

UNC Demand Estimation Sub-Committee (DESC) Minutes

Tuesday 08 October 2024

at Radcliffe House, Warwick Road Solihull, B91 2AA
and via Microsoft Teams

Attendees

Helen Cuin (Chair)* (HCu) Joint Office
Aaliya Khan (Secretary) (AK) Joint Office

Shipper Members (Voting)

Bhavesh Tailor (BT) E.ON
Gagandeep Singh (GS) Total Energies (Alternate)
Mark Linke (ML) Centrica
Prashant Verma (PV) SSE
Tom Parker (TP) Brook Green Energy

Transporter Members (Voting)

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

Observers (Non-Voting)

Abbie Reid (AR) National Gas Transmission (NGN)
James Morrow (JM) Brook Green Energy
Jamie Fleming (JFI) Scottish Power
Joe Osborne (JO) Met Office
Jonathan Freeman (JFr) Representative of Xoserve
Joseph Lloyd (JL) Representative of Xoserve
Mark Perry* (MP) Representative of Xoserve
Michael Maguire* (MM) Representative of Xoserve
Penny Griffiths* (PG) Representative of Xoserve
Philip Sanson (PS) Met Office
Sarah Palmer (SP) E.ON
Simon Bissett (SB) Representative of Xoserve
Simon Marshall (SM) Met Office
Timothy Campbell (TC) E.ON

**at Radcliffe House, Solihull*

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/081024>.

1. Introduction and Status Review

Helen Cuin (HCu) welcomed everyone to the meeting.

1.1. Apologies for Absence

Mark Hunt, Shipper Representative

1.2. Note of Alternates

Gagandeep Singh for Mark Hunt

1.3. Quoracy Status

The meeting was confirmed as being quorate.

1.4. Approval of Minutes (12 September 2024)

The Minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There were no Late Papers to review.

1.6. Review of Outstanding Actions

0701: Xoserve (MM) to include a comparison of the forecasted Climate Change Methodology data and the actual obtained data for the last 5 years in the Seasonal Normal Review analysis due in Q4 2024.

Update: Please see Agenda item 4.1. **Closed.**

2. DESC Membership/Meeting Schedule

Helen Cuin (HCu) welcomed the new members to the meeting and asked all members to consider appointing two Alternates.

Members as of 01 October 2024

User Members	Organisation	Alternate(s)
Bhavesh Tailor	E.ON	Sarah Palmer
Mark Hunt	TotalEnergies Gas & Power Ltd	Gagandeep Singh
Prashant Verma	SSE	Neil Crompton
Mark Linke	Centrica	Jake Mammatt
Tom Parker	Brook Green Trading	James Morrow
Transporter Members	Organisation	Alternate(s)
David Mitchell	Scotia Gas Networks	Ross Edwards or Barrie Gillam
Murugan Babumohanan	National Gas Transmission	Robert Longwe
Paul O'Toole	Northern Gas Networks	Anna Kapeni
Sanjeev Loi	Cadent	Shiv Singh or Ricci Glen
Neil Stovold	Wales & West Utilities	Gregory Hill

Mark Perry (MP) highlighted that there was not much change but noted that there was now an alternate for Mark Hunt (MH), which is Gagandeep Singh (GS), and James Morrow (JM) is alternate for Tom Parker (TP).

MP provided an overview of the DESC User Member Responsibilities and referred to the DESC Terms of Reference. MP highlighted that DESC members represent the industry opposed to their individual company, and the intention is to provide the best results to the industry as a whole.

MP presented a timetable of DESC's obligations for the next 12 months and the proposed DESC workplan between now and September 2025, highlighting that there were three meetings planned this year and then another five next year.

MP provided the new DESC members with some helpful links to data sources on the Joint Office and Xoserve website, advising that queries could via the Demand Estimation team at [Your Query | Xoserve](#)

MP signposted new members to where they could find the Demand Estimation Data on Xoserve's website: [Accessing secure documents - XOSERVE](#)

Please refer to the presentation [slides](#) published for full details.

3. NDM Algorithms Update – Gas Year 2023/24

3.1. Gas Year 2023/24

MP provided the background to the NDM Algorithms update, advising that CDSP periodically check in to see how the profiles have been behaving during the Gas year which has stemmed from the Energy Price Crisis in prior years and the downstream effect this was having on the profiles and Unidentified Gas (UIG) levels.

MP highlighted that the objective of CDSP's presentation was to review the latest indicators for Gas Year 2023/24.

In terms of UIG levels, MP explained that since around early November, UIG has returned to expected levels with positive values, and the previous Gas Year had an extended period of negative UIG due to the AQs dropping quickly. From a UIG perspective, MP explained it was back up at normal levels and that there may still be levels of negative UIG, but this is not linked to the Energy Crisis which was the reason for what was seen in the previous Gas Year.

In terms of AQ there has been a slight increase in the average AQ for the Domestic Non-Prepayment sector. MP noted that an increase has been observed since around February there has been no increase observed in the previous two months. Overall, there has been an increase of about 2% in average AQ calculations since the start of the Gas Year. MP noted this was a long way off the levels seen pre-energy price conservation.

MP reminded the Committee that the information for other end-user categories is available on the secure area of Xoserve's website if any members wished to look at this in more detail.

MP explained that UIG Post Reconciliation is another way of looking at the NDM Allocation Process and presented a graph showing that for the latest Gas Year, the gap between the D+5 position (presented as a blue line on the graph) and Post Reconciliation, is a lot closer, thus demonstrating that there is nowhere as near as much volume moving around which is something the industry would like to see on an ongoing basis.

To conclude, MP advised that it has been a much more stable Gas Year this year in terms of NDM Allocation, and in December's meeting, CDSP is planning to look back at the Gas Year in more detail and will look at how accurate NDM profiles were and what UIG allocations have looked like in the past year.

MP asked the Committee whether they wish to retain CDSP's periodic check-in of key metrics during Gas Year 2024/25 on the DESC agenda. The Committee indicated this was useful and MP noted they would be happy to continue doing that, with potentially one check-in in December 2024 and another in March 2025.

Please refer to the presentation [slides](#) published for full details.

3.2. Gas Year 2024/25

Penny Griffiths (PG) presented an update on the new NDM algorithms for the new Gas Year since they were last discussed in July. PG noted that the New Gas Demand Profiles went live in October with the first use on the 30 September for D-1 Nominations. PG reminded the Committee of where the DESC data could be located in Xoserve's secure area and confirmed that in terms of the timetable, CDSP concluded all obligations for October 2023 – September 2024.

Please refer to the presentation [slides](#) published for full details.

4. Seasonal Normal Review 2025

4.1. Climate Change Methodology

Michael Maguire (MM) began by providing an update on Action 0701. MM explained this was a

comparison of the current Seasonal Normal basis on the current formula, and a comparison of the Climate Change Methodology (CCM) delivered in 2013/14. MM noted that the CCM had been used twice and this is the second Seasonal Normal basis which has been based on that CCM.

MM explained that CDSP conducted a comparison focusing on temperature which is the main component of the Composite Weather Variable (CWV). MP presented a chart showing that for Heathrow Weather Station, 90.4% of all hourly Observations fell within the Confidence Intervals. MM highlighted that there were some colder or warmer temperatures but generally, they are following the Projections within the Confidence Intervals.

For the majority of Weather Stations, a slight majority of Observations were warmer than Projections, with the exception of Rostherne Weather Station which weighted slightly towards colder. MM advised that the results were expected due to the last three Gas Years being warm, but the CCM Projections vs Observed Temperatures were generally quite close to 50%.

In terms of Confidence Intervals, MM explained that all Weather Stations were within 90% Confidence Intervals for the last CCM. MM highlighted that the 2013 outputs are being replaced by the updated CCM produced by the Met Office in 2024.

Please refer to the presentation [slides](#) published for full details.

Simon Marshall (SM), Philip Sanson (PS), and Joe Osborne (JO) joined from the Met Office to further discuss this agenda item and answer any queries from the Committee.

MP began by providing an overview of the CCM phase of the Seasonal Normal Review cycle. MP highlighted that the objective is to consider and review DESC's responses to the CCM Output and seek DESC's approval for the closure of the CCM project.

MP took the Committee through a high-level timeline which he broke down into a series of milestones. MP advised CDSP were at the final milestone which is DESC's approval of the CCM Output which is currently pending. In terms of CDSP and DESC's Technical Workgroup (TWG) review, MP advised that the DESC review window closed on 27 September 2024 and no feedback had been received. MP picked up on some observations laid out by DESC in the September meeting and explained that these would be used as discussion topics today. These covered:

- Topic 1: DESC expectations that the new Seasonal Normal Composite Weather Variable (SNCWV) is going to be much warmer than the current basis, given recent very warm years.
- Topic 2: Proposed approach of how DESC use CCM output in derivation of SNCWV

Topic 1

MM advised they had used the Met Office's inputs for weather variables and presented some graphs and tables demonstrating an upper trend in average CWV since Gas Year 1960/61 which MM noted was similar to trends observed in temperature. MM explained that CWV is not just a function of temperature but includes temperature, windspeed, solar radiation etc. and it is heavily driven by temperature so similar trends are observed in CWV and temperature.

MM advised that the last three Gas Years from 2021/22 onwards have been quite warm when compared to the previous 5-10 years and they are above the Seasonal Normal average, which is expected.

When comparing a daily view of CWV against SNCWV, MM highlighted that at various parts of the year, there are warmer and colder periods, but generally the results follow the profile well.

When looking at the same view but on a monthly average, MM explained that certain months within 2020–2024 were much colder or much warmer. MM highlighted any individual months where they were in the top 3 warmest months on record, for example, May 2024 which was 34% warmer. MM noted this was in the context of CWV, not just temperature.

When looking at 2023/24 as a whole, MM explained that six out of the 12 months were colder and six were warmer than the Seasonal Normal basis due to an exceptionally warm Spring. MM highlighted that the average CWV had made it a warm year and that February was the warmest February on record in CWV terms.

Mark Linke (ML) enquired about the charts which he said summarised the problem being had over the last five years. ML noted that whilst there was a lot of warm weather, Seasonal Normal had been missed by well over 100 CWV for the last 3-5 years, and even when taking into account the Beast from the East, it was not a cold year so there are far more warmer months than cold. MM explained that warmer months hurt an energy company, and he would be inclined to remove the months where it was just 1 or 2% colder as it is such a small increase in demand. Apart from May where it is 20% colder, ML noted it does not scale to much demand and there are not many cold periods in these series, with Seasonal Normal struggling in January, February, and March, missing it by 30-40 CWV a month over the last few years. ML noted that he was hoping for a warmer Seasonal Normal and would not be averse to averaging the last 5 years, so would need to piece together what CCM is going to do versus having warm in the base observations which used to be averaged historically and would result in a warmer CWV than the CCM picked all those years ago.

Philip Sanson (PS) was aware CWV is largely driven by temperature. PS advised that the key thing to note is the UK climate is dominated by natural variability and in the charts presented by MM, the variability is demonstrated by the scatter around that line which is quite large. PS explained that this variability is driven by the UK's position on the globe where they are impacted by polar and dropping air masses. PS noted that 2022 was exceptional, 2023 was only slightly cooler, and for 2023/24, it was not that much cooler although it felt cooler than the previous two years. PS referred to the CWV charts on slides 11 and 12 highlighting that there is plenty of other clusters of years with a similar distance above that line to what has been seen in the last couple of years, and there is then a complete reversal of that. PS advised he would be very cautious before recommending averaging the last 5 years as there is a heavy influence from the last 3-4 years which is probably not representative, and the Met Office does not expect this to continue year-on-year. PS added that Seasonal Normal should reflect a continuation of this and noted that it is a linear trend in temperature over the UK at the moment and probably not the dramatic conditions that have been seen over the last 2-3 years. PS explained he would expect CWV to reflect potentially - if it was re-calculated 5+ years ago, between 0.1 and 0.3° of warming. PS highlighted that he felt the line on the chart on slide 11 looked slightly low but noted that it would depend on the previous set of Projections. PS explained that if he was suggesting that degree of warming, and the chart was low, he could see a 0.5° of increase compared to previous levels but would be cautious to average the last couple of years as it could lead to overestimation.

Jamie Fleming (JF) asked what the 0.1 to 0.3° referred to, and whether PS was referring to the new 2024 Seasonal Normal being 0.3° above what PS previously thought it was, or if that was for 5 years further out. PS commented that he expected it to be updated and that it would be 0.3° warmer, and if the chart was low, 0.5° degrees warmer. JF asked if PS expected 2024 to be 0.3° above what 2024 was previously expected to be and then further out, an even bigger increase. MP clarified if JF was referring to temperature and JF confirmed he was. MP advised that Seasonal Normal is a different unit. JF clarified that when the work was last done, there was a review of temperature and Seasonal Normal for 2024, and now that the work has been updated, JF queried what PS's view was of the increase in Seasonal Normal. PS advised he could not answer this question as he no longer had access to that information. JF queried whether that information would have been in the previous CCM and if it was something PS could work out if the information was shared back. PS advised this should be relatively straightforward.

MP clarified the question JF was asking and whether it was in relation to Projections for 2024 that were done ten years ago and how these compared to the next set. JF confirmed this and queried how the new view of Seasonal Normal compared to 2024. MP commented that this information was available to the Committee as the Projections have been published and give the latest climate change view. MP added that it was a comparison members could do if they wanted to do that. JF asked if any members had done that comparison. ML advised he had a quick look at the original CCM and the starting point has been increased and the trend has been decreased from last time as last time there was a more aggressive warming trend. ML noted it was difficult to understand the impact on each Weather Station as they are all doing different things and then converting that into a CWV. ML added it is a higher point than the end of the Projections that are currently being used. MM commented that it was something CDSP could look to do for the November or December meeting, before requesting sign-off on the Seasonal Normal, to do a quick comparison

of the old Projections and new. JF confirmed this would be helpful and he would send an email highlighting what he would like to see.

New Action 1001: CDSP (MM) to provide a comparison of the previous Seasonal Normal Projections and how these compare to the new Projections.

ML highlighted the nuances of the individual months and the Weather Stations and added that it has been struggling in the Q1 period as the last 6-7 out of 10 Februarys have out turned warm, and there has only been one meaningful cold February which was the Beast from the East. ML noted that as an energy company, he would take that P1 risk of that happening again so would strip that out completely which would leave ten consecutive years where the Seasonal Normal is being run over in February. ML added this was also the case for March as every single March has been warmer since 2017, and he would like to see those two months step up and be more of the trend being observed.

PS commented that he hoped that would be the case with the new Projections and that February/March were discussed quite a bit during the development of the new CCM as it was something PS used as a case study to explain to CDSP what he was doing and he was quite careful in the construction of the new one to create a better climatology on which the Projections would be based. PS added that the old one showed a cold February/March period which is an artifact of a few historical years so PS was careful to model more holistically so that should not have as much influence. PS added that he expects the February/March period to look more in line with recent years.

Joe Osborne (JO) commented that they are treating the baseline of climatology and improving the approach to that but there is probably still an element of chance with recent warm Springs and there is nothing in scientific understanding that would suggest why Springs might be warmer. JO added that without that evidence, there is no strong case for adjusting that as far as the Met Office can see it, and whilst he appreciates it probably happens at the time of year when there is a lot of sensitivity to exact warming, there is nothing to suggest that is anything other than chance in the absence of any strong physical understanding of why that might be the case.

ML clarified whether the Met Office still thought it was a chance that the last 9 out of 12 years are out-turning warm and added that his Finance Director is looking at every single February being experienced and money being written down, whether that is chance, although there are many data points. ML added that excluding 2018, there is no cold until you get back to 2013 and it is a sea of warm going back a long period.

PS advised that the revised climatology should go some way to address this and that climate models are starting to suggest some divergence in seasonal trends, but it is not detectable in observations from a statistical perspective yet. PS added he was fairly confident the previous climatology was not wrong but the source of this underestimation. ML queried if that extended to May potentially which looks to be predominately much warmer than that, except 2021 where there is an outlier of it being quite cold. ML commented he was happy to wear the risk of May out turning cold but there are several of the last 10 years out turning warm in May as well. ML queried whether the Model was not that sensitive to May. PS advised he would have to look back at the comparisons but recalls that February and March stood out.

MP referred to the new Action 1001 and clarified whether that climatology would be evident when that comparison was conducted on a monthly basis and PS confirmed this.

MM noted that one difference between this CCM and the previous one is the downward adjustment of historic windspeed. MP added that generally, for most Weather Stations, the historic windspeeds are decreasing, but there are a couple where some have been adjusted up - noting a non-linear trend. MM explained this adjustment did not take place in the previous CCM so potentially where historic windspeeds were too high, the Seasonal Normal could have introduced too much of a windspeed factor so he would expect the new CCM to be more of a robust view of the levels of windspeed expecting to be seen over the next 5 years. MM noted windspeed did not contribute to the CWV as much as temperature, but a material difference would be expected in CWV and SNCWV based on the new windspeeds. MP referred the Committee to the Appendix to the report where the adjustments made to historical wind speed could be seen to bring it up to the 2021/22 level. PS added that a significant adjustment was made to windspeed in some cases

so that will have a definite impact on CWV despite being smaller than temperature.

JF queried whether in terms of the data published on the secure link portal, if there is a view of what the Seasonal Normal temperatures out turned at for the previous five years and whether there is an updated view of what the Seasonal Normal temperatures were. MM advised there is an updated weather history provided as part of the output which contains all observations. JF asked whether these were actual observations. MM noted these were not and CDSP have not calculated a Seasonal Normal yet but the raw data is available. JF highlighted that it would be useful to see how the Seasonal Normal, each year, has moved for the last 5 years to do a sense check. MP clarified the question and queried whether it was something JF could look at as the data is available and DESC is an open forum for bringing analysis. MP said he would pick this up with JF offline.

New Action 1002: CDSP (MM) to undertake a review of the Seasonal Normal for the last five years and how it has moved each year.

Topic 2

MM presented a diagram showing how the CCM output is proposed to be used to derive Seasonal Normal.

In response to the question raised for Topic 2, PS advised there was nothing wrong with taking the average from the projections as the order of operations had been adjusted this time in constructing the projections and the histories so there would be no issue with this. PS added that any difference between that and the methodology, which comes down to where smoothing has been applied - and in the methodology just explained by MM, smoothing has been applied at the end, is just to take out the year-on-year differences that remained. PS said he was careful in the construction of the smooth increments and smooth climatology so that has already been applied, and any differences in computing the Normal from those two methods would be down to the smoothing applied. PS added that he would be surprised if it was noticeable and that the true value in the histories and the way it was suggested to apply them there would be to break them into Gas Year chunks and see what the variability in Seasonal Normal year-on-year would be and that would place into context some Member's concerns over the last 3-4 years and whether they are within what is expected.

MP commented that when deriving the Seasonal Normal, CDSP were thinking of producing two options, one using adjusted histories and one using just the Projections, but they are expecting the value to be the same. MM added that there is an additional DESC meeting in November where CDSP can look at both options and assess the difference between them. MM commented that he expects the difference to be minimal and will present back the findings before asking for sign-off on Seasonal Normal.

MP highlighted a DESC Technical Requirement for the Service Provider to give a recommendation on when the next review is required to refresh the results derived from the Methodology. PS provided the Met Office's view on this, summarising that no review for at least 5 years is advised and that they do not anticipate any problems using this to update the Seasonal Normal for 2030.

ML queried whether all Weather Stations that are feeding into this analysis are Class 1 in their qualification for quality and their ability to provide actuals within a certain degree of accuracy. PS advised that the class system was only applied to infilling where data was missing so it doesn't apply to target stations themselves. PS added that the amount of infilling required over the last ten years has been minimal as more of the network is automated, the instruments are electronic, there is less human error, and less mechanical elements. PS added that any infilling would have been done earlier in the record when these were first produced, and it would have mostly been for Class 1 and 2 substitutes.

Project Closure

PS provided some closing remarks and advised that the Met Office's brief was to stay fairly close to the previous methodology which they have done and exceeded at the same time. Where previous adjustments were only made to temperature, the wind was adjusted this time round so it should be more representative and should have a significant impact on Seasonal Normal for

CWV going forward. PS added that they had eliminated a lot of noise from previous data sets which could have contributed to the Projections that fed into the Seasonal Normal for the last 5 years perhaps being lower than has played out in the real world.

PS highlighted that a lot of infilling had to be done in the production of the original weather histories 10 – 15 years ago due to the sheer sparsity of measurements for some of these variables going back in time. PS added that the odds are the gold standard but they are sparse going back in time, and substituting one station for another has its limitations. PS highlighted that there are now re-analysis products that feed every historical observation into a weather forecast but without doing the forecasting - the information is stimulated into a physically coherent state which then does that infilling in space and time based on a physical model rather than a statistical one. PS added that there could be some value in re-evaluating that as a potential replacement for the existing weather histories and it might provide a more consistent picture over time and for calculation of Seasonal Normal going forward.

PS added that in terms of further opportunities, a significant one from the Met Office's perspective is that the time of horizon asked for is 10-15 years which excludes them from using models or predictions they would like to use, for example, they have a decadal production model which runs out for the next 10 years that has some skill now in projecting some of the variables, particularly temperature. PS outlined the difference in the decadal prediction model and the projections is that the decadal prediction models take into account knowledge of the exact state of the Earth's system - the atmosphere and oceans at this time, whereas the previous projections are based on free-running projections so they are representative of the Earth but do not take into account the exact state now. PS outlined the advantage of this being if we know we are moving into one of those states, it gives a useful indication of what conditions will be like for the next 5 – 10 years. PS added that they have not been able to include that in this current update because it does not extend far enough to that horizon, but that it would be interesting to explore with DESC what value the Met Office could add by using that and whether that 12–15 year horizon for updates is fixed. PS noted there were some interesting opportunities there which may alleviate some of the anxiety around streams of years that look warmer or colder than they should and that this update is a big improvement from last time but there are opportunities for further improvements which they would be interested in exploring further.

MP concluded by highlighting that CDSP were satisfied with DESC's CCM Technical Requirements that they set out 18 months ago have been met. MP asked if DESC is happy to provide its approval of the CCM Output delivered by the Service Provider. A vote was conducted by exception and as there were no objections, the CCM Output was deemed approved.

MP provided an overview of the next steps in the Seasonal Normal Review timeline.

SM, PS, and JO from The Met Office proceeded to leave. SM thanked the Committee and commented to MP that if any questions arose during the review period, to let them know.

Please refer to the presentation [slides](#) published for full details.

4.2. CWV Optimisation

MM provided some background relating to DESC's responsibility under Section H of UNC to review the CWV and SNCWV.

MM reminded the Committee that they were currently at the 'CWV defined and calculated phase' of the Seasonal Normal Review. MM advised the key objectives of today's presentation were to present the results of CWV optimisation and seek DESC's approval of revised parameters. MM took the Committee through a high-level timeline which he broke down into a series of milestones, advising that CDSP were at the final milestone which was to seek approval of the new CWV parameters.

MM further provided a recap of the CWV Formula Recap, CWV Formula Optimisation Principles, and CWV Optimisation Results for South-West (SW) and Northern (NO).

ML commented in respect of the Optimisation Results for the LDZs that it was a similar observation to what had previously been raised around the 'double error' being allowed for Saturday and Sunday. ML added that a lot of demand is allocated on a weekend in Winter from 2 million domestic meter points and for every LDZ, except a couple, there is twice as much error

at the weekends. ML commented that the data could be looked at for Monday and Thursday but there is a lot of error at the weekends which can be seen from the UIG allocations, especially on Sunday. MM advised there are parts of the modelling which pick up the weekend factors and these models are just on Monday and Thursday which is why weekends are showing a bit further out, but generally, they get picked up in different parts of the core modelling, and holidays are included in that.

MM signposted the Committee to the [Appendix](#) where the full detailed CWV Optimisation results for all LDZs could be located.

Sarah Palmer (SP) queried the Cold Weather Upturn for Southern (SO) which seemed to have done the opposite from last time when it went into the negatives and then reversed. SP queried whether CDSP were able to look at how sensitive that was if it were to stay the same when a similar modelling result was obtained. MM advised the values were between -5 and +5 and during Optimisation it was allowed to float quite a bit. SP commented that the work was a bit of a science and art and sometimes, from looking at the output of the pure modelling, an answer may be concluded but this is not the full answer. SP added that the last time this was done, the Cold Weather Upturns dropped very low, and whether that was the right answer was questioned. SP questioned now that has reversed out, apart from SO, whether that is what the Maths says and that is the only answer there is, or whether it is more in line with what was previously been seen and whether the Maths would still apply if that was used instead. MP explained she was trying to explore how much of this is what the model says and how much is what the model said as well as testing around that by CDSP. MM highlighted that in this case, it is more what the model has come out of and CDSP have not investigated that specifically. MM added that this is what Optimisation has said is the best result across those years. MM noted it was potentially something they could investigate.

SP queried why SO would be materially different from the surrounding LDZs. MP noted that some of the other LDZs that had gone down had started at a higher point and SO stood out. MP advised that CDSP could have a look at that and see if there's any rationale or if they are happy to stand by it.

New Action 1003: CDSP (MM) to investigate the Cold Weather Upturn for Southern (SO) and why it is different to the surrounding LDZs.

ML commented that SO was also the most weather-sensitive LDZ and had the biggest I3 value. MP advised each LDZ would have its own data and cold days to work with and ML responded that Southampton Weather Station is potentially not a good proxy as it does stand out on a few parameters. ML added that from what can be seen from high thermostat data, people have moved the temperature at which they are prepared to turn on, so turn-on would be expected to be later and turn-off to be earlier, which backs up bringing more of today's temperature in as everyone has access to better technology showing today's temperature. ML added that when it gets cold there is just as much and some more demand at this point in time and that is obtained by either bumping up I3 or creating a colder CWV by pushing it through the threshold, and those two factors are working together or offsetting. ML added that the difficulty is not knowing the raw CWV that would be obtained from making it colder by changing the thresholds and the intercept versus change in the slope. ML queried why that would not be normally distributed across all LDZs. MM noted they would investigate SO.

Before requesting approval of the proposed CWV parameters for 2025, MM checked if anybody had any queries. SP commented that it was difficult for the Committee to query, as it was essentially a black box spitting numbers out and it was a difficult process. MP highlighted that the key thing is to update the parameters as they did not wish to move ahead with a series of parameters from 2010 - 2017 so the minimum requirement is to update the parameters to reflect the demand of the last 7-8 years through reviews. MP added that the second aspect was that when CDSP were re-optimising parameters, they did not want to break it, but rather, wanted a formula that worked better. MM highlighted that the results show, on average, that the parameters are generally green over the period looked at. MM emphasised that those two key aspects of using more recent data and improving things as you go are what can be obtained from these results and advised that if the Committee wished to see anything further, to let CDSP know. SP provided the example of an 8-year period where it was then agreed to include all the days. DESC

noted that they did not know if that would affect it as they cannot see whether 8 years is better or 9 years and how sensitive the results are. SP noted that other than the results showing no movement and not getting materially redder, she is neutral. MP highlighted that CDSP was aiming to provide a step-by-step guide of how the Optimisation was done. SP noted that would be after the point of approval and although she appreciated the timescales, she wished to express her thoughts.

MM concluded by advising that all the proposed CWV parameters have been updated using the aggregate NDM demand behaviours from the most recent Gas Years and on average, this has led to an improvement in results compared to the current set of 2020 parameters. MM added that the changes in performance observed in 2020 were bigger and predominately due to the addition of Solar Radiation to the CWV formula. MM outlined some points to note.

MM asked if DESC were happy to approve the proposed CWV parameters for 2025 following this year's Optimisation process. A vote was carried out by exception and as there were no objections, this was deemed approved.

MM outlined the next steps which would be to use the parameters to re-calculate CWV history back to 1960, recalculate '1 in 20' CWVs, and give an indication of how much they are likely to change under the new parameters and provide some of that in the November meeting, calculate the new Seasonal Normal and ask for approval of the Seasonal Normal basis in December.

Please refer to the presentation [slides](#) published for full details.

5. DESC Workplan Update

Penny Griffiths (PG) advised this agenda item was for information only and encouraged the Committee to read the presentations and get in touch ahead of the next meeting if they had any questions.

MP noted that in the slide pack for this agenda item, there is a slide relating to sample data. Simon Bissett (SB) reminded the Committee of the Shippers obligations for providing NDM Sample data. SB highlighted he would contact parties who had not sent any data or been in touch.

Please refer to the presentation [slides](#) published.

6. Analysis of AQ Movement

PG advised this agenda item was for information only and encouraged the Committee to read the presentation and get in touch ahead of the next meeting if they had any questions.

7. Any Other Business

None.

8. Communication of Key Messages

A Key Message Communication will be published at:
<https://www.gasgovernance.co.uk/desc/summarykeymessages>

9. Diary Planning

DESC meetings are listed at: <https://www.gasgovernance.co.uk/DESC>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 14 November 2024	5 pm Wednesday 6 November 2024	Radcliffe House, Warwick Road Solihull, B91 2AA & Microsoft Teams	TBC

DESC Action Table						
Action Ref	Meeting Date	Min Ref	Action	Owner	Reporting Month	Status Update
0701	03/07/24	3.0	Xoserve (MM) to include a comparison of the forecasted Climate Change Methodology data and the actual obtained data for the last 5 years in the Seasonal Normal Review analysis due in Q4 2024.	Xoserve (MM)	October 2024	Closed.
1001	08/10/24	4.1	CDSP (MM) to provide a comparison of the previous Seasonal Normal Projections and how these compare to the new Projections.	CDSP (MM)	November 2024	Pending
1002	08/10/24	4.1	CDSP (MM) to undertake a review of the Seasonal Normal for the last five years and how it has moved each year.	CDSP (MM)	November 2024	Pending
1003	08/10/24	4.2	CDSP (MM) to investigate the Cold Weather Upturn for Southern (SO) and why it is different to the surrounding LDZs.	CDSP (MM)	November 2024	Pending