

Seasonal Normal Review Update

28th May 2020

Dear Customers and Industry Colleagues,

The Xoserve Demand Estimation team would like to share with you an update on the Seasonal Normal Review, ahead of its implementation later this summer. This also includes an explanation of where there may be impacts to operations within your own organisation.

Looking back

In [October 2019](#), we shared the first key milestone in the Seasonal Normal Review, which was the Industry approval of a revised formula for the Composite Weather Variable (CWV). We also provided background information on what the Seasonal Normal Review is, and why it is important.

In [December 2019](#) we reported on the second successful key milestone, which was the Industry approval of a new basis for defining 'normal' weather, referred to as the Seasonal Normal Composite Weather Variable (SNCWV). This update also included an explanation of why weather correction is necessary, and how decisions relating to the SNCWV review were taken.

It would be helpful to read these updates in conjunction with this update to provide the relevant context.

Seasonal Normal Review 2020 headlines

The Xoserve News
Thursday 1st October 2020

New Seasonal Normal basis to take effect

The Composite Weather Variable (CWV) formula will change to include Solar Radiation observations

The Seasonal Normal Composite Weather Variable (SNCWV) values will change

ARE YOU READY?

The calculation of Class 3 and 4 NDM Nominations and Allocations using the Supply Meter Point Demand formula will use the new definitions of CWV and SNCWV

All Rolling AQ / SOQs for Class 3 and 4 Supply Meter Points with an effective date from 1st October 2020 will use the new definitions of CWV and SNCWV

Key Points

The Composite Weather Variable (CWV) remains a single value per Local Distribution Zone (LDZ) per Gas Day, however the Gas Industry history back to 1960 has been 're-stated' to reflect the new formula.

The SNCWV remains a single value per LDZ per Gas Day, however the calculations have been refreshed to use a more appropriate view of Climate Change temperature predictions.

The Gas Demand Profiles referred to as the Annual Load Profile (ALP) and Daily Adjustment Factor (DAF) will be calculated using End User Category (EUC) demand models, which have been derived from the refreshed CWV history and new SNCWVs.

This will include all historical ALPs and DAFs, which are used in the calculation of Annual Quantity's (AQs) and Read Estimation processes.

Processes impacted by Seasonal Normal Review 2020

Please find below details of the processes impacted by the implementation of the Seasonal Normal Review 2020, which you will need to be aware of if you replicate any of our calculations within your own organisations and/or third-party suppliers. If you don't, this update is simply for awareness.

Composite Weather Variable (CWV) formula

The CWV formula is **changing** and will be calculated differently from Gas Day, 1st October 2020. The main differences will include:

- Inclusion of a new 'Solar Term' based on measurements of Solar Radiation
- An updated set of 'optimal' CWV parameters
- South West (SW) LDZ will use Yeovilton Weather Station for Temperature, Wind Speed and Solar
- Northern (NO) LDZ will use Durham Weather Station for Solar

Further details on all the above are explained [here](#).

Demand Attribution – Class 3 and 4 Nominations and Allocation

The formula for calculating the Nominations and Allocation values for Class 3 and 4 EUCs remains **unchanged**. However, from 1st October 2020 it will use CWVs and SNCWVs based on the new definitions and basis accordingly.

Class 3 and 4 Annual Quantity calculations

The formula for calculating the AQ is **unchanged**, however Aqs calculated with an effective date of 1st October 2020 onwards will use re-stated Weather Adjusted Annual Load Profiles (WAALPs).

If you replicate the AQ calculation in your own systems, you will need to 'refresh' your historical WAALPs using the re-stated values for several historical years. For AQ purposes we shall make available the underlying components of the WAALP calculation (ALP, DAF, CWV and SNCWV) for four historic years (2016/17, 2017/18, 2018/19 and 2019/20).

The Supply Meter Points that haven't had a successful AQ calculation during the September AQ process will have a Seasonal Normal Ratio applied to it. Details of these will be available in your NRL notification files which will be sent to you around 22nd to 24th September. The files will contain details of the revised AQ value and new EUC (T04 Record). You may also receive a T98 record (AQ Calc Failure), with the failure reason code for those MPRNs that have failed to calculate.

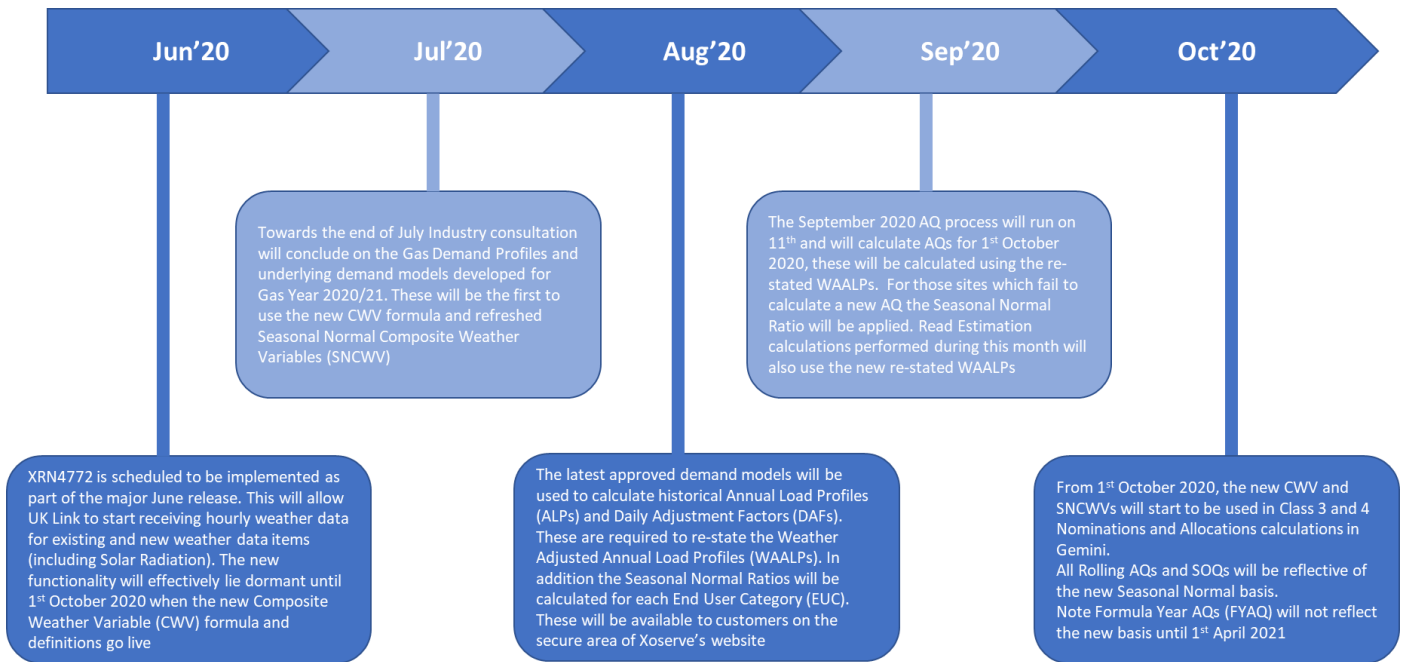
Class 3 and 4 Read Estimation

Within UK Link there are several scenarios where a read estimation is necessary, such as opening reads when there has been a supply point transfer. Although the formula used for meter read estimation is **unchanged**, it does use the WAALPs when performing the calculation of energy.

For awareness, from early September 2020, when the current WAALPs are replaced in readiness for the AQ calculation on 11th September, any read estimation calculation performed by UK Link will use the re-stated WAALP values.

Key dates leading up to the implementation of the Seasonal Normal Review

The new Seasonal Normal Review will come into effect on 1st October 2020, and the timeline below describes the key milestones over the next few months.



Where can I find all relevant re-stated Seasonal Normal Review parameters?

During August and September there will be revised historic data files available to customers which cover the various parameters used in the WAALP i.e. ALPs, DAFs, CWVs and SNCWVs. These will be available from Gas Year 2016/17 onwards.

All Seasonal Normal Review data files will be published in the secure area of Xoserve.com:

18. NDM Profiling and Capacity Estimation Algorithms / 2020-21 Gas Year / 5 Seasonal Normal 2020

Details of how to gain access to this secure area is available [here](#).

Below represents the view of the folder structures and the current content, which will increase during July, August and September.

	Title	Date	Version
2020-21 Gas Year	Approach to Seasonal Normal Basis 2020	18/12/2019	V1
1 Spring Approach document	Seasonal Normal Review 2020	30/01/2020	V1
2 Demand Estimation Sample Data	SN20_CWV1920	11/05/2020	V2
3 Demand Estimation Parameters	SN20_CWV6019	18/12/2019	V1
4 NDM Algorithms booklet	SN20_README	18/12/2019	V1
5 Seasonal Normal 2020	SN20_SNCWV20	18/12/2019	V1
	SN20_SNES20	18/12/2019	V1
	SN20_SNET20	18/12/2019	V1
	SN2020_NDM_Demand	25/02/2019	V1

Communication

This is the latest of three news articles which explain the Seasonal Normal Review process and its implications. In addition to these, all main Industry forums in recent months have included an update to increase wider awareness of the process. There will be a further update from the Demand Estimation Sub Committee (DESC) after its meetings in July.

Alongside the news articles there are a 'core' set of slides which can be used by you and your colleagues should you want more information. These are available [here](#).

If you have any questions or comments on any aspect of the Seasonal Normal Review, please contact your [Customer Advocate](#), or the [Demand Estimation team](#) who will be happy to help.

Kind regards,

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