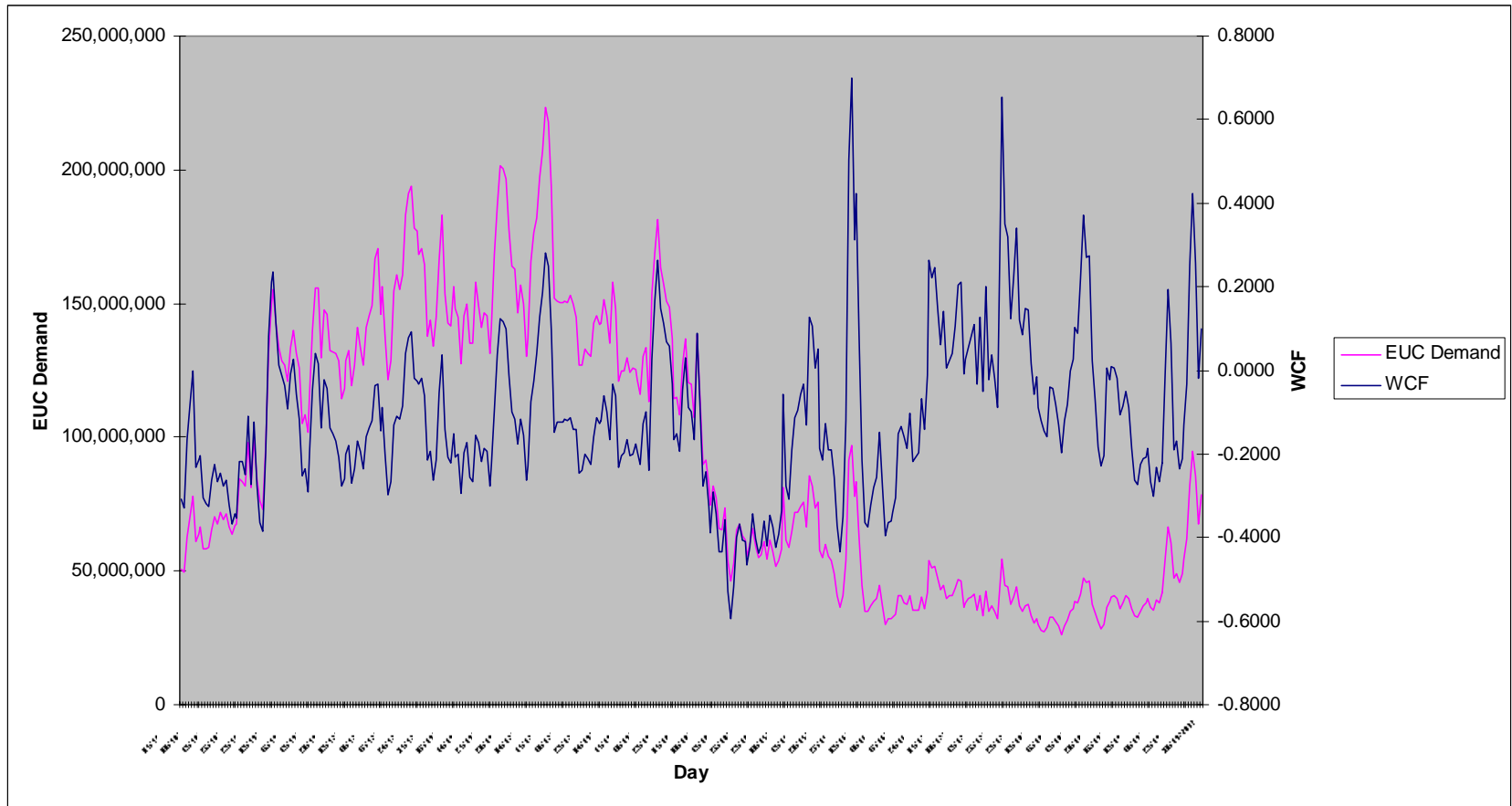
Scaling Factor Performance over gas year 2006/7



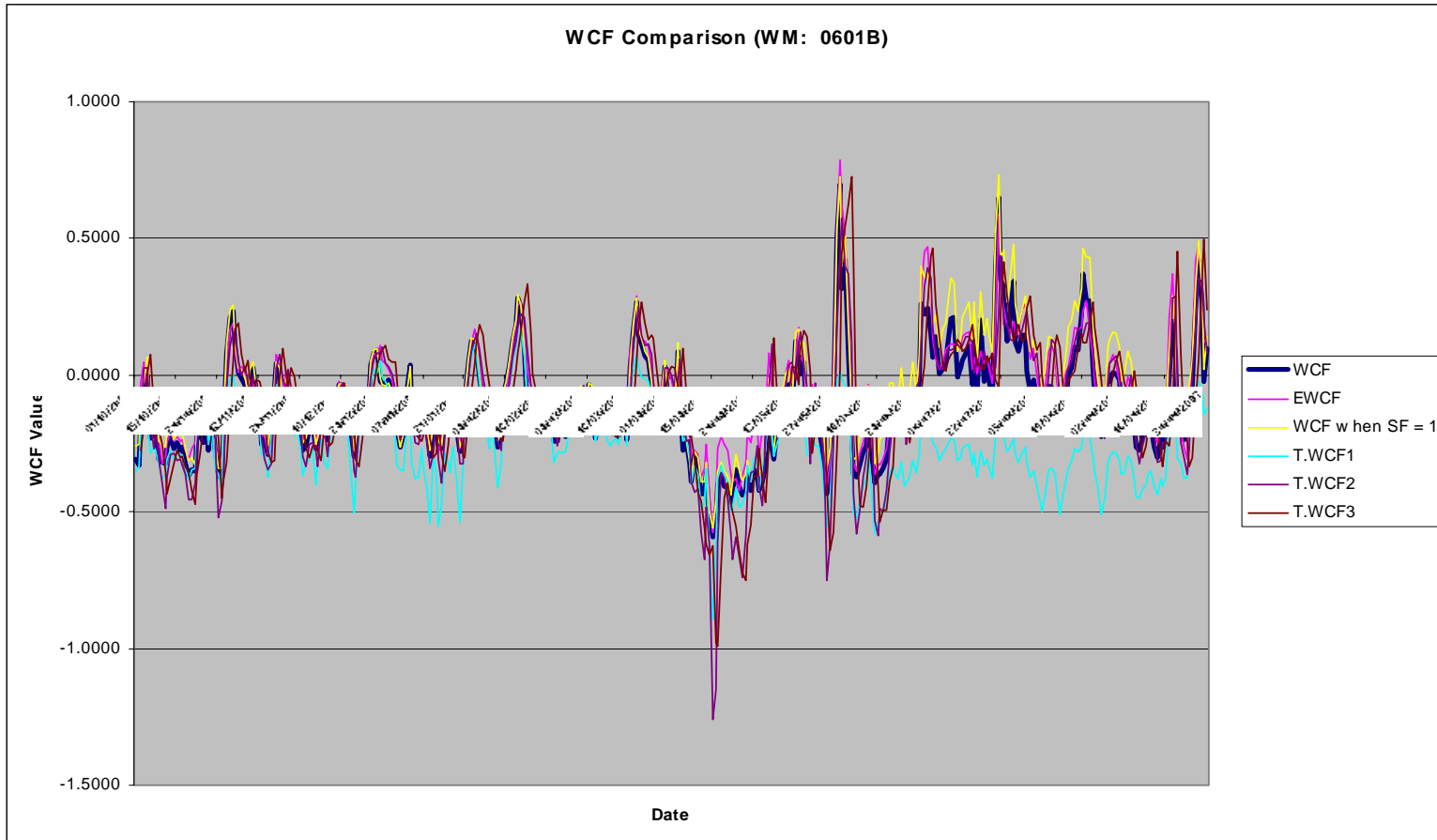
Assumptions

- Looking for a replacement for the WCF parameter that can be slotted into the algorithm
- A snapshot AQ has been applied in the calculations
- The replacement calculation uses Actual demand/WSENS as a base level with weather impacts applied to calculate the WCF
- A scaler has been applied to the LDZ level actual demand to assume an equivalent EUC level values. $Scaler = \text{Avg}(Wsens_{(EUC)} / Wsens_{(LDZ)})$

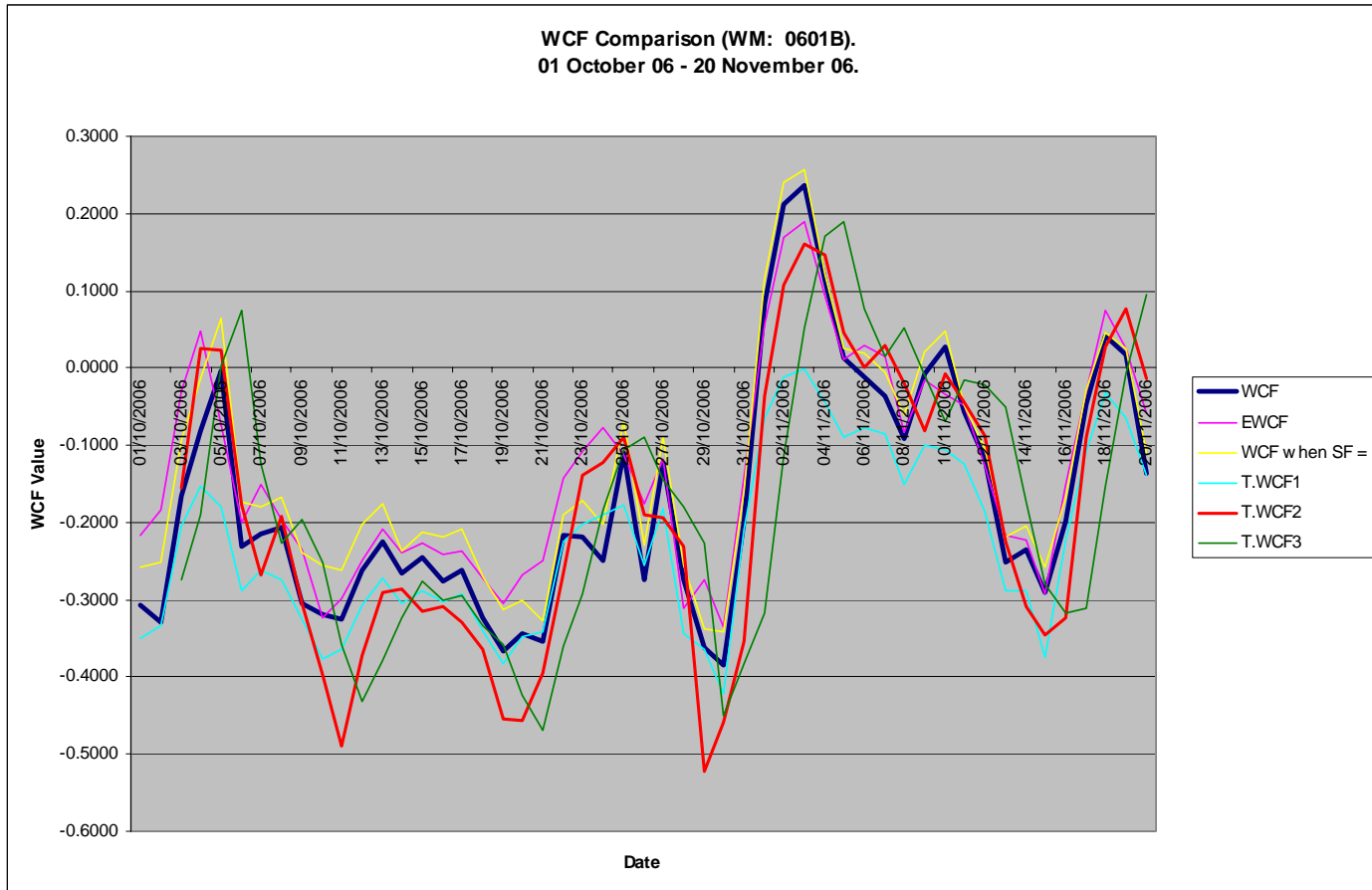
WCF and EUC Actual Demand



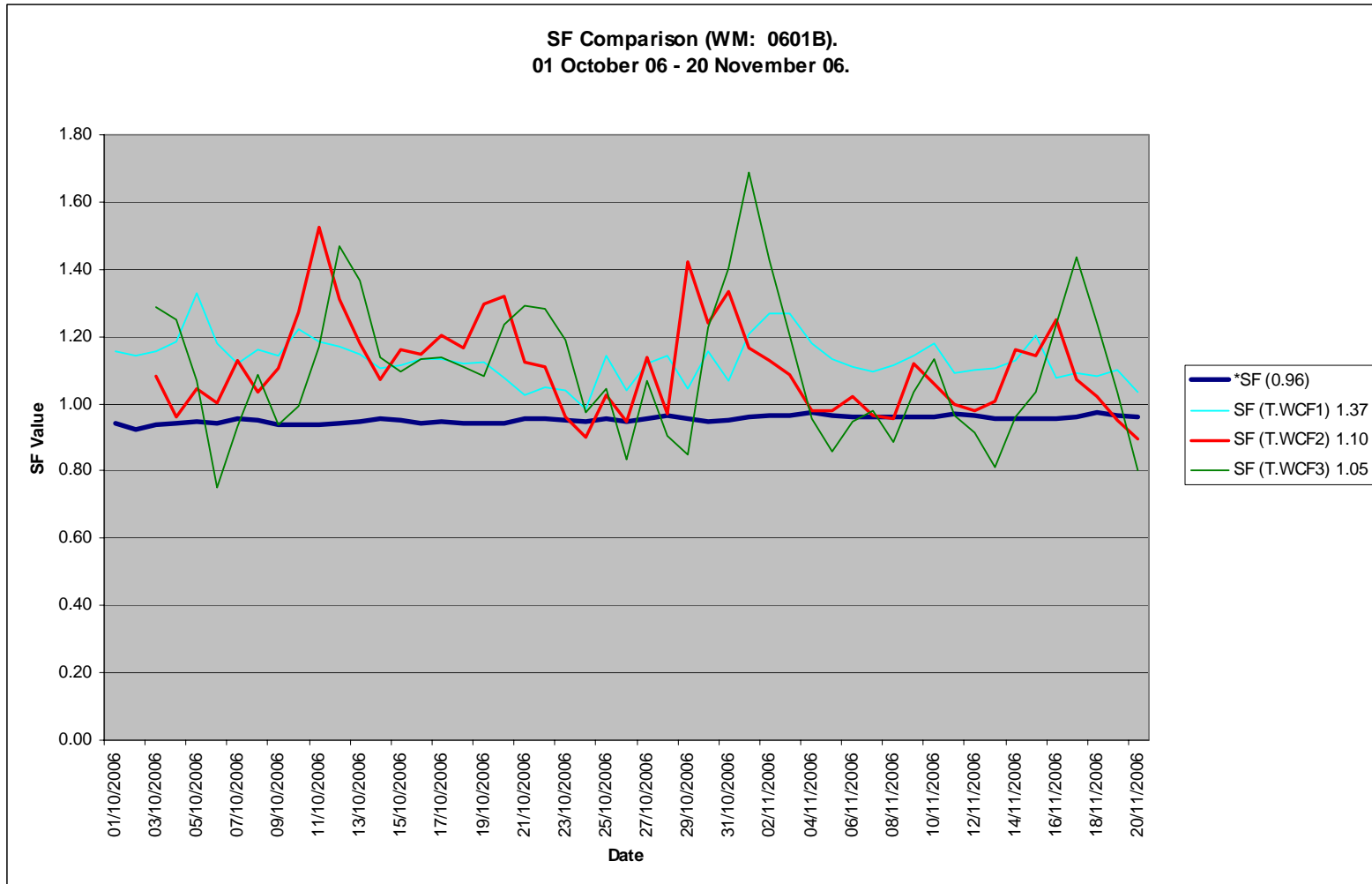
Gas Year 2006/7 Work in progress...



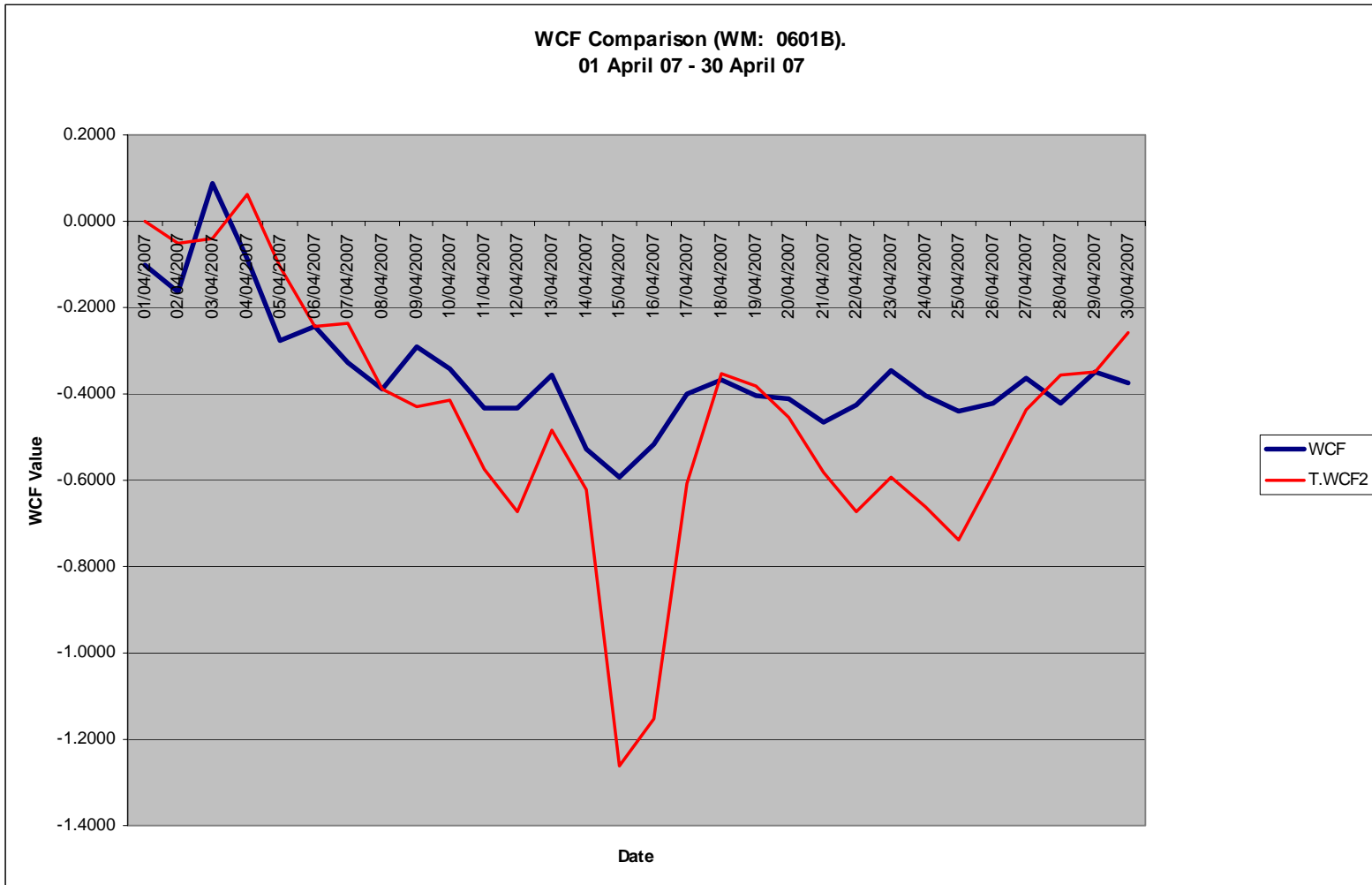
October/November 2006 WCF values



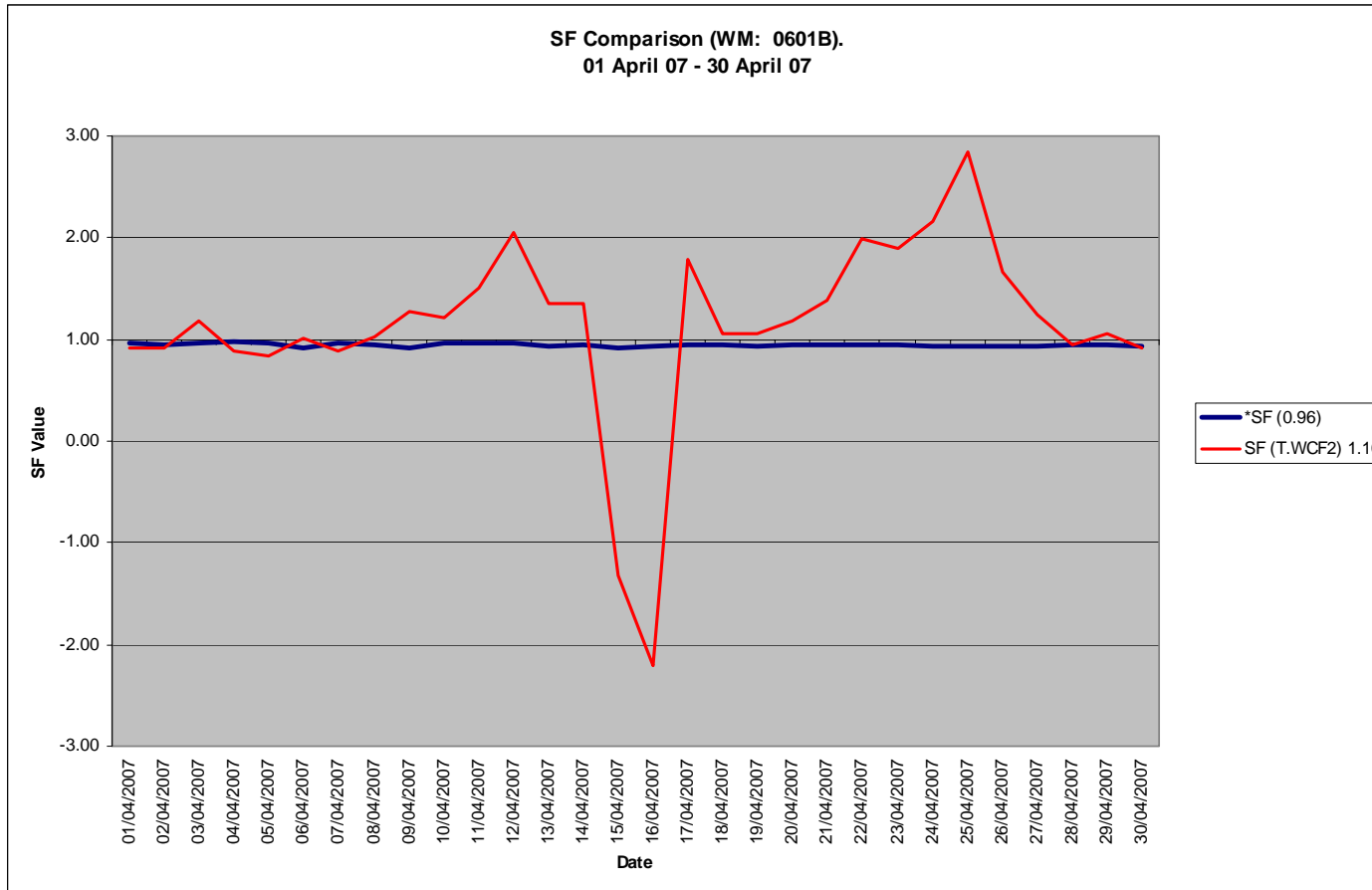
Comparative SF estimates



April 2007 Issues



Associated SF impacts for discussion



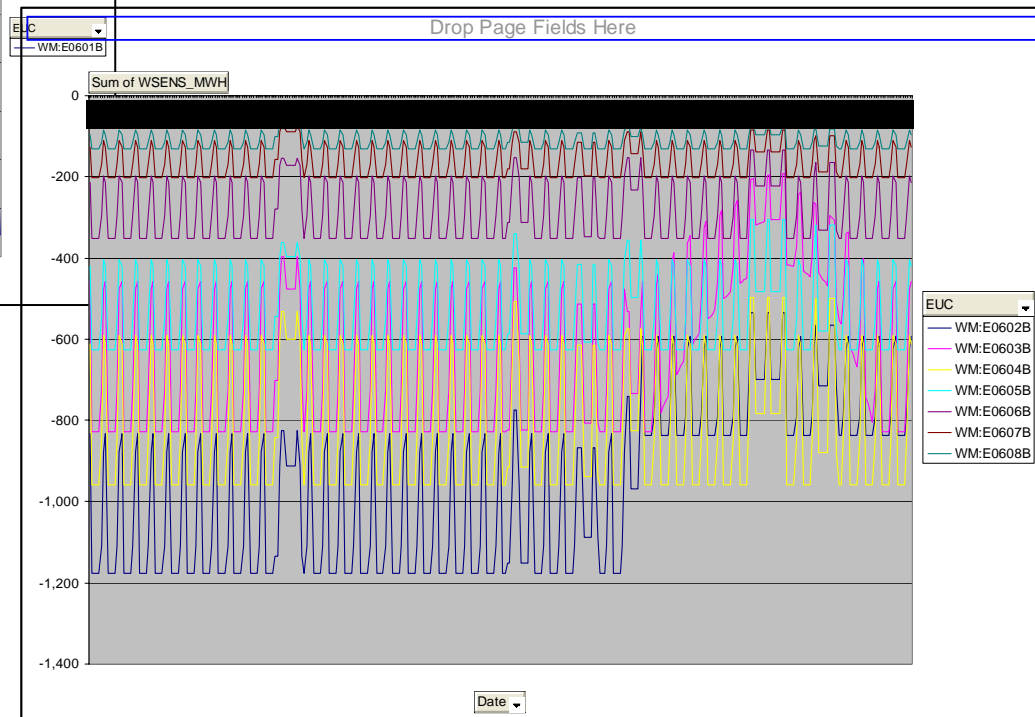
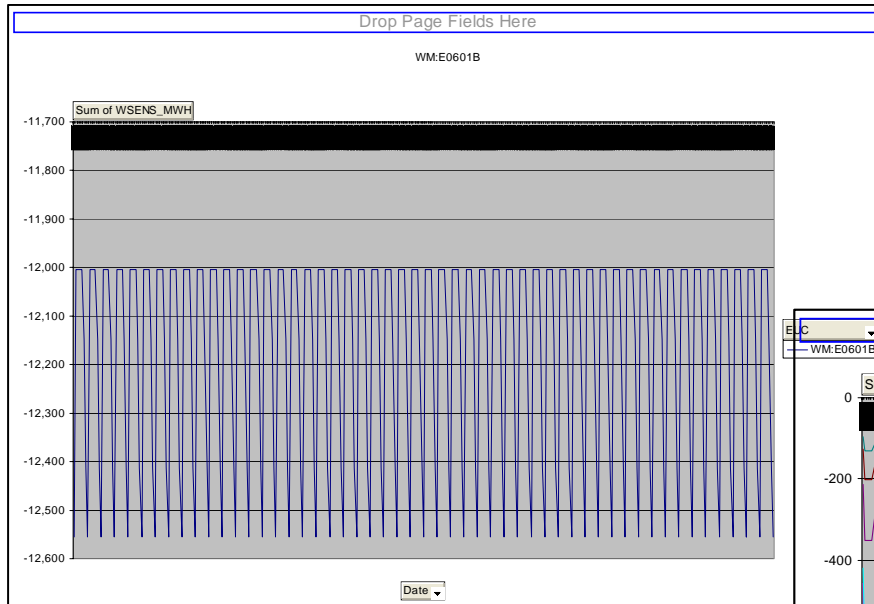
Associated Data for October 2007

Gas Day	Weekday	*CWV	Act Dem	*SNCWV	SND	WCF		SF	
						WCF	T.WCF2	*SF (0.96)	SF (T.WCF2) 1.10
07/10/2006	Saturday	12.59	63,537,255	11.61	80,833,669	-0.21	-0.27	0.96	1.13
08/10/2006	Sunday	12.79	66,628,537	11.48	83,869,569	-0.21	-0.19	0.95	1.03
09/10/2006	Monday	13	58,413,420	11.35	84,082,199	-0.31	-0.30	0.94	1.11
10/10/2006	Tuesday	13.53	58,242,237	11.22	85,642,408	-0.32	-0.40	0.94	1.27
11/10/2006	Wednesday	13.26	58,770,775	11.09	87,203,175	-0.33	-0.49	0.94	1.53
12/10/2006	Thursday	12.79	65,544,619	10.95	88,883,394	-0.26	-0.37	0.94	1.31
13/10/2006	Friday	12.37	70,223,221	10.82	90,511,119	-0.22	-0.29	0.95	1.18

Data for April 2007

Gas Day	Weekday	*CWV	Act Dem	*SNCWV	SND	WCF		SF	
						WCF	T.WCF2	*SF (0.96)	SF (T.WCF2) 1.10
13/04/2007	Friday	11.24	73,529,166	8.87	114,175,459	-0.36	-0.48	0.93	1.35
14/04/2007	Saturday	12.92	53,661,050	8.98	113,455,751	-0.53	-0.62	0.94	1.36
15/04/2007	Sunday	14.29	46,353,567	9.09	113,856,137	-0.59	-1.26	0.92	-1.32
16/04/2007	Monday	13.24	52,982,995	9.20	109,863,857	-0.52	-1.15	0.93	-2.20
17/04/2007	Tuesday	11.76	65,323,110	9.31	108,543,386	-0.40	-0.61	0.94	1.78
18/04/2007	Wednesday	11.44	67,724,780	9.42	107,222,720	-0.37	-0.35	0.94	1.06
19/04/2007	Thursday	11.76	62,938,838	9.54	105,781,436	-0.41	-0.38	0.94	1.05

Holiday and day of week differentiators



Issues to consider

- Do the AQ values have more of an impact given we have fixed these?
- Extreme values, such as 15th/16th April – what causes these and can they be mitigated?
- Are we comfortable as an industry in having a Scaling Factor that varies more than the historical values have?
- Are there other possibilities such as a fixed baseline that we could compare against in the interim?