

UNC Offtake Arrangements Workgroup Minutes

Monday 25 March 2024

Via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Nikita Bagga (Secretary)	(NB)	Joint Office
Ben Hanley	(BH)	Northern Gas Network
Ben Oldham	(BO)	Cadent
Christopher Isaac	(CI)	Cadent
Christopher Syrett	(CS)	E.ON
David Mitchell	(DM)	SGN
Darren Dunkley	(DD)	Cadent
Edward Allard	(EA)	Cadent
Fiona Cottam	(FC)	Xoserve
Gavin Williams	(GWi)	National Gas Transmission
Mark Jones	(MJ)	SSE
Neil Russell	(NR)	National Gas Transmission
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Gas Transmission
Steve Mulinganie	(SM)	SEFE Energy
Zoe Thorpe	(ZT)	National Gas Transmission

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate 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/OA/250324>.

1. Introduction

Eric Fowler (EF) welcomed all parties to the meeting and noted the meeting was quorate. EF provided an overview of the agenda for the meeting.

1.1. Approval of Minutes (30 January 2024)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

There were no late papers to approve.

1.3. Review of Outstanding Actions

0101: Joint Office (ER/BH) to look into the background and identify the Modification(s) which led to the changes made to Annex D1 of the OAD Measurements Document (namely, the Measure Data and Permitted Ranges table).

Update: EF provided the Workgroup with an update from Ben Mulchay (BM) who had been conducting enquiries into this action. BM had investigated back to 2013 and was unable to identify any relevant Modifications relating to Annex D1. In light of this, EF asked the Workgroup whether they wish to keep this action open and for BM to continue with his investigation or whether this action could be closed.

Darren Dunkley (DD) asked that BM continue, explaining that if there was a Modification, the Workgroup will need to understand what the requirements around it were. DD explained that Cadent have paused their migration of supplemental agreements having identified an unexplained difference in the quoted tolerances for relative density and CV. The concern is that there may be other changes required and Cadent do not want to update the agreements once to then find they are not compliant with a further update being required. The information in Appendix D goes back to ISO Standard 10593 and the requirements are dated 1995 which do not appear to have been updated. Based on this, DD advised that there could be a Modification sat between 2005 and 2013 which is why BM should continue with his investigations. It was agreed that this action would be carried forward. **Carried Forward.**

2. Measurement Error Notification Guidelines Review Update

EF provided an update to the Workgroup and suggested there are 2 areas for discussion. One is the threshold for classifying a significant measurement error and the other relates to the procedure for managing a significant error which might benefit from a small amendment in the text of the committee procedure where the scope of ITE works are being dealt with.

EF provided an overview of the conversation the Workgroup previously had in relation to the guidelines.

Zoe Thorpe (ZT) queried whether the proposal is to reduce the threshold to 30GWh from 50GWh. EF advised that was the conclusion from the previous discussions which drew a balance between the practicalities of the metrology and the number of additional errors that would be so categorised and on the other hand, the financial value of the error when a misallocation of funds occurs. Put crudely, if gas prices are twice as high, the criteria should be halved.

Steve Mulinganie (SM) raised that the volatility within the period should also be considered. SM does not believe the price of gas will stabilise, on this basis, 30GWh appears to be a more appropriate figure.

Christopher Syrett (CS) suggested that the Workgroup should consider looking into the duration of an error. CS advised of a recent example that had lasted for 773 days and pointed out that whilst the volume had not been large this was a long time for it to remain undiscovered and so the Shippers would like to understand the time taken to rectify the issue and whether any lessons are learned.

Ben Hanley (BH) made a counter point asking what the benefit would be from reducing from 50GWh to 30GWh because the greater complexity with having two ITEs may result in it taking more time to settle the error and complete the reconciliation. SM acknowledged the extra work but the shippers are concerned with the financial magnitude of the error.

ZT advised that some of the low-value, long-duration errors may come from activities such as inputting figures incorrectly, situations that would not necessarily require a technical expert to conduct a recalculation. ZT cited an example where a corrector factor had been incorrectly input.

EF proposed the amendment to 30GWh and the Shipper Members present expressed their agreement. Some Transporter members also supported the proposal.

The Workgroup discussed the timing of when an amended criteria of 30GWh would be implemented. EF pointed out that there does not appear to be any particular timing concerns, further highlighting that this relates to a document that sits under the UNCC.

ZT asked whether the start date for reconciliation would be the date the error first occurred or the date of the code cut off. BH confirmed that it would be appropriate to use the date the error occurred. Ben Oldham (BO) agreed, further advising that 30GWh is still a lot of energy. The idea is that this exercise would only require an amendment to the figures to apply to future investigations and not retrospectively. FC confirmed that the CDSP never reconcile back over the 'line in the sand' and in any case there are very few instances now where errors go back that far.

Turning to the long-duration, lower significance errors, the Workgroup discussed the proportionality of any assurance work performed by networks, highlighting that it will need to be something that works for everyone. EF suggested that the Offtake Workgroup would be an appropriate forum for discussions. The idea is to consider how to reduce the likelihood of the long-duration events from occurring. SM recognised that more site visits and audits would come at a cost. ZT advised that there is currently a meter validation exercise that occurs on an annual basis so all sites are under an obligation to validate their data.

Further to the example provided earlier in the discussion by ZT, SM advised that data being inputted incorrectly is a risk to the business that should trigger some remedial actions, for example, policies can be adjusted or the work of an individual might be subject to 'four eyes' scrutiny.

EF asked if networks share learning from such situations. BH advised that findings are discussed at the Metering Technical Forum but that networks may not reach agreement on what action should apply when something goes wrong because they have different equipment and the error may have been due to a single human error. EF suggested that the networks could provide some examples of the discussions in order to give greater visibility and thus assurance to Shippers. Edward Allard (EA) advised it may be better to deal with the data in digestible tranches, to perform a sense check in the meeting and create a framework to utilise, moving forward. EF advised that the task should not be too onerous, only a few paragraphs are required to provide feedback.

New Action 0301: All representatives of networks to obtain a [half a dozen] examples of actions taken to remediate errors to provide feedback on in the next Workgroup.

EF asked the Workgroup to consider a change in the Guidelines so that it has more discretion in the appointment and scope for ITEs and suggested the wording of "unless the Committee unanimously agrees otherwise". SM agreed and stated that he wanted to give the Workgroup discretion which is why the wording had been suggested in this way, a deviation from the default procedure would only take place if the Workgroup are in unanimous agreement and it makes sense to do so.

All Workgroup Participants agreed that this would be a sensible change to make at the same time as amending the threshold for identifying a significant measurement error.

ZT raised the topic of LNG boil-off which was discussed a few years back; the concern is reconciliation where NTS is not the counter-party. The situation could also occur with bio-methane. ZT queried with the Workgroup whether this is something that can now be built in where bio-methane and boil-off can be introduced to the procedures. SM highlighted that these have more complex relationships. Previously, the Workgroup were unable to confirm how to reconcile as the data went beyond the usual definitions of entry shippers, a counter party could not be located and there was no defined process in the UNC or this document. ZT advised that the reconciliation of the LDZ shippers is the simple part, it is the counter party element that causes complications. SM highlighted the wording of "any other relevant parties" as a consideration for the Workgroup.

EF noted that there are now more different ways in which gas may enter the system. As such, there may be a need to contemplate the fact that gas may have entered from elsewhere. SM advised that it will be a simple task to recognise other relevant parties exist and this will need to be considered when drafting the details.

ZT advised that the legal text providers had been consulted when trying to work out who the counter party is and Section S wasn't sufficiently useful due to the cut-off for queries on invoices at 18 months, this raised some concerns. SM advised that further consideration will need to be given to this.

EF asked ZT to consult with the legal text provider and to feedback what 'hooks' they suggest might be inserted. Furthermore, there may be some ideas with the CDSP and FC agreed to consult with a colleague Dan Donovan on the consequences of single sided adjustments.

New Action 0302: NGT (ZT) to liaise with FC regarding the consequences and the implications of making a change to include 'other relevant parties' for input of gas onto the system.

3. Review of Measurement Error Notification Proforma

EF presented an excel spreadsheet which had been published with documents for the Workgroup to review.

CS drew attention to the Offtake Lookup Data and advised that the Workgroup will need to ensure it reflects the amended "30GWh" figure to ensure conformity across the board. EF advised that this could be easily rectified by adding some further clarification text.

DD raised that the data relating to line 222 will need to be removed as this data (relating to the Shustoke) has now been demolished.

DD questioned the process for making amendments to the spreadsheet and whether this is done by the networks or by the Joint Office. EF advised he would take this as an action.

SM advised that it would be useful to have a version control of the spreadsheet to capture the different versions and history of the amendments made to the data. EF noted that a version control mechanism is in place as there is a version number on the file. SM suggested that it should be periodically reviewed. EF suggested for this to be added as an annual agenda item for the Workgroup.

New Action 0303: Joint Office (EF) to confirm the process for making amendments to the data table on the Measurement Error Notification Proforma document.

New Action 0304: All networks to review the data in the Measurement Error Notification Proforma document to ensure it is up to date and correct. Any changes to be notified to the Joint Office.

4. On-Site Process Evaluation

EF asked the Workgroup if anyone had items for discussion. EF advised he was unsure of any issues and there were no further discussions on this agenda point.

5. Changes to OAD Maintenance Requirements

DD provided an overview of the discussions of this agenda item from the last meeting, advising that there are some proposed areas for amendments. The feedback from operators has been considered and the intention is to seek out some consistency as to how the arrangements are applied. There ought to be a consistent application and process between all parties.

DD drew attention to Section G 3.1.1, advising that he does not believe this section is being complied with, highlighting that there are some arrangements that need to be tightened up.

In relation to the process of reviewing and amending the arrangements, DD highlighted that representation from all networks is required. It may be that a full suite of changes is required or light touch changes may be sufficient.

EF asked DD where this review process is likely to take place and it will be a network conversation.

DD advised that the first engagement is likely to be a workshop approach. The first step would involve DD drafting a 1 page scope document which would articulate the scope to take place and what will need to be considered by the participating members. 3-6 months is likely to be required for implementation.

SM asked if another UNC Review Workgroup would be created and if this would follow the same process as the one used in 2018 for 0646R. EF advised that if a review group is requested, it may be that a subsidiary Workgroup is set up alongside the Offtake Workgroup and that agenda scheduling could be done to ensure that relevant participants will know when to join. SM pointed out that the request to the Modification Panel can be kept fairly brief.

New Action 0305: Cadent (DD) to produce a one-page scoping document to present to the Workgroup.

Steven Ruane (SR) advised that if DD is looking to obtain feedback from operators, NGT produced a review slide pack containing some initial thoughts which he would be happy to go through with the Workgroup.

6. Next Steps

None.

7. Any Other Business

7.1 References to Fax

Gavin Williams (GWi) informed the Workgroup of Modification 0864 and highlighted that this Modification is seeking to remove fax/facsimile and replace it with an alternative method of communication, ahead of the decommissioning in 2025. GWi advised that he was bringing this to the attention of this Workgroup due to the Offtake Communications document containing multiple references to fax/facsimile, there are currently circa. 100 references which will need to be removed. Removal of the references is beyond the scope of the Modification so GWi wanted to raise awareness of the task to the Workgroup and propose that following the implementation of Modification 0864, the proposed changes are made to the document.

EF advised that this is unlikely to be contentious. DD asked GWi if he had considered any other subsidiary documents, GWi advised he had not however he will pick this up and consider if any other documents contain references that need to be removed.

7.2 Rationalisation of Telemetry Points

DD explained that there has been some engagement between operators regarding reducing the number of telemetry points. Cadent are raising this in the meeting as they have halted the migration exercise because issues have arisen. Cadent does not want the supplementary agreements to have to be updated more than once. DD explained that Cadent are looking to get through the mechanism as quick as possible to ensure that there are no adverse impacts on complying with the UNC Modification. David Mitchell (DM) advised that he was not aware of this issue but would be happy to have a separate conversation with DD and Roger Crane. DD requested for an additional agenda item to be added to next month's meeting to capture this point for further discussion amongst the Workgroup. "Rationalisation of Telemetry Data Points" is the wording to be used for the agenda item.

7.3 Site Drawings

DD drew the Workgroup's attention to Modification 0834 which had been raised in previous meetings. This Modification was supported by Cadent with a caveat to bring back and review any outstanding issues related to responsibilities on updates to hazardous area drawings. DD asked that this be considered for a future agenda.

New Action 0306: Joint Office to add agenda items for the next meeting on; Rationalisation of Telemetry Data Points, and Follow-up actions under Modification 0834

8. Diary Planning

Offtake Arrangement Workgroup meetings are listed at: <https://www.gasgovernance.co.uk/OA>

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

Time/Date	Paper Publication Deadline	Venue	Programme
10:00 Tuesday 28 May 2024	5 pm Monday 20 May 2024	Microsoft Teams	TBC
10:00 Tuesday 30 July 2024	5 pm Monday 22 July 2024	Microsoft Teams	TBC

Offtake Arrangements Table of Actions						
Action Ref	Meeting Date	Min Ref	Action	Owner	Reporting Month	Status Update
0101	30/01/24	1.1	Joint Office to look into the background and identify the Modification(s) which led to the changes made to Annex D1 of the OAD Measurements Document (namely, the Measure Data and Permitted Ranges table).	Joint Office (EF/BH)	March 2024	Carried Forward
0301	25/03/24	2	All representatives of networks to obtain a half a dozen examples to provide feedback on in the next Workgroup.	All Networks	May 2024	Pending
0302	25/03/24	2	NGT (ZT) to liaise with FC regarding the consequences and the implications of making a change to include 'other relevant parties' for input of gas onto the system.	NGT (ZT)	May 2024	Pending
0303	25/03/24	3	Joint Office (EF) to confirm the process for making amendments to the data table on the Measurement Error Notification Proforma document.	Joint Office (EF)	May 2024	Pending
0304	25/03/24	2	All networks to review the data in the Measurement Error Notification Proforma document to ensure it is up to date and correct. Any changes to be notified to the Joint Office.	All Networks	May 2024	Pending
0305	25/03/24	5	Cadent (DD) to produce one-page scoping document to present to the Workgroup.	Cadent (DD)	May 2024	Pending
0306	25/03/24	7.2	Joint Office to add two agenda items for the next meeting: <ul style="list-style-type: none"> • Rationalisation of Telemetry Data Points, and • Follow-up actions under Modification 0834 	Joint Office	May 2024	Pending