

**UNC Request Workgroup 0646R Minutes**  
**Review of the Offtake Arrangements Document**  
**Thursday 10 May 2018**  
**at St Johns Hotel, 651 Homer Road, Solihull, B91 1AT**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Arran Poad*	(AP)	Northern Gas Networks
Chris Warner	(CW)	Cadent
Darren Dunkley	(DD)	Cadent
Dave Mitchell	(DM)	SGN
Eddie Blackburn	(EB)	National Grid NTS
Grant Rogers*	(GR)	Wales & West Utilities
Leteria Beccano	(LB)	Wales & West Utilities
Louise McGoldrick	(LM)	National Grid NTS
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS
Stevie Docherty*	(SD)	Northern Gas Networks

\*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/100518>

**1. Introduction and Status Review****1.1. Approval of Minutes (16 April 2018)**

The minutes from the previous meeting were approved.

**2. Proposed OAD Review – changes and amendments – Sections C – N****2.1 Consideration of Proposed Supplemental Agreement Changes**

DD provided an overview of the Draft UNC Supplemental Agreement document and drew attention to the specific areas of interest and explained that none of the changes were very different from the previous versions. He provided a detailed walk through of each section as detailed; Site Details, Site Assets and Ownership, Site Services, Measurement Equipment and Permitted Ranges, Telemetered Data Requirements and Document history. He then provided more detail in relation to 2.1 Points of Offtake, 2.2 Electrical Arrangements, 2.3 Telemetry Arrangements, 2.4 Cathodic Protection Arrangements and 2.4 Buildings, Structures and enclosures.

A lengthy general discussion took place regarding how often the electrical boards were changed, if there were shared arrangements and if this would have an impact on the Supplemental Agreement, and if all the boards should be individually listed. There were mixed opinions as to whether the Site Drawings would be adequate or whether this detail should be written into the Supplementary Agreement as well, in order to manage expectations and the required level of detail that was needed. Some parties felt there could be a potential issue with the level of accuracy and the updating process between the formal contract and the work instructions with a risk this could go out of alignment.

DD said from the Cadent perspective that these documents were treated in-line with the Asset Management responsibility and would help to codify the process and were signed by the operator to make sure all were in agreement. SR said that from the electrical boards perspective that a re-education programme would be required. DD explained that had already taken place within Cadent on a site by site basis and he agreed that this would have to be undertaken within the others DNO's too.

EB reiterated what was the purpose of the Request Group and that it was not the purpose to have a complex Site Operational Manual. He said that it might be an idea to adopt a simple solution to make the joint board process less complex, to prevent conflict and confusion at the sites, and to make the Primary Ownership defined. He added that the most important aspect was to have an efficient and clear document that was OAD compliant and covered both ownership and operation of the sites and linked to the Operational Manuals. He further added that he had some concerns in relation to safety implications between the Supplemental Agreement and the Electrical Drawings and this whole area needed further detailed discussion. He said that he felt a diagram was needed to assist the engineers on the sites as to the exact ownership. DD said that the Electrical Instrumental Team (ENI) had been to the sites in order to collect the exact information and that it was important the DNO's understood the information contained in the documentation.

SR stated that from the data collection principles there had been an enormous amount of sense checking by the Operational Teams within National Grid NTS and Cadent, especially regarding the drawings themselves. He added from the DNO's perspective that this felt like a very large and complex programme that would have to be undertaken, which would require resources and extra funding. DD agreed that this was the case, but pointed out that this whole exercise had never been undertaken previously at Network Sales and this was the reason why it was needed to be completed in order to be able to move forward with confirmed and validated data and the correct logistical procedural documentation. DD explained that it had taken Cadent 3 months to validate 47 sites and that each site visit had in attendance an E&I operative to validate the PSD and GA drawings. EB said that was the idea of the new Modification to make the OAD and Supplemental Agreement mandatory or was it to be an optional requirement in relation to the Template. He said if it was made mandatory then this would drive the DNO's to undertake a similar exercise to ensure there were no conflicts of information between the diagrams/drawings and the Supplemental Agreement.

A further lengthy general discussion took place regarding the potential cost, time and resources needed to undertake a similar exercise that Cadent had carried out. The other DNO's stated that they would have to investigate the costing and also noted that they would be continually playing 'catch up' as Cadent had already completed this exercise. DD said he did appreciate this fact, but he wanted to draw attention to the Offtakes and the LDZ's where consistency was required, and that there must be a defined process.

EB said that this needed to be discussed in depth and that an appropriate way forward was required to ensure the Supplemental Agreements were fit for purpose, including the Site Operational Manual and the Site Owner Manual to ensure a cohesive approach. EB suggested that perhaps a caveat might be required surrounding the ownership and conflict from a Code mandatory or optional perspective. DD proposed that perhaps the changes could be confirmed within the Recitals and Appendices for the Supplemental Agreements. He further suggested the Template could be taken out of Code that was presently in the Supplemental Agreement and this could be sanctioned by the Offtake Committee, and that the new Modification would need to propose a change to the Template and the clauses to the OAD, as well as the Supplemental Agreement wording.

EB said the most appropriate way forward was to either modify or remove the Template from OAD, which in turn would make any changes easier to manage and then the Offtake Committee could approve this.

BF said that this could be addressed via a vote within the Offtake Committee to change the Template or as a safe guard require a modification, which would then require commentary to explain this action. EB said this could be managed by National Grid NTS and then subsequently agreed through the Offtake Committee. It was agreed SGN and Wales and West Utilities would investigate the proposal for the removal of the Template, which could be sanctioned under the remit of the Offtake Committee.

**New Action 0501: SGN and Wales and West Utilities to feedback on the proposal to remove the Template from OAD and if this could be undertaken under the remit of the Offtake Committee.**

## 2.2 Consideration of Asset Removal Criteria

DD said that there was a clause within the OAD that covered the removal of redundant assets and he proposed there should be a clause that stated if the asset had not been used for 12 months then it should be removed. SR said that there should be wording around the economic and efficient reasoning for the removal.

A lengthy general discussion then took place as to whether it should be the Site Owners or Site Users responsibility to remove it and who should pay for the removal of any asset on site. EB said that from the National Grid NTS perspective that this costing would not be sanctioned or agreed and that this would have to be considered within RII02 and that if a new Modification was raised regarding the financial cost implications associated with this area, it would not get the required support. DD said in that case the existing clause within the OAD should be removed. There were mixed views on who should pay and under which scenarios which would need further discussion

## 2.3 Maintenance Planning

DD provided an overview of the Telemetry System Schematics and highlighted the 5 main scenarios which encompassed, Partington, Lupton, Winkfield, Audley and IRIS. EB stated that a schematic or a diagram would be required for each shared area and this should become a formal obligation for everyone, but he did not suggest this should be mandatory. DD said that the ownership criteria was clearly defined in each Site Services agreement.

## 2.4 Integrated Security System (ISS)

GR provided a brief verbal overview in relation to the Integrated Security System (ISS) and he explained that Wales & West Utilities had now installed this in 6 sites and there were a further 5 sites where National Grid NTS were installing security equipment. He said that all the contractual documentation was through the OAD, of which some of the equipment being installed by National Grid NTS, was not being correctly documented or was currently outside the scope of the current documentation which has the potential to cause conflicts in operation of the sites.

A protracted general discussion took place regarding the conflicts in the rules of who was responsible for the ISS in relation to the working practices, regarding the fact the Site Owner was responsible for the ISS on that specific site, and GR proposed that the equipment needed to be recorded for all Network Operator sites.

LM said that National Grid NTS were looking at the ARC arrangements, as she agreed it was presently not in-line with the OAD. DD and EB said that this area was referred to in Section B3.8.1 in OAD and they both agreed the security aspect needed to be included and defined. It was agreed that both SGN and Wales & West Utilities were to investigate the Critical National Infrastructure (CNI) sites and if they owned the assets on those sites. It was also proposed that all parties were to investigate site security and who owned what asset on which site.

**New Action 0502: SGN and Wales and West Utilities to confirm if they own the assets on the Critical National Infrastructure (CNI) sites.**

**New Action 0503: All to investigate site security and who owns what asset on each site.****3. Review Workplan**

Deferred.

**4. Review of Outstanding Actions**

**Action 0302:** National Grid NTS (LM) to investigate the Tri Party Agreements in relation to shared sites.

**Update:** LM proposed that there was potentially the need for Bi-lateral Supplemental Agreement in relation to the OAD Site Services responsibilities which the Site Owner and the Site User would need to sign, and in some cases a Tripartite agreement would be needed between Cadent SGN and National Grid, and Cadent, Wales & West Utilities and National Grid.

DD said that this area needed to be looked at, especially regarding the Winkfield and Ross sites for example. LM said that National Grid were willing to investigate this area further, but reiterated her comment from the previous meeting that this would involve the reworking of the OAD. A lengthy general discussion took place and it was agreed that all organisations should investigate what impacts a Bi-lateral and or, Tri-partite agreement, would have on the content of the OAD. It was then agreed that this action could then be closed. **Closed.**

**New Action 0504: ALL to investigate what impacts would a bi-lateral or tri-partite agreement have on the content of the OAD and to provide feedback at the next meeting.**

**Action 0303:** National Grid NTS (EB) to investigate the Legal status regarding Supplemental Agreements and related documents and the impact of the review.

**Update:** LM suggested that all parties needed to explore the Supplemental Agreement and that that National Grid NTS proposed that there was a requirement for an amended Re-instatement which would need to be signed by Deed.

LB said that their Legal representative had asked if there was another option, due to work and time involved regarding this proposal. She said that the question had also been asked as to what detail would be required in the Re-instatement Agreement and how many this may equate to. LB added that within Wales and West Utilities that their CEO would have to sign off the OAD. DD added that there were other concerns from the DN's regarding the sealing of the Deed process and the Re-instatement Agreement, as their Legal Departments were not happy or comfortable with this proposal. A lengthy and protracted general discussion took place regarding the content of the OAD and EB said that a new Modification would be required to change the OAD. DD proposed that the Template should be taken out of the OAD and that National Grid NTS could then be the custodian of it.

A further discussion took place regarding the Maintenance Plan and the pre forecast timeline of this, as some were defined as a 1 year pre forecast and National Grid NTS produced a 24 month pre forecast. DD proposed a 'joint' Maintenance Team Planning meeting to discuss this whole area in more depth and to study the Maintenance Plans in one meeting. It was agreed this action could now be closed. **Closed.**

**Action 0305:** Cadent (DD) to arrange a joint Maintenance and Resource Management Teams meeting to explore all of the overall obligations regarding the OAD and Maintenance Plan; should there be a combined process, and investigation of Section G regarding compliance.

**Update:** DD asked that this action be carried forward and that he was investigating this matter presently. **Carried Forward**

**Action 0306:** All parties to consider if the maintenance plan was reasonable, and how it highlighted maintenance activities up to 12 months in advance.

**Update:** It was agreed that this action should be carried forward. **Carried Forward**

**Action 0401:** *Reference OADN paragraph 3.3.2 provisions* – National Grid (EB) to consider the 'Point of Sale' and how to change agreements to take better account of the point of sale aspects (including any timeline aspects).

**Update:** It was agreed this action was relating to an earlier action and as such it could now be closed. **Closed.**

**Action 0402:** *Reference Proposed OAD Review – changes and amendments – Cadent (DD) to provide a draft ‘strawman’ of what they are looking to change, which the Workgroup could then look to review against current Code and Supplemental Agreement provisions.*

**Update:** DD said that this action could now be closed as the information had been supplied and discussed in Section 2.1 as above. **Closed.**

**Action 0403:** *Reference Proposed Supplemental Agreement Changes - Cadent (DD) to provide a draft updated Supplemental Agreement for consideration at the May Workgroup meeting.*

**Update:** DD said this action could now be closed as the information had been supplied and discussed. **Closed.**

**Action 0404:** Cadent (DD) To prepare some draft criteria behind asset removal requests for consideration at the next meeting.

**Update:** DD requested this action be carried forward. **Carried forward**

**5. Any Other Business**

None.

**6. Next Steps**

Parties to provide their respective action updates and the Workgroup to consider;

**7. Diary Planning**

*Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)*

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Thursday 14 June 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	<ul style="list-style-type: none"> <li>• Review Draft Supplemental Strawman and Tripartite Agreement differences</li> <li>• Supplemental Agreement and other document changes via the Offtake Committee</li> <li>• Site Security Issues</li> <li>• Asset Removal, Relocation and Redundant Assets</li> <li>• Status and review on Maintenance Planning Meeting</li> <li>• Site Users updating Site Owners drawings</li> </ul>

**Action Table (as at 10 May 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0302	05/03/18	1.0	National Grid to investigate the Tri Party Agreements in relation to shared sites.	National Grid (LM)	<b>Closed</b>
0303	05/03/18	1.0	National Grid to investigate the Legal status regarding Supplemental Agreements and related documents and the impact of the review.	National Grid (EB)	<b>Closed</b>
0305	05/03/18	1.0	Cadent to arrange a joint Maintenance and Resource Management Teams meeting to explore all of the overall obligations regarding the OAD and Maintenance Plan; should there be a combined process, and investigation of Section G regarding compliance.	Cadent (DD)	<b>Carried Forward</b>
0306	05/03/18	1.0	ALL to consider if a 12 months notice period driven by the maintenance plan was reasonable, if not, propose what duration would be acceptable.	ALL	<b>Carried Forward</b>
0401	16/04/18	2.0	<i>Reference OADN paragraph 3.3.2 provisions</i> – National Grid (EB) to consider the ‘Point of Sale’ and how to change agreements to take better account of the point of sale aspects (including any timeline aspects).	National Grid (EB)	<b>Closed</b>
0402	16/04/18	2.0	<i>Reference Proposed OAD Review – changes and amendments</i> – Cadent (DD) to provide a draft ‘strawman’ of what they are looking to change, which the Workgroup could then look to review against current Code and Supplemental Agreement provisions.	Cadent (DD)	<b>Closed</b>
0403	16/04/18	2.0	<i>Reference Proposed Supplemental Agreement Changes</i> - Cadent (DD) to provide a draft updated Supplemental Agreement for consideration at the May Workgroup meeting.	Cadent (DD)	<b>Closed</b>
0404	16/04/18	4.0	To prepare some draft criteria behind asset removal requests for consideration at the next meeting.	Cadent (DD/CW)	<b>Carried forward</b>
0501	10/05/18	2.1	SGN and Wales and West Utilities to feedback on the proposal to remove the Template from OAD and if this could be undertaken under the remit of the Offtake Committee.	SGN (DM) and Wales & West Utilities (LB)	<b>Pending</b>
0502	10/05/18	2.4	SGN and Wales and West Utilities to confirm if they own the assets on the Critical National Infrastructure (CNI) sites.	SGN (DM) and Wales & West Utilities (LB)	<b>Pending</b>

**Action Table (as at 10 May 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0503	10/05/18	2.4	All to investigate site security and who owns what asset on each site.	ALL	<b>Pending</b>
0504	10/05/18	4.0	All to investigate what impacts would a bi-lateral or tri-partite agreement have on the content of the OAD and to provide feedback at the next meeting.	ALL	<b>Pending</b>