

UNC Request Workgroup 0646R Minutes Review of the Offtake Arrangements Document

Wednesday 26 September 2018

Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Chris Shanley (Chair)	(CS)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Arran Poad*	(AP)	Northern Gas Networks
Chris Warner	(CW)	Cadent
Darren Dunkley	(DD)	Cadent
David Mitchell	(DM)	SGN
Eddie Blackburn	(EB)	National Grid NTS
Leteria Beccano*	(LB)	Wales & West Utilities
Louise McGoldrick	(LM)	National Grid NTS
Shiv Singh	(SS)	Cadent
Steve Docherty*	(SD)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/260918>

1. Introduction and Status Review

1.1. Approval of Minutes (21 August 2018)

The minutes from the previous meeting were approved.

2. Site Drawings

This subject was addressed in the Outstanding Actions Section 8. Action: 0704.

3. Redundant Assets Update

Darren Dunkley (DD) overviewed the 'Proposal of Redundant Assets' document, which he had recently amended. He then explained in depth the process flow in relation to the site owner and site user redundant asset processes. Louise McGoldrick (LM) said that the 'arbitration' flow box should be changed to the existing 'dispute process'.

A lengthy general discussion took place regarding the redundant asset removal and the procedure that should be followed from the site owner and site user perspective. It was suggested the background section could be amended to highlight it was right to leave the assets in situ as long as all parties agreed. With regards to the economic test Eddie Blackburn (EB) highlighted that the main aspect was the transporters asset removal contribution. DD said that this aspect of the request for the removal of an asset, also needed to be encompassed into the process flow to define how this needed to be managed by the site owner. He said that the process flow itself required some amendment, especially regarding the economic test and other health and safety conditions that would mean that the asset would most likely need to be removed without consideration of other aspects of the process and that some sections needed simplifying. He added the economic test section would require time to update, however he would be able to update the document for the meeting in October.

David Mitchell (DM) questioned whether the 12 months period was sufficient and a general discussion took place as to whether this should be extended to 18 or 24 months. EB said that it was possible to write that the assets could be removed less than 12 months by agreement and request if the redundant asset has been on the site for over 12 months. It was highlighted that in some leases a notice period was stated and in these cases, this would be a factor. EB added that this lease driven request could be made at anytime and due to this fact, it was then subsequently agreed that a 12 months period was adequate. DD said he would amend the process flow accordingly and would encompass the funding and non funding in relation, to the economic test.

New Action 0901: Cadent (DD) to refresh the Redundant Assets document to reflect workgroup discussion; background, arbitration, health and safety, process flow diagram changes, funding and non funding from an economic test perspective and the 12 month period.

DD also asked that any further feedback on this matter, should be sent to him directly.

4. Minimum Requirements for the Supplemental Agreement Update

DD overviewed the amendments he had made to the Supplemental Agreement Document and drew attention to specific areas of interest. He asked if all parties were in agreement with the revised document and its associated changes. EB said that National Grid NTS were happy with these proposed changes and that they would validate it, but that it was more important for the DN's to confirm their overall acceptance. DD said he had already included an example template for a complex site like Partington and he said he was going to also include a 'light touch' more simplistic site to show the differences between the two, to aid the overall clarification and understanding. In the case of a simple site, limited information needed to be provided.

LM questioned if these changes were required, as she did not see that there were fundamental differences from the original framework template to the revised one. DD said that this revised version encompassed more areas, for example, the electrical circuit boards in relation to the ownership and other various areas that were not currently included. It was then confirmed that it was up to the DN's to accept and confirm this new framework template. EB proposed that this template should be used when there were changes required and he said that this would then require the recitals, to enable the change to be included within the Supplemental Agreement.

DD then gave a brief overview of section 5 of the template that covered the Telemetered data and change control requirements.

LM proposed that the agreement amending process needed to be defined and had to be robust, from the perspective of merging the template and the Supplemental Agreement together with the recitals. It was agreed that LM would circulate examples to aid with the general understanding of the options to cover future amendments to the agreements. DD confirmed that discussions were presently taking place with the Cadent lawyers and that a meeting was scheduled for October to review the intent and the reinstatement of the agreement.

The general consensus was that in principle, all were comfortable with the approach and the document, however it was agreed having sight of the examples for the reinstatements would be very helpful from an options perspective, to then allow full sign off of the template at the October meeting. DD, EB and LM agreed that from a version control aspect that the date should be the main tracking mechanism and that the version control should be removed from the front sheet.

New Action 0902: National Grid NTS (LM) to produce examples of reinstatement options for discussion at the next meeting in October.

5. Issue Spreadsheet 'Quick Wins' Review

This item was deferred until the October meeting to allow full review of the Issue spreadsheet.

6. CNI Update

DD said that a meeting was taking place on Thursday 27 September 2018 with all the network operators and he wanted to know if there were any specific items that should be discussed in relation to the 0646R Request Workgroup.

EB said the attendees at the workshop were the experts but the key principle was that the expectation is that the site owner (or nominated third party) should be supplying site security and if this was not the case the roles and responsibilities of the user and site owner need to be clarified and in particular how incidents are managed and the process is funded. The group agreed that the OAD could be updated to support any recommendations made by the workshop. DD said he would make sure this was discussed and he would feed back at the next meeting/include any relevant points in section 2.6 of the Supplemental Agreement Template.

7. Shared Sites Update

DD explained these were included in the Offtakes definitions document as discussed in Action 0807.

8. Outstanding Actions

Action 0704: All to find out supporting governance arrangements for policy documents – is there a collective policy of how you would change things.

DD to seek a view from IGEM on whether or not their provisions could/should be expanded to include technical drawing requirements.

Update: Darren Dunkley (DD) explained that following discussions he did not think including the drawings within IGEM was the best solution and that this process needed developing further, all agreed that these should not be included in IGEM.

A lengthy discussion then took place as to where the drawings should be located. EB proposed that this should be made a subsidiary document, which would make amendments easier to process and that this topic should be discussed in-depth at the forthcoming Site Drawing Workshop, which National Grid NTS were arranging in October/November. LM explained that she was still awaiting the names for the workshop, these were then confirmed as: Darren Dunkley-Cadent, Arron McKay – SGN, Stacey Griffiths – Wales & West Utilities, Ben Hanely – Northern Gas Network. DD then said this action could now be closed. **Closed**

Action 0801: *Reference Site Drawing Workshop* – National Grid (SR) to liaise with interested parties with a view to setting up a workshop; establish a high-level Terms of Reference and scope; and to initially identify the various drawing platforms in use today.

Update: DD and LM both agreed this action could now be closed as National Grid NTS were in the process of arranging this workshop in October or November. **Closed**

Action 0802: *Reference Site Drawing Workshop* – All DNOs to provide contact details to SR in order to facilitate action 0801.

Update: LM said that some contact details were still required, especially email addresses and so for the present time, this action would be carried forward. **Carried forward**

Action 0803: *Reference Redundant Assets* – All DNOs to check their respective lease agreements with their company lawyers and look to provide a view on whether in their opinion the lease agreements take precedent over OAD provisions (or visa versa).

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

Action 0804: *Reference Redundant Assets* – Cadent (DD) to provide a flow diagram to help highlight the rules and process steps involved (including enhanced economic test details), especially around a 12/24 month (or no specified number) provision.

Update: This actions was covered under section 3 of the agenda, where DD presented the flow diagram and a new action has been raised to cover further amendments. **Closed**

Action 0805: *Reference Redundant Assets* – National Grid (EB/SR) to look to identify a potential disputes process for consideration at the next Workgroup meeting.

Update: LM said this action could now be closed as this was already referenced within the Uniform Network Code General Terms and there was already a section on dispute resolution relating to the Code, the Framework Agreement, any Ancillary Agreement or any Supplemental Agreement. Also see discussion under section 3.

http://www.gasgovernance.co.uk/sites/default/files/ggf/GTA%20-%20Dispute%20Resolution_0.pdf

Closed

Action 0806: Reference Issues Spreadsheet – All parties to review the spreadsheet and provide suitable feedback for consideration at the next Workgroup meeting.

Update: DD said that this action should be carried forward as not all the operators had completed the spreadsheet, and he thanked National Grid NTS for completing it from their perspective and LM confirmed that National Grid NTS were in principle, happy with the document. Leteria Beccano (LB) confirmed that Wales & West Utilities had also completed the document and would be returning it in due course. DD said the overall document would be further reviewed at the October meeting once all the feedback had been received. **Carried forward**

Action 0807: Reference Shared Sites – National Grid (EB) to provide a high-level assessment of the potential OAD related impacts and to provide a tabulated view for consideration at the next meeting.

Update: EB said that National Grid NTS had conducted the required analysis and he presented the associated document; 'Offtake References' and he agreed that the Offtake references were still appropriate. He added that a decision was required as to the overall definition, stating that if this was broadened, it would increase the amount of work which would be required from a legal perspective. He said that if the definitions were made more specific this would lessen the complexity and a new definition could be created for certain sites, as required.

A lengthy general discussion then took place regarding the Offtakes definitions and the need to make these specific to sites and LM added that the document does not identify the indemnities for some sites, which also needed to be taken into consideration. DD said that these fell outside the realms of the Offtake Arrangements Document (OAD).

EB proposed a detailed analysis of the classification of the Offtakes their definition/classification to make the OAD apply to shared sites, closed sites, bi-directional and non-operational (not an offtake). Chris Shanley (CS) asked whether the LDZ to LDZ closed offtake classification aided the NTS to LDZ closed sites and EB said that yes, that could be appropriate and that there could be potentially other options. He and DD agreed that these options needed further investigation. **Closed.**

New Action 0903: Cadent (DD) and National Grid NTS (EB) to investigate the definitions required for the different types of Offtakes and make a recommendation for discussion at the next meeting.

9. Next Steps

DD discussed if an extension was required at this stage and all agreed that this should be further discussed at the 24 October 2018 meeting. CS highlighted that work could start on the Workgroup Report and draft modifications/supporting documents could be included if appropriate.

DD agreed he would start work on a draft modification, as if an extension was needed then detailed and completed documents maybe useful for Panel, to enable a qualifying and quantifying assessment of the work undertaken.

10. Any Other Business

Review of Maintenance Requirements

DD explained that the joint operators maintenance meeting had now taken place and progress had been made with regards to evaluating the maintenance activities that needed to be shared together with the associated interdependencies on the maintenance plan. He said that Cadent were presently producing the minutes and actions from this meeting and that he would circulate these in due course. He added that it was agreed that the OAD principles were satisfactory, however that the lower level mechanics in Section G might need to be amended with some minor adjustments. He said that Cadent were producing a proposal for feedback from the 0646R Request Workgroup in the near future.

11. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Wednesday 24 October 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	<ul style="list-style-type: none"> • Review of Site Drawings • Review of Redundant Assets • Supplemental Agreement Update • Issues Spreadsheet 'Quick Wins' Review • Review of proposed OAD review changes • Drafting of Request Workgroup Report • Development of Draft Modification • Review of Outstanding Actions

Action Table (as at 26 September 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0704	13/07/18	5.0	To find out supporting governance arrangements for policy documents – is there a collective policy of how you would change things. DD to seek a view from IGEM on whether or not their provisions could/should be expanded to include technical drawing requirements.	All & Cadent (DD)	Closed
0801	21/08/18	2.	<i>Reference Site Drawing Workshop</i> – National Grid (SR) to liaise with interested parties with a view to setting up a workshop; establish a high-level Terms of Reference and scope; and to initially identify the various drawing platforms in use today.	National Grid (SR)	Closed
0802	21/08/18	2.	<i>Reference Site Drawing Workshop</i> – All DNOs to provide contact details to SR in order to facilitate action 0801.	All DNOs	Carried forward
0803	21/08/18	3.	<i>Reference Redundant Assets</i> – All DNOs to check their respective lease agreements with their company lawyers and look to provide a view on	All DNOs	Carried forward

			whether in their opinion the lease agreements take precedent over OAD provisions (or visa versa).		
0804	21/08/18	3.	<i>Reference Redundant Assets</i> – Cadent (DD) to provide a flow diagram to help highlight the rules and process steps involved (including enhanced economic test details), especially around a 12/24 month (or no specified number) provision.	Cadent (DD)	Closed
0805	21/08/18	3.	<i>Reference Redundant Assets</i> – National Grid (EB/SR) to look to identify a potential disputes process for consideration at the next Workgroup meeting.	National Grid (EB/SR)	Closed
0806	21/08/18	5.	<i>Reference Issues Spreadsheet</i> – All parties to review the spreadsheet and provide suitable feedback for consideration at the next Workgroup meeting.	All parties	Carried forward
0807	21/08/18	7.	<i>Reference Shared Sites</i> – National Grid (EB) to provide a high-level assessment of the potential OAD related impacts and to provide a tabulated view for consideration at the next meeting.	National Grid (EB)	Closed
0901	26/0918	3.0	Cadent (DD) to refresh the Redundant Assets document to reflect workgroup discussion; background, arbitration, health and safety, process flow diagram changes, funding and non funding from an economic test perspective and the 12 month period.	Cadent (DD)	Pending
0902	26/0918	4.0	National Grid NTS (LM) to produce examples of reinstatement options for discussion at the next meeting in October.	National Grid NTS (LM)	Pending
0903	26/0918	8.0	Cadent (DD) and National Grid NTS (EB) to investigate the definitions required for the different types of Offtakes and make a recommendation for discussion at the next meeting.	Cadent (DD) and National Grid NTS (EB)	Pending