

**Review Group 0176 Minutes**  
**Tuesday 26 February 2008**  
**Renewal Conference Centre, Solihull**

**Attendees**

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Sallyann Blackett (Proposer)	SB	E.ON UK
Fiona Cottam	FC	xoserve
Louise Child	LC	E.ON UK
Mark Perry	MP	xoserve
Remi Guerinnet	RG	Total Gas & Power
Steve Taylor	ST	Centrica

**Apologies**

Mo Rezvani	MR	Scottish and Southern Energy
Denis Aitchison	DA	Scotia Gas Networks
Hannah McKinney	HM	EDF Energy

**1. Introduction and Status Review**

1.1. Minutes from previous meeting

FC highlighted the duplication of SB within the first paragraph of section 2.1 within the last sentence.

SB~~SB~~ introduced the EWCF explaining its relationship with AQs.

FC also provided a grammatical correction to the 5<sup>th</sup> paragraph following action RG0176/0011.

FC provided a presentation on a possible alternative [in the](#) ~~to~~ use of SND Demand Estimation using the WM LDZ only.

The minutes were then approved

1.2. Review of actions from previous meeting

**Action RG0176/0009:** MR to check with Met Office Project board on the release of Project data for the use by the Review Group.

**Action Update:** FC suggested that this action may no longer be relevant considering the Review Group's recent developments. It was agreed to close the action. **Closed**

**Action RG0176/0010:** E.ON to investigate the impact of changing the EWCF on AQs

**Action Update:** See item 2.1. **Complete**

**Action RG0176/0011:** xoserve to examine the underlying data for 15 and 16 April 2007.

**Action Update:** MP provided a table to illustrating CWV for the West Midlands compared to the NDM Consumption. FC explained that the table illustrates a temperature spike which affected the demand. **Complete**

**Action RG0176/012:** E.ON to complete EUC analysis.

**Action Update:** See E.ON Presentation. **Complete**

**Action RG0176/013:** E.ON and xoserve to synchronise analysis to assess impacts of models on allocation at EUC level.

**Action Update:** See E.ON Presentation. **Complete**

## 2. Review Group Discussion

### 2.1. Model Analysis

SB provided a presentation providing a summary to date. The presentation detailed two possibilities; a pure weather based alternative and an AQ based alternative. Within the presentation two illustrations were provided to look at WCF Comparison and SF comparison. SB explained that how a pure weather based alternative produces a more variable result, concluding that the weather based WCF would not want to be used.

RG questioned what disadvantage a variable WCF would have. SB explained that if the weather correction factor shifts suddenly it can suggest there is a system problem however if the scaling factor is variable it may be difficult recognise a potential problem.

SB provided an illustration comparing the current WCF and the proposed WCF. She explained that with the alternative, the average resulted in a slightly more negative figure. FC suggested that if a more negative result is apparent it would suggest it was a warmer year.

Within the presentation a table and graph was provided to illustrate the impact on allocation on the EUC bands. FC explained that depending on the market Shippers were in, it could represent an advantage or a disadvantage.

SB suggested that the modelled approach using AQ is no more variable than the current SND. She suggested that the AQ approach is the better replacement for SND.

The implementation date was discussed and it was concluded that if a Review Group Report and Modification Proposal was provided at the March Panel Meeting then it would allow enough time to implement the Proposal from the new 2008 Gas Year.

ST questioned whether there would be an issue with publishing the SND. FC explained that this would not be published if the Proposal was implemented. FC was unaware whether Shippers used the SND for any other reason for example forecasting.

The Review Group examined and discussed the aggregate AQ changes and how frequently to update the AQ. The suggestion was to review and update the AQ on a quarterly basis if the AQ changes more than 1% within an LDZ.

RG questioned the objective of the Proposal. SB explained the intention is to reduce any bias. SB explained that with the current process there is a lack of confidence with the SND in relation to its bias. She explained that whatever the replacement was it shouldn't add any bias.

SB provided the Recommendations to be agreed, these were:

- Move to using AQ/365\* ALP basis for WCF within allocation for the 2008/9 Gas Year.
- Update WCF using AQ live on 01 October during September as "pseudo SND" within UK Link systems – no system change required.

- Review AQ changes on a quarterly basis and amends the “pseudo SND” if aggregate AQ changed by more than 1% within an LDZ.
- Calculate DAF using sample data but no scaling to Network forecast and fix for the year.

RG asked if xoserve was able to provide the underlying data used for the graphs within the presentation. FC explained that some data was commercially sensitive and agreed to provide the data that was not commercially sensitive.

### 3. Review Group Process

It was agreed that a draft Review Groups Report would be produced and circulated to members for approval, with the recommendations. A Modification Proposal will also be raised and both documents will be provided in time for consideration at the March UNC Panel Meeting.

### 4. Diary Planning for Review Group

None.

### 5. Any Other Business

None raised.

#### ACTION LOG: Review Group 0176

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0176 0009	06/12/2007	3	MR to check with Met Office Project board on the release of Project data for the use by the Review Group.	SSE (MR)	Action: Closed
RG0176 0010	15/01/2008	2.1	E.ON to investigate the impact of changing the EWCF on AQs	E.ON UK (SB)	Action: Complete
RG0176 0011	15/01/2008	2.1	xoserve to examine the underlying data for 15 and 16 April 2007.	xoserve (FC)	Action: Complete
RG0176 0012	15/01/2008	2.1	E.ON to complete EUC analysis.	E.ON UK (SB)	Action: Complete
RG0176 0013	15/01/2008	2.1	E.ON and xoserve to synchronise analysis to assess impacts of models on allocation at EUC level	xoserve/ E.ON UK (FC/SB)	Action: Complete