

UNC Offtake Arrangements Workgroup Minutes

Thursday 09 February 2023

via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Ben Hanley	(BH)	Northern Gas Networks
Ben Oldham	(BO)	Cadent
Christopher Syrett	(CS)	E.ON Energy
David Mitchell	(DM)	SGN
Fiona Cottam	(FC)	Xoserve
Guv Dosanjh	(GD)	Cadent
Leteria Beccano	(LB)	Wales & West Utilities
Nathan Hibbitt	(NH)	National Grid
Phil Lucas	(PL)	National Grid
Shiv Singh	(SS)	Cadent
Simon Howard	(SH)	Cadent
Stephen Ruane	(SR)	National Grid

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 the 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: www.gasgovernance.co.uk/0829/090223

The Workgroup Report is currently due to be presented at the UNC Modification Panel by 16 February 2023, however an extension request to May 2023 is pending.

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting and noted the rearrangement of the Agenda so that any business related to Offtakes and Meter Errors are considered first, and then any Modification items in the second part of the meeting.

1.1 Approval of Minutes (16 January 2023)

The minutes from 16 January 2023 were approved.

1.2 Approval of Later Papers

No late papers to note.

1.3 Review of Outstanding Actions

EF noted his proposal to rearrange the order of the actions outside of this meeting so that the linked topics are sequenced better.

Shiv Singh (SS) drew attention to his email that suggested something similar.

Post Meeting Note: The rearranged actions table is now showing at the end of these minutes.

It was therefore agreed to only consider Action 1005 (a) for this meeting:

1005 (a): Cadent (DR) to provide the scope for the auditing exercise to be discussed with the Networks.

Update: Ben Oldham (BO) provided information regarding the Meter Assurance Audit. He explained that a number of Vendors have been approached who cover a range of methodologies but Cadent were particularly looking for expertise and experience in the Technology and Industry sector.

The chosen Vendor is Kelton and the work that will be undertaken will be split into 2 streams:

1. Field Work Assessment
2. Management Audit

The following overview of what the assessment will cover (as a minimum) is as shown in the presentation provided for this meeting and can be found here: <https://www.gasgovernance.co.uk/oa/090223>.

BO confirmed that work is planned to commence in March 2023 with a report being created by the end of May 2023. **Closed**

2. Significant Measurement Error Update EM011 – Thorton Curtis MTA

2.1 Update on significant Measurement Errors ITE Report(s)

It was confirmed there is no further update. The same situation will continue until the Independent Technical Experts (ITEs) have been able to attend site.

3. Significant Measurement Error Update EA018 -Royston Measurement Error

3.1 Update on significant Measurement Error

Fiona Cottam (FC) confirmed that this error was invoiced on the Amendment Invoice that was issued at the end of January 2023 and that the reconciliation has been spread back over the effective period.

Christopher Syrett (CS) requested that a breakdown of the error is provided as a matter of cause going forward so that he can assess the accuracy of his modelling.

FC clarified this can only be provided a few days or the week before the invoice is issued.

4. Measurement Error Notification Guidelines Review (UNCC Request)

It was confirmed that this agenda item is being deferred until all of the errors have been closed down, this is estimated to be May/June 2023.

When CS asked what will happen if a further error is identified in the meantime, would this something else comes up in the meantime and would that further delay the review, EF clarified that now there has been a variety of different types of errors, he can see no reason why the review would not go ahead as planned in May/June 2023.

5. Network Initiatives (periodic updates)

No update received.

6. Pre-Modification Discussions

No pre-Modification discussions.

7. Workgroups

7.1 Modification 0829S - Updates to the Supplemental Agreement Amendments Process

(Report to Panel 18 May 2023)

<https://www.gasgovernance.co.uk/0829>

7.2 Modification 0834S - Inclusion of the “Process for the Update and Retention of Shared Site Drawings” as a Subsidiary Document within the Offtake Arrangements Document

(Report to Panel 20 April 2023)

<https://www.gasgovernance.co.uk/0834>

8. Any Other Business

None raised.

9. Diary Planning

EF confirmed the next two planned meetings will take place on 27 March 2023 and 11 May 2023.

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Paper Publication Deadline	Venue	Programme
10:00 Monday 27 March 2023	17.00hrs 18 March 2023	Microsoft Teams	TBC
10:00 Thursday 11 May 2023	17.00hrs 03 May 2023	Microsoft Teams	TBC

Rearranged Table of Actions as at 09 February 2023:

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
1001(c)	26/10/22	1.3	Workgroup Participants to review and consider the outcome of the external audit (when available) and take forward any recommendations for changes to the Reporting Guidelines.	Workgroup Participants	TBC	Closed
1002	26/10/22	1.3	(linked with action 1001) Joint Office (EF) to add agenda item for January Meeting 'Update of actions to identify Meter Errors' due – Jan. '23	Joint Office (EF)	TBC	Closed
1003 (b)	26/10/22	5.1	Cadent (DR) to provide feedback on how the Cadent Audit process will be shared and communicated between all the Networks.	Cadent (DR)	February 2023	Closed
1004	26/10/22	5.1	(linked with action 1003 (b)) All Networks to conduct an audit of the meter point process and share findings.	All Networks	February 2023	Closed
1005 (a)	26/10/22	5.1	Cadent (DR) to provide the scope for the auditing exercise to OAW.	Cadent (DR)	February 2023	Closed

0101	16/01/23		Cadent to coordinate a full review, with all GDNs, of the Measurement Error Notification Guidelines Document and provide suggestions of updates to this Workgroup.	Cadent (SS)	May 2023	Pending
0201	9/02/23	1.3	Cadent to share through Distribution Liaison forum findings of external audit of ME2 processes and all networks to identify any additional learning points and report to OAW.	All Networks	May 2023	Pending
0202	9/02/23	1.3	Workgroup Participants to review and consider the outcome of the external audit (when available) and take forward any recommendations for changes.	Workgroup Participants	TBC	Pending

UNC Workgroup 0829S Minutes
Updates to the Supplemental Agreement Amendments Process
Thursday 09 February 2023
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
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The Workgroup Report is currently due to be presented at the UNC Modification Panel by 16 February 2023, however an extension request to May 2023 is pending.

1.0 Introduction and Status Review

1.1. Approval of Minutes (16 January 2023)

The minutes from 16 January 2023 were approved.

1.2. Approval of Late Papers

There were no late papers.

1.3. Review of Outstanding Actions

No outstanding actions

2.0 Reconsideration of Business Rules

This agenda item was not covered.

3.0 Review further considerations

This agenda item was not covered.

4.0 Amended Modification

Shiv Singh (SS) was invited to walk through the amendments made to the Modification (v2.0 dated 02 February 2023) and advised the Business Rules have been updated to make them read better and that David Tennant (Dentons) has produced the Legal Text accordingly.

Legal Text review:

SS provided a detailed walkthrough of the Legal Text changes which were shown in mark-up. The key changes were to the following sections of the Transportation Principal Document:

Offtake Arrangements Document – Section N - General

The following paragraphs will be amended as follows:

- 1.2.1 (h) A new provision to include the new process.
- 3.2.1 To reference the new Supplemental Agreement Amendment Process.
- 3.3.1 To include a reference to the new process and removal of the provisions from Code that will be looking to the subsidiary document instead.
- 3.3.2 To refer to the new process.
- 3.3.3 Outlines what will happen to the previous agreement when the new agreement is in place.
- 10.1.3 Introduces the process regarding shared sites.
- 10.1.5 Similar to 10.1.3

Questions on Legal Text

Leteria Beccano (LB) suggested that when the new Supplemental Agreement is signed, it should have wording to the effect of: 'it replaces or supersedes any existing agreements'.

SS agreed to add wording to the template and will update David Tennant.

LB noted that rather than quoting OAD (Offtake Arrangements Document) text at the beginning of some clauses and suggested that the text reference is quoted rather than the text in case it is out of date.

SS will pass the comments on to the Proposer, Darren Dunkley (DD).

SS confirmed that the solution and the legal drafting are stable.

5.0 Development of Workgroup Report

The development of the Workgroup Report will commence at the next meeting on 27 March with the hope of presenting it early to the April 2023 UNC Modification Panel.

EF provided a brief view of the sections within the Modification and advised he will prepare some commentary in the Workgroup Report for Workgroup to review at the March meeting.

For implementation of this Modification, it was agreed that anything in flight will continue under the terms of the existing agreement, then anything new, subject to it being 16 days post UNC Modification Panel date, will be the new agreement process.

6.0 Next Steps

EF said his aspirations for the next meeting were:

- Cadent to provide descriptive commentary for the Legal Text
- Development/completion of the Workgroup Report.

7.0 Any Other Business

None raised.

8.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Monday 27 March 2023	17.00hrs 18 March 2023	Microsoft Teams	<ul style="list-style-type: none"> Development/completion of the Workgroup Report.

Action Table (as of 09 February 2023)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Reporting Date	Status Update
No outstanding actions						

**UNC Workgroup 0834S Minutes
Inclusion of the “Process for the Update and Retention of Shared
Site Drawings” as a Subsidiary Document within the Offtake
Arrangements Document**

Thursday 09 February 2023

via Microsoft Teams

Attendees

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The Workgroup Report is currently due to be presented at the UNC Modification Panel by 20 April 2023.

1.0 Outline of Modification

Stephen Ruane (SR) provided a brief overview of the Modification and explained that Request 0646R - Review of the Offtake Arrangements Document, recommended establishment of a new OAD Subsidiary Document setting out a uniform change process for Shared Site drawings.

Solution

Referring to the presentation provided for the meeting, SR noted a new OAD Subsidiary Document “*Process for the Update and Retention of Shared Site Drawings*” will be added to the list of Subsidiary Documents set out in OAD Section N1.2.

The new Subsidiary Document has already been designed in collaboration with all Operators across a series of workshops and supporting amendments will be made to OAD sections B1.6.1.b (iii) and N1.2.1 (h).

SR highlighted, as a result of previous Workshops, the subsidiary document was shared across attendees and in principle all operators should already be working to the guidelines.

Queries from Previous Workgroup

SR provided an update to queries that were raised at the pre-Modification discussion held in January 2023.

“Where does this legal text state that the site owner is responsible for holding site drawings?”

NGG Responded: *"It is stated in OAD B1.6.1"*

"Does land and buildings include fencing? If so, this doesn't work for the sites where the DN is selling the fencing to NTS to enable NTS CNI works to take place."

NGG Responded *"Fencing is out of scope of this work"*

Darren Dunkley (DD) commented that if a change is made to a fence, it will make a change to the drawing, therefore, he believes it should be in scope.

SR noted that 'fences do feature in drawings' is an accurate statement; but maintenance and agreements to fencing is stretch too far and may require an additional new Modification.

DD commented that as long as there is a Supplemental Agreement in place that details who owns what there should be no issue, but this could be problematic when there are changes to fencing.

SR clarified he does not envisage this preventing Workgroup moving forward.

"Is a revision to a site drawing an amendment to the Supplemental agreement (which would be the natural assumption) or is there legal text that carves this out?"

NGG Responded: *Making changes to Supplemental Agreements on completion of drawings are captured in the Subsidiary document.*

DD noted that Operators will only move to the new template when there is a change and when OAD was written the option remains to stay with the original template as well. He added that the previous version of the template includes the site drawings whereas the new template requires textualisation of the drawings.

SR clarified that if an update it required to a site drawing, if using the new version of the template, an update would not be required, if using the old template the update should be included.

When LB raised her concern that the drawings are part of the agreement whether using the new or the old template, DD clarified in the new template they are only referenced, they do not need to be included in the physical drawing. DD clarified the Site Owner is responsible for keeping the site drawing up to date.

Cadent asked "Can an initiative be started to look at Hazardous Area Drawings which are currently out of scope"

NGG Responded: In subsequent correspondence with Cadent they observed that there is likely sufficient coverage in the proposed legal text.

DD agreed with the NGG response but added there needs some more dialogue in order to seek a common understanding and based on a review of the proposed Legal Text.

SR provided a detailed walkthrough of the Legal Text changes which were shown in mark-up. The key changes were to the following sections:

Offtake Arrangements Document Principal Document - Section B – Connection Facilities

1.6.1 (a) SR explained (with reference to Hazardous Area diagrams) refers to the management of drawings and not the management of buildings. In this first paragraph (1.6.1 (a)) the list of what constitutes part of this process does not include Hazardous Area diagrams.

1.6.1 (b) SR highlighted that here it mentions: *subject to paragraph (a), each Party shall be responsible for the whole or any part of the Offtake Site for which it is Site Owner, including...when asked it was accepted that this covers drawings.*

1.6.1 (b) (iii) puts the ownness on to the Site Owner, including Hazardous Area diagrams.

DD shared his concern that this would be for a Zone, however, shared Zones and Zones are solely for the Site User. If it is left to the Site Owner and it is incorrect, the drawing becomes inaccurate.

Nathan Hibbitt (NH) from the Drawings Team at National Gas Transmission was asked to comment, to which he clarified that if there are any discrepancies in a drawing this is fed back, and an update is requested. Any updates to a Hazardous Area drawing are assessed for any errors and feedback is given.

It was agreed that SR will liaise with NH for assistance with any required update to the clause. SR will make changes to the proposed legal text according to the discussions held.

In conclusion, SR noted:

- Shippers will not be impacted by the adoption of this process
- There are no additional impacts on code outside of those explicitly referenced in the Modification
- Looking to implement the process a.s.a.p.
- The cost of implementation should be zero

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Is there a consequential impact on Shippers?

This will be reviewed as part of the completion of the Workgroup Report at the March 2023 meeting.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0834.

3.0 Next Steps

EF confirmed that

- National Gas to update the Legal Text and the Modification
- Development/completion of the Workgroup Report

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Tuesday 10:00 29 March 2023	5pm 17 March 2023	Microsoft Teams	<ul style="list-style-type: none">• Review updated Legal Text• Review any amendment to the Modification• Develop/complete the Workgroup Report

Action Table (as of 09 February 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
No actions outstanding						