

OAD Offtake Subsidiary Document

Supplemental Agreement

Update Process

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Document Control

Version	Date	Reason for Change
0.1	12 January 2021	Draft Created.
0.2	16 February 2021	<p>Update to document following review at Feb 2021 0646r OAD Workgroup.</p> <ul style="list-style-type: none"> • Caveat included in Section 2 for the SA migration process • Overhaul of Section 2.10 and minor amendments to Sections 2.1; 2.3; 2.8; 2.8.3; 2.11 and 2.12. • Section 2.14 added to enable ad-hoc changes to be covered by the same update process • SwimSwim lane header amend to reflect “Reviewing Party/Parties” to cater for tri-party sites. • Inclusion of D+10 timescales within execution process
<u>0.3</u>	<u>14 April 2021</u>	<p><u>Update to document following review at March 2021 0646r OAD Workgroup.</u></p> <ul style="list-style-type: none"> • <u>A new bullet added to Section 2 (now 2.5) to include additional text to align to current wording in OAD concerning the prompt updating of SA’s</u> • <u>Duplication removed as with regards to when updates to SA’s should occur.</u> • <u>Bullets in Section 2.0 reorder for a more logical flow.</u> • <u>Insert correct process flow for “execution” phase.</u> • <u>Provide relevant text for Process Steps in Section 4.0</u>
1.0	01 Xxxxxx 2021	Implementation version
2.0		
3.0		

Document Governance

UNC Offtake Arrangements Document (OAD) Section N sets the rules for the governance of OAD Subsidiary Documents. However, it should be noted that OAD can reference UNC Related Documents and the rules for governance are set out in UNC Transportation Principals Document (TPD) Section V.

OAD Subsidiary Documents are usually approved through the Offtake Committee;
UNC Related Documents are usually approved through the Uniform Network Code Committee.

UNIFORM NETWORK CODE - OFFTAKE ARRANGEMENTS DOCUMENT SECTION N - GENERAL

1.2 Subsidiary Documents

1. UNC OAD Section N - General 1.2 Offtake Subsidiary Documents (OSD) set the rules for the establishment of OSDs and how they are then managed by the Offtake Committee.
2. The list of OSDs contained in OAD Section N 1.2.1 can be amended either by Modification or as agreed by the Parties.

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT SECTION V – GENERAL

12. General Provisions Relating to UNC Related Documents

12.1 Purpose

The purpose of this Section is to establish generic governance arrangements in respect of the following UNC Related Documents (each a “**Document**” and collectively the “**Documents**”):

- a) Network Code Operations Reporting Manual as referenced in Section V9.4;
- b) Network Code Validation Rules referenced in Section M1.5.3;
- c) ECQ Methodology as referenced in Section Q6.1.1(c);
- d) **Measurement Error Notification Guidelines for NTS to LDZ and LDZ to LDZ Measurement Installations as referenced in OAD Section D 3.1.5.**
- e) the Allocation of Unidentified Gas Document referenced in Section E9.1.1;
and
- f) the Customer Settlement Error Claims Process Guidance Document referenced in Section E1.3.10.

12.2 Publication Requirements

Each Document shall be kept up to date and published by the Transporters on the Joint Office of Gas Transporters' website.

12.3 Modifications

Should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote.

12.4 Approved Modifications

12.4.1 In the event that a proposed modification is approved by a majority vote of the Uniform Network Code Committee, the modification shall be implemented. Where the Uniform Network Code Committee fails to achieve majority approval, the proposed modification shall be considered in accordance with the provisions set out in Section 7 of the Uniform Network Code Modification Rules unless the Uniform Network Code Committee determines otherwise.

12.4.2 Each revised version of a Document shall be version controlled and retained by the Transporters. It shall be made available on the Joint Office of Gas Transporters' website.

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Contents Page

Note: Contents to be added once document structure below this point has been agreed.

1. Scope

- 1.1. The scope of this process is to provide clear, concise guidance on the necessary steps needed to review, approve and subsequently execute a Supplemental Agreement, between the respective parties, for when changes at any OAD site need to be documented accordingly.
- 1.2. This process will dovetail with all existing requirements currently within the OAD framework that provide direction for when a Supplemental Agreement requires updating.
- 1.3. The intent of this document is to remove ambiguity and provide a consistent process for all gas network operators to follow, for whoever they need to engage with concerning Supplemental Agreements.

2. Principles

Note: the principles that are contained within this section refer to the enduring process that is required between operators to review and approve amended Supplemental Agreements. These principles will not apply to the migration exercise that is required to implement the changes to the Supplemental Agreements as approved under UNC MOD 0683. The principles will in effect once a site's Supplemental Agreement has migrated to the new template.

- 2.1. The process within this document applies to all site types defined under OAD that are required to have a Supplemental Agreement in place.
- 2.2. The process will contain two defined stages:
 - 2.2.1. A drafting ~~stage;~~ and stage: and
 - 2.2.2. An execution stage
- 2.3. Any party can initiate the update process and draft proposed changes. However, the party that has raised a respective OAD notice and deems that an amendment to the Supplemental Agreement is required, will be the party to initiate the process (subsequently referred to in this document as the 'amending party')
- 2.4. The amending party must have updated the respective current version of the Supplemental Agreement and track changes **must** have been applied so that

the other party/parties can quickly identify the changes made for prompt and an efficient review to take place.

~~2.4.2.5.~~ As per OAD Section N3.2.2, the Parties to a Supplemental Agreement are required to amend the Supplemental Agreement to reflect and record any necessary changes, and to undertake this promptly.

~~2.5.~~ ~~An amended draft will be prepared by the amending party and issued in a reasonable time period[DD1] after the intended new or amended assets have been accepted as operational.~~

~~2.6.~~ ~~The receiving party/parties may require further additional information from the amending party during the drafting stage in order to support acceptance of the proposed draft.~~

~~2.7.~~ ~~All disputes pertaining to any proposed changed are to be raised and resolved during the drafting stage.~~

~~2.8.2.6.~~ The amending party is to draft a revised Supplemental Agreement and issue it to the reviewing party/parties ~~within a reasonable timescale~~ promptly following the operational commissioning of all the impacted assets involved. In certain specific circumstances, the draft Supplemental Agreement **must** be prepared and agreed prior to the implemented changes coming into effect. These cover any amendments to the following[DD2]:

~~2.8.1.2.6.1.~~ Any amendments to the data that resides in the Appendix D - Flow Rates section[DD3];

~~2.8.2.2.6.2.~~ The amendment of the site status within Appendix D - Gas Quality Measurement section i.e. CV Directed Offtake or Non-Directed Offtake;

~~2.8.3.2.6.3.~~ Any amendments to the telemetered data points that reside in Appendix E of the Supplemental Agreement (refer to OAD Annex E1 for obligation requirements);

~~2.8.4.2.6.4.~~ Exception: For Metering upgrades[DD4] or changes in metering technology as documented within Appendix D - Measurement Equipment, the respective information must be prepared ahead of the assets going live however the formal changes cannot be executed until afterwards once all the respective data has been provided by the amending party and subsequently reviewed and confirmed by the reviewing party.

2.7. The receiving party/parties may require further additional information from the amending party during the drafting stage in order to support acceptance of the proposed draft.

2.8. All disputes pertaining to any proposed changed are to be raised and resolved during the drafting stage.

2.9. The execution stage will only commence once all parties have agreed to the draft revisions.

2.10. For tri-partite sites, the amending party shall issue the revised Supplemental Agreement to both the other operator and the Site Services party as part of the draft phase. The Site Services party will review the proposed amendments and will consider the impact upon the Site Services schedule as detailed in Appendix C within the Supplemental Agreement template(s).

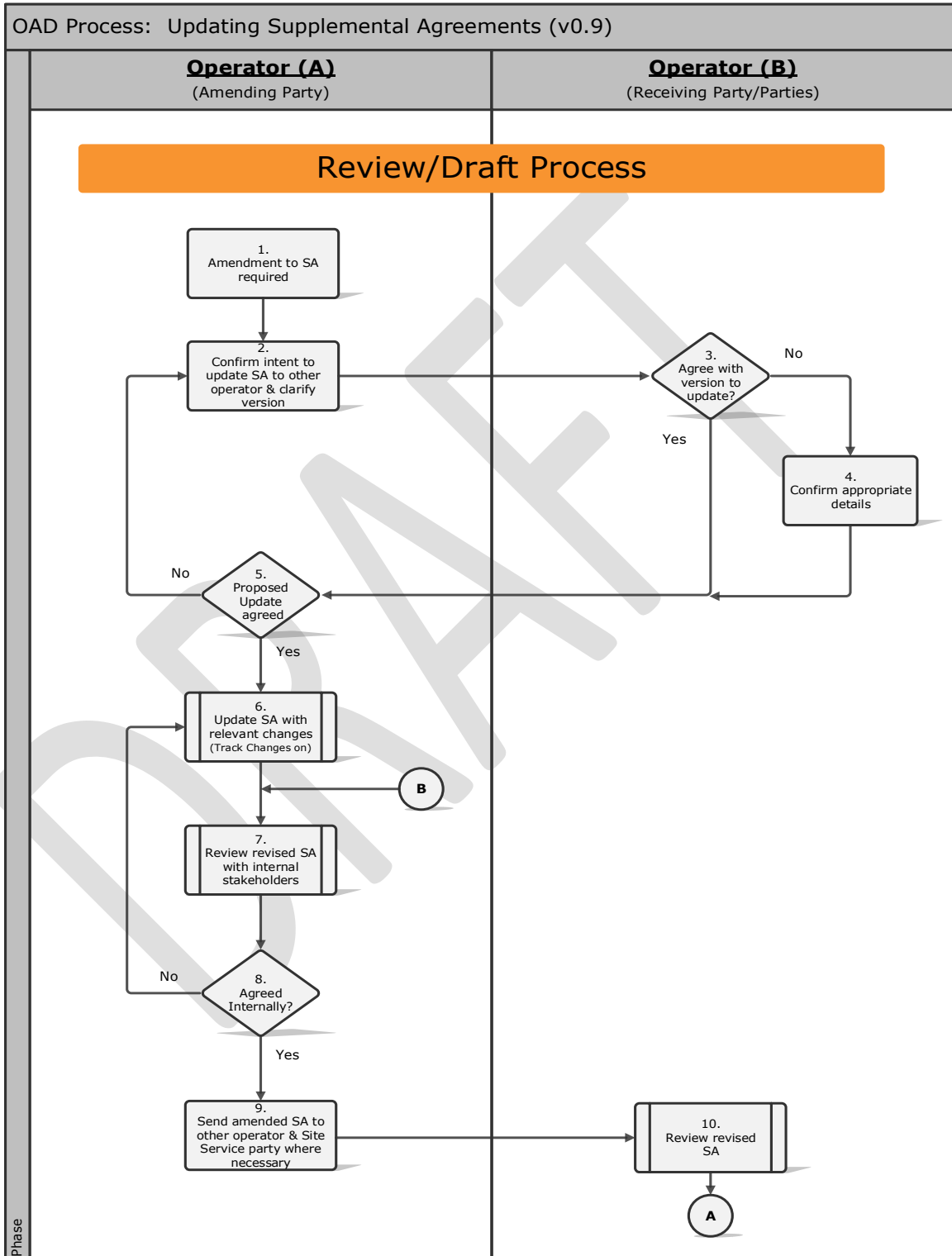
Where necessary, the Site Services party will amend the details in Appendix C, via tracked changes, and will return the revised Supplemental Agreement to all parties involved.^[DD5]

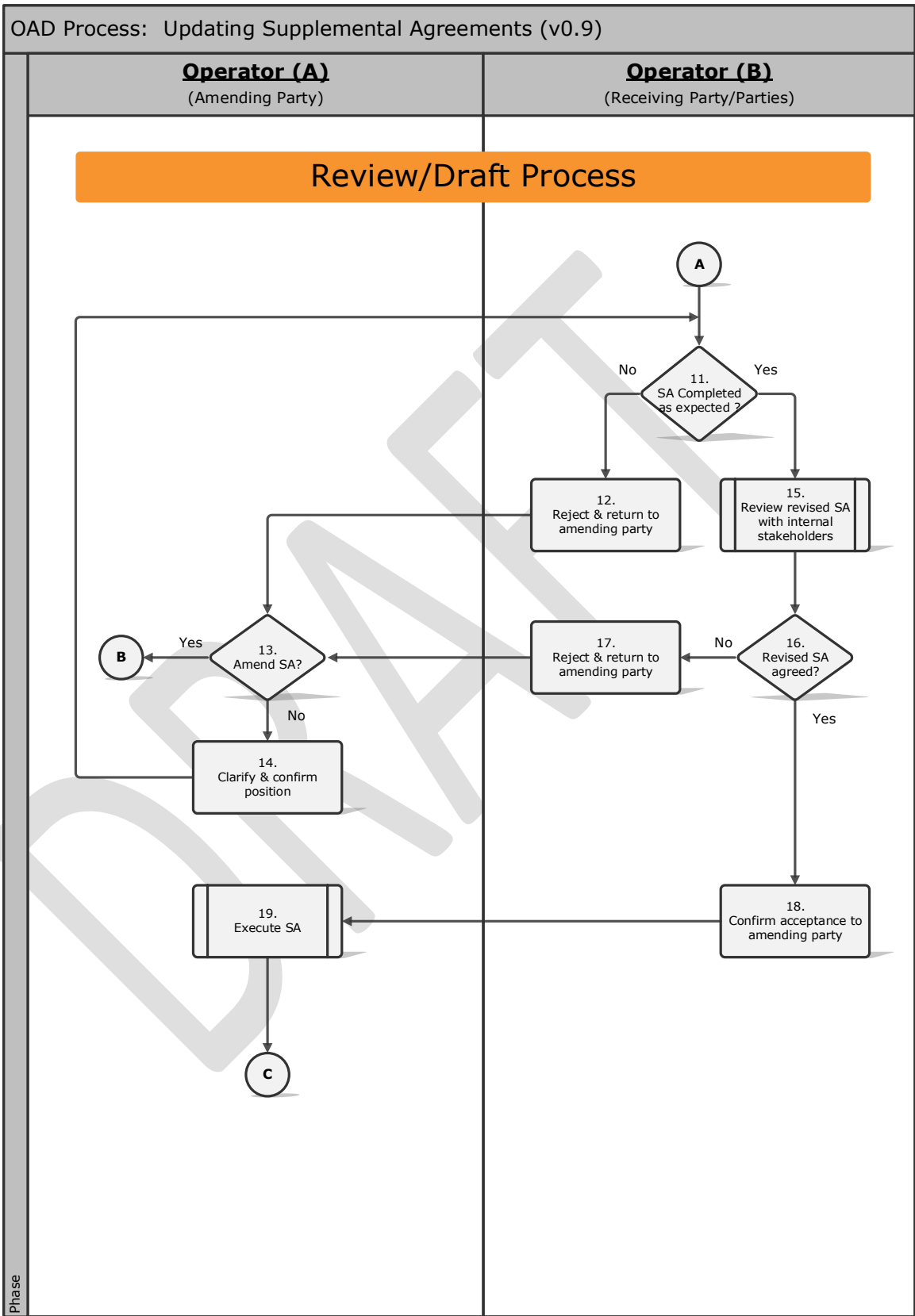
- 2.11. The execution process:
 - 2.11.1. For NTS/LDZ sites, and Shared Sites where the NTS are a site owner party, National Grid will initiate the execution of any updated Supplemental Agreement.
 - 2.11.2. For LDZ/LDZ sites the amending party will initiate the execution of any updated Supplemental Agreement.
- 2.12. The execution stage will have defined D+10 timescales for all parties to enable a prompt and efficient processing for the signing of any amended Supplemental Agreement. These are documented in OAD Section N3.
- 2.13. Upon completion of a duly signed Supplemental Agreement by the respective parties, each party will be responsible for the retention and storage of their copy.
- 2.14. Ad-hoc amendments such as to append incorrect information within the Supplemental Agreements can also be facilitated by using the same process as documented in Section 3.

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3. Process Flow

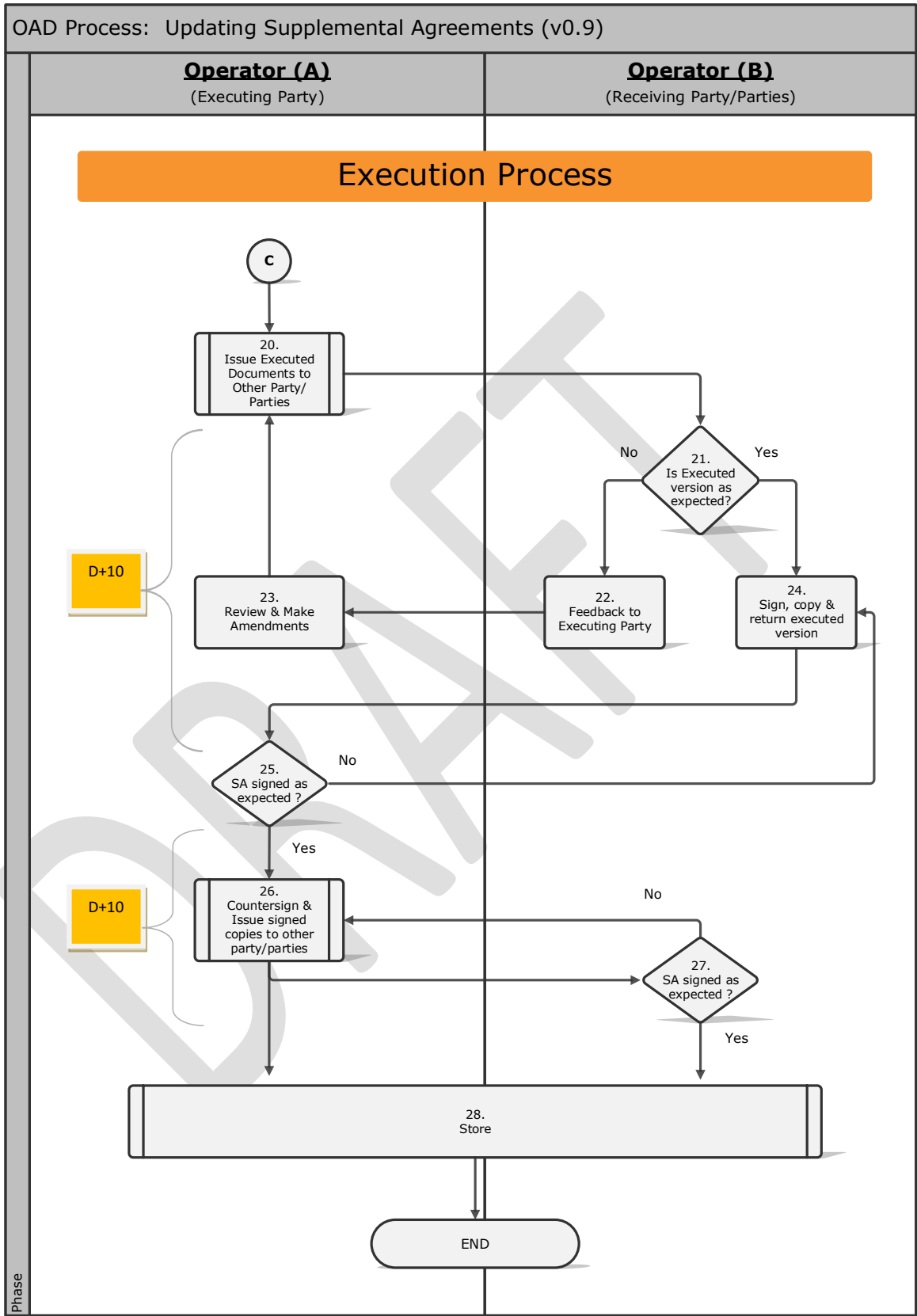
3.1 Draft Stage

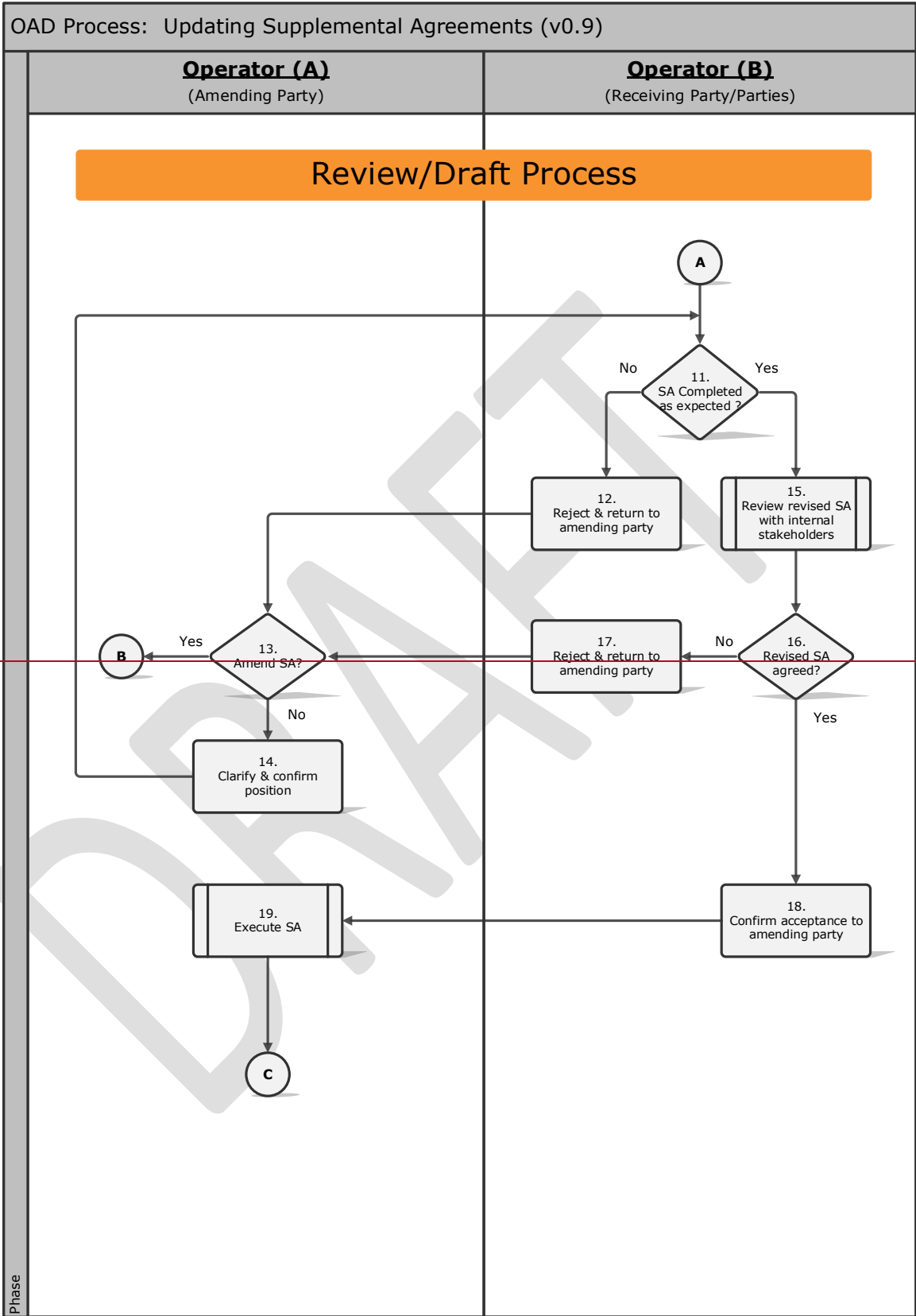




3.2 Execution Stage

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4. Process Steps

Step	Requirement	Owner
01	<p>This process enables any operator to request from another operator at a shared site, to remove an asset or assets. <u>caters for the required update to a Supplemental Agreement (SA) to support:</u></p> <ul style="list-style-type: none"> • <u>the recording of any necessary amendments that have taken place on site as notified via the OAD process; and</u> • <u>where necessary the revising of the recorded information where it has been identified as being incorrect.</u> <p>The request is to be in writing outlining the specific assets that need to be removed, detailing the proposed work and the reason(s) why.</p> <p><u>Where an OAD notice has been raised, an assessment should be made upon raising the original notice as to whether the proposed site changes will require the SA to be subsequently updated.</u></p> <p><u>It should be noted that not all site changes require the SA to be updated, and that the initial assessment can change as the detailed delivery requirements may not have been readily available when the original OAD notice was drafted.</u></p> <p><u>If the notified site changes do not require an update to the SA then the amending party should confirm as such to the other party(ies) accordingly that the OAD notice is closed. An OAD notice should only be closed when both the SA and drawing requirements have been followed through on.</u></p>	Amending Party _____ / Receiving Party
02	<p>Operator B receives request from Operator A and will review accordingly. Once it has been identified that an amendment to the SA is required the amending party will confirm to the receiving party(ies) the intention to update the respective document(s) along with the respective current version reference(s).</p> <p>Operator B will review the initial request and will provide a response within 60 days unless otherwise agreed with Operator A.</p> <p>Operator B will also check whether there is a lease agreement in place for the respective site, and whether the request to remove assets is covered by that agreement. If removal is not covered then the requirements within this process are to be followed.</p>	Amending Party
03	<p>Decision Box. <u>The receiving party(ies) will review the intended update details from the amending party and check that these are correct.</u> Operator B will check to confirm whether the assets that have been requested for removal are</p>	Receiving Party / Parties

	operational or redundant.	
04	If the assets in question are not redundant, this must be confirmed back to Operator A in writing as such along with the supporting rationale of how they are used or will be used in the immediate future. <u>the proposed update details provided are incorrect, the receiving party(ies) are to advise the amending party accordingly.</u>	Receiving Party / Parties
05	<u>Decision Box. If the update details have not be supported by the respective parties, dialogue is to continue until agreement has been reached.</u> <u>Once it has been agreed the amending party will proceed with drafting the necessary amendments. Operator A will review Operator B's response to the original request.</u> Operator A will review the initial request and will provide a response within 60 days unless otherwise agreed with Operator B.	Amending Party
06	Decision Box. Following the review of Operator B's response, Operator A will decide whether they agree with the response provided. <u>The amending party will draft the required changes to the version as agreed.</u> <u>Track changes must be applied to the document before commencing the update(s) so that all changes to the document(s) are visible and transparent, and the version history must also be updated along with any other necessary amendments.</u>	Amending Party
07	<u>It must be noted that changes in one appendix can have a subsequent impact to data as held in other appendices within the Supplemental Agreement.</u> Decision Box. If Operator A does not agree with Operator B's initial response or requires to explore the matter further, the parties are to engage with the appropriate dialogue until either a mutual agreement is reached or evidence of the <u>Once a proposed draft has been created it is expected that this will require internal review to the proposed changes before it is released formally to the other respective parties for review and feedback.</u>	Amending Party
08	<u>Decision Box. The amending party will need to be satisfied that the proposed changes have been appropriately reviewed, and that all impacts have been duly considered internally before the document is circulated.</u> Operator B will produce the Cost Contribution Analysis either as it has accepted that the asset is redundant or following the outcome via the dispute process. [This step is now needs to be revamped. Consideration should be given as to the decision on which party will remove the asset and the confirmation of any cost sharing to be agreed prior to the work commencing. The funding split will be 50/50 for the respective assets that needs to be removed].	Amending Party

09	<p>Decision Box. If all attempts have been made to resolve the matter and Operator A does not agree with Operator B's view concerning the assets in question, then the formal disputes process may be used. <u>Formal issue of the revised drafted SA to the receiving party(ies).</u></p> <p><u>For Tri-party sites, this will include the issue to the Site Services Party (where this party is neither the upstream nor downstream party to the respective SA). The Site Services Party will review Appendix C and any assets they own that deliver the respective site services.</u></p>	Amending Party
10	<p>The receiving party(ies) will review the revised draft document(s) as provided. Operator A will initial the dispute process as per the requirements set in UNC General Terms Section A.</p> <p>If this process is used the parties agree to be bound by the outcome.</p>	Receiving Party / Parties
11	<p>Decision Box. The receiving party(ies) will check that the revised document(s) have been updating in line with agreed expectations i.e. tracked changes are present, the version history updated, and relevant changes have been made in Appendices A-G.</p> <p>If these minimum requirements have not been met Goto Step 12, otherwise proceed to Step 15. Operator A will consider whether it will continue with the identified work. If so, this will require the raising of an OAD Notice.</p>	Receiving Party / Parties
12	<p>Decision Box. If the minimum standards have not been met the document(s) can be returned to the amending party to address along with the appropriate rationale where necessary. all attempts have been made to resolve to seek an amicable position concerning the Cost Contribution, either Operator can seek to initiate the formal disputes process.</p> <p>Again, if this process is used the parties agree to be bound by the outcome.</p>	Receiving Party / Parties
13	<p>Decision Box. The revised draft SA has not been accepted or a query has been received from the receiving party(ies). These are to be reviewed and if the SA needs to be amended further return to Step 07 otherwise proceed to Step 14. Does the Cost Contribution Analysis need to be revisited to find an alternative position or affirm the robustness of the original result.</p>	Amending Party
14	<p>Decision Box. If the SA does not need to be updated confirm to the other parties accordingly and return to Step 11. Operator B will provide the outcome from the Cost Contribution analysis to Operator A. If the outcome is fair and equitable Operator A should accept the outcome. However, if Operator A does not agree all attempts shall be made to find the common ground and a settlement acceptable to both parties.</p>	Amending Party

15	<p><u>If the minimum standards have been met it is expected that the revised draft document(s) will require internal review by the appropriate asset or data owners, and that the interdependencies between appendices also may require review as well.</u>As the proposed work will cause an impact to both Operators, Operator A will raise the OAD notice to confirm the specific details.</p>	Receiving Party / Parties
16	<p><u>Decision Box. If revised draft SA is incorrect, incomplete or unacceptable or the content needs to be queried then proceed to Step 17 otherwise proceed onto Step 18.</u>Operator A will initial the dispute process as per the requirements set in UNC – General Terms Section A.</p> <p>If this process is used the parties agree to be bound by the outcome.</p>	Receiving Party / Parties
17	<p><u>If the receiving party or parties cannot accept the revised SA draft that has been issued, the reasons as for why are to be articulated in writing and returned to the amending party.</u>Once the outcome from the Removal of Asset process is known Operator A and B will agree the proposed delivery of work, in terms of timescales and any other cost recovery to support Operator A's work. This will include the issue of the OAD notice.</p>	Receiving Party / Parties
18	<p><u>If the receiving party or parties accept the revised SA draft that has been issued, they must confirm their acceptance in writing back to the amending party.</u></p>	Receiving Party / Parties
19	<p><u>When written acceptance has been received from all receiving parties the SA can then be formally executed.</u></p> <p><u>As per Section 2.11:</u></p> <ul style="list-style-type: none"> <u>• For NTS/LDZ sites, and Shared Sites where the NTS are a site owner party, National Grid will initiate the execution of any updated Supplemental Agreement.</u> <u>• For LDZ/LDZ sites the amending party will initiate the execution of any updated Supplemental Agreement.</u> 	Amending Party
20	<p><u>The amending party will pass to the executing party the document for executing along with confirmation of acceptance received from the respective receiving party(ies).</u></p> <p><u>The proposed version for executing will be issued to all parties by the executing party. It is expected that either the executed versions will be signed and returned, or a query or objection raised within D+10.</u></p>	Amending Party / Executing Party
21	<p><u>Decision Box. The receiving party(ies) will check that the proposed version for executing reflects the amendments as agreed via the drafting process.</u></p> <p><u>If the proposed version for executing do not meet the</u></p>	Receiving Party / Parties

	anticipated expectations Goto Step 22, otherwise proceed to Step 24.	
22	If the proposed version for executing is not acceptable the document can be returned to the <i>executing party</i> along with specific issues that need to be addressed.	Receiving Party / Parties
23	If a query, issue or objection has been raised concerning the proposed version for executing from any of the <i>receiving parties</i> this is to be reviewed and the SA amended where necessary. Return to Step 20.	Executing Party
24	If the proposed version for executing is acceptable and is in line with the amendments agreed via the drafting process, two copies of the document are to be signed and both returned to the <i>executing party</i>. It is expected that the countersigning of these document will takes place in D+10 of the executing party receiving them back.	Receiving Party / Parties
25	Decision Box. The <i>executing party</i> will check that two documents have been returned and signed in the relevant sections as expected. If this has not been achieved the documents are to be returned to the respective parties. Return to Step 24.	Executing Party
26	Once the proposed version for executing has been signed accordingly by the respective parties, the <i>executing party</i> will then counter sign both documents. One copy will be retained by the <i>executing party</i> and all respective <i>receiving parties</i> will receive a copy.	Executing Party
27	Decision Box. The <i>receiving party(ies)</i> will check that the executed documents have been signed correctly. If not, they are to be returned to the <i>executing party</i> to sign correctly and re-issue. Return to Step 26 otherwise proceed to Step 28.	Receiving Party / Parties
28	All parties to retain their signed copy appropriately in line with their organisational requirements.	All parties
END		

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