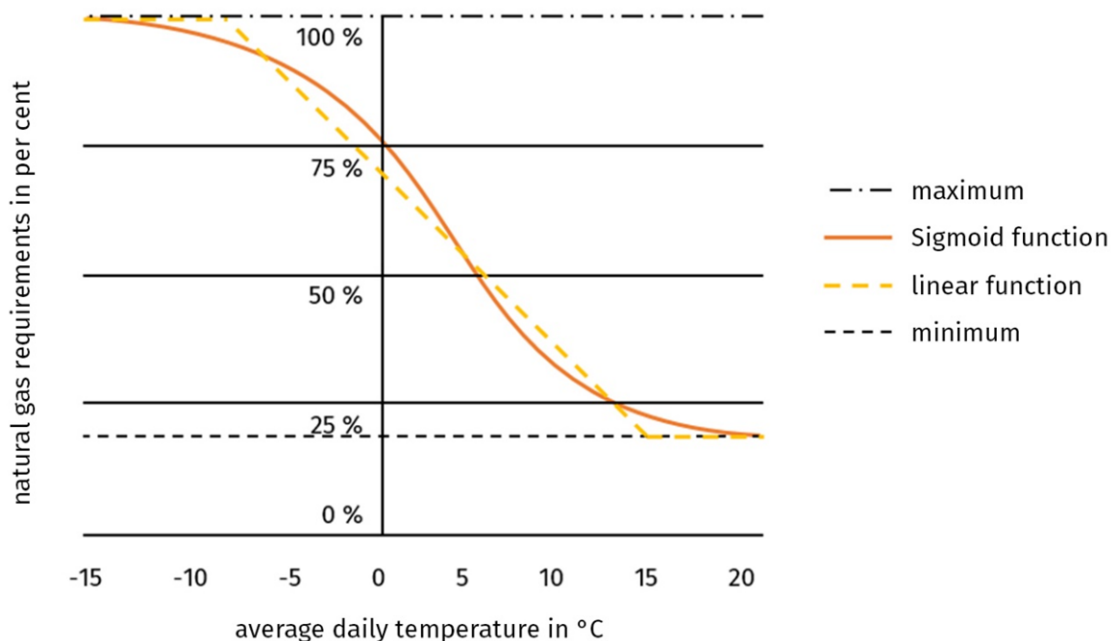# VNG
Regression model

Does your customer portfolio contain numerous temperature-driven consumption sources?

Many consumers' consumption patterns are highly dependent on weather conditions and, in particular, on temperatures. These include users paying standard rates, public buildings such as schools and libraries and also combined heat and power units supplying local heating networks. How can energy suppliers guarantee delivery to these customers?

When supplying these customers, temperature dependency can make it difficult to define the required contractual parameters such as yearly quantities, flexibility, structure, maximum daily quantities, etc. These are the parameters with the greatest effect on purchasing prices and the profitability of the contract.

A good way to reduce the procurement risk when supplying customers with temperature-sensitive consumption in their portfolio is by using a temperature-correlated formula called temperature regression.

The respective delivery quantity for one gas day is calculated by entering a defined temperature such as the average daily temperature of a specific weather station in the sigmoid function, then multiplying it with the contractually agreed maximum daily quantity. Before finalising the contract, functional parameters for the sigmoid function should be carefully chosen in line with the portfolio load profile.

As a reliable supplier with a focus on long-term customer partnerships, we also offer this model as VHG TempReg Y+6 **featuring a delivery time frame of up to 6 years. This gives our customers good long-term protection from temperature risks and enables them to benefit early from the currently favourable structural costs.**

VNG
Handel & Vertrieb

VNG
Regression model

Your benefits

▶ No quantity risks due to the mathematical calculation of delivery quantities. No contractual minimum or maximum yearly delivery quantities thanks to the regression model. We as your supplier carry the full risk.

▶ No service restrictions such as maximum daily quantity and also no regulations on excess deliveries and

▶ Only minimum effort is required to manage your portfolio when using the regression model with carefully chosen functional parameters.

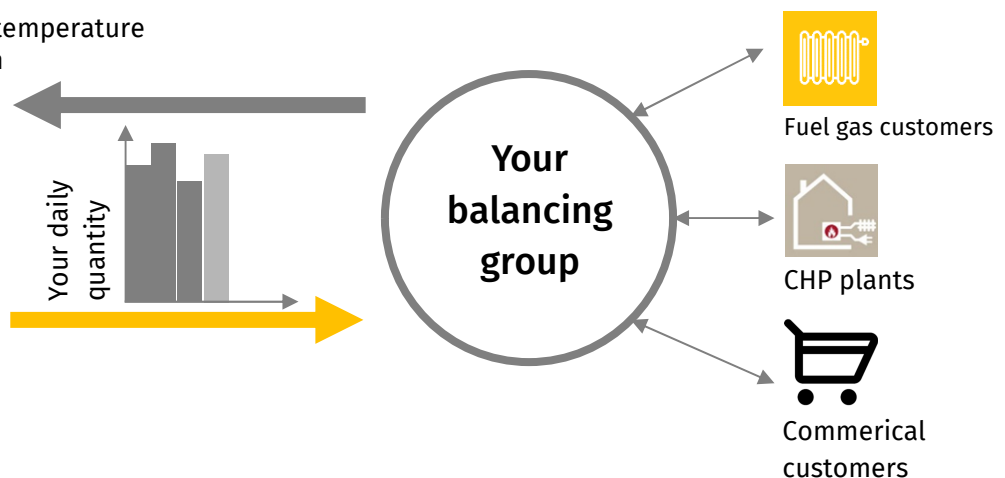You send us the relevant temperature station and the regression parameters.

We will supply the required amount at the agreed price.

Your daily quantity - Your balancing group - Heating gas customers - CHP plants – Commercial customers

You send us the relevant temperature station and the regression parameters.

We will supply the required amount at the agreed price.

Your daily quantity

Your balancing group

Fuel gas customers

CHP plants

Commerical customers

If you are interested in the **regression model** and **VNG TempReg Y+6** or have any questions, please contact your key account manager or send us an email at **kontakt@vng-handel.de**.

VNG
Handel & Vertrieb