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7<sup>th</sup> May 2020  
Your Reference: UNC Modification Proposal 0683S

UNC Modification Proposal 0683S - Offtake Arrangements Document (OAD) Review Updates – Phase 1

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent would like to support.

### **Do you support or oppose implementation?**

Support

### **Relevant Objective:**

- a) Positive
- b) Positive
- f) Positive

### **Reason for support/opposition:**

This modification has been raised following development work carried out within 0646R Review of the Offtake Arrangements Document (OAD) workgroup; 0683S is phase 1 of the output of the review workgroup and additional phases are expected to follow.

The OAD was first drafted and implemented in 2005 with little amendment having occurred since then. It is widely acknowledged that OAD was drafted in order to meet industry requirements following 'network sales'. Over time it has become clear that many of the sections are considered unclear, ambiguous and open to interpretation by different parties and this is proving inefficient in terms of both time and resources.

This modification provides clarity and removes ambiguity within parts of OAD by:

- Allowing for multiple Site Users (Tripartite) at an offtake site;
- Updating the Supplemental Agreement Recitals/Appendices and renaming to the OAD Template Agreements Document;
- Adding a new area not currently covered by OAD – Site Security arrangements for Critical National Infrastructure (CNI) sites; and
- Adding criteria to the material impact on an Affected Party

and as such furthers Relevant Objective f).

In furtherance of Relevant Objectives a) and b) the modification also address shortcomings in:

- The Supplemental Agreement Template, which has been updated to only include those areas considered relevant by all Gas Transporters;
- In addition, OAD has been updated to allow for different types of Offtake that currently exist, but are not covered (Shared Sites). This enables more effective communication between parties, and a more efficient use of assets contained with their Systems.

## Implementation

Implementation of the modification could occur sixteen business days after Modification Panel decision subject to no Appeal being raised. That said, and due to specific issues regarding Supplemental Agreements which require a transitional approach, a suitable implementation date will be agreed between Transporters following Panel approval.

## Impacts and Costs

There are no impacts on Shipper Users and no central system changes required so no associated CDSP costs.

Any impact on Transporter Users should be considered as business as usual, so no additional costs are anticipated.

## Legal Text

As proposer, we are satisfied that the Legal Text meets the intent of the modification.

## Are there any errors or omissions in this Modification Report that you think should be taken into account?

Nothing further to add.

## Please provide below any additional analysis or information to support your representation

Nothing further to add

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 07580 999287 ([shiv.singh@cadentgas.com](mailto:shiv.singh@cadentgas.com)) should you require any further information.

Yours sincerely,

Shiv Singh