

UNC Workgroup 0646R
Review of the Offtake Arrangements Document
Wednesday 01 December 2021
via Microsoft Teams

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Ben Hanley	(BH)	Northern Gas Networks
Darren Dunkley	(DD)	Cadent
David Mitchell	(DM)	SGN
Leteria Beccano	(LB)	Wales & West Utilities
Louise McGoldrick	(LM)	National Grid
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid

Copies of non-confidential papers are available at: <https://www.gasgovernance.co.uk/0646/011221>

1. Introduction and Status Review

Bob Fletcher (BF) welcomed all parties to the meeting advising that this would be the last meeting of Workgroup 0646R.

1.1 Approval of Minutes (24 November 2021)

Consideration of the minutes from the previous meeting was deferred in-light of their late publication immediately ahead of the meeting – parties are asked to review them (along with today’s meeting minutes) and should they have any concerns to please provide these to the Joint Office after the meeting.

1.2 Review of Outstanding Actions

None to consider.

1.3 Pre-Modification Discussions

1.3.1. Amendments to Cost Recovery and Invoicing under OAD

BF advised that a draft version of the Cadent ‘*Amendments to Cost Recovery and Invoicing under OAD*’ Modification had been through the initial Joint Office ‘Critical Friend’ review stage and returned to the Proposer for consideration, and is now expected to be formally raised by close of play on Friday 03 December 2021 for inclusion on the 16 December 2021 Panel meeting agenda.

2. Approval of the Process for Updating Supplemental Agreements

During an onscreen review of the draft ‘*OAD Offtake Subsidiary Document – Supplemental Agreement Update Process*’ document, DD confirmed that the document did not take into consideration some of the latest National Grid feedback as it is based on the discussion points from the 24 November 2021 Workgroup 0646R meeting.

Thereafter, parties in attendance undertook a review of the National Grid feedback, summarised as follows:

Paragraph 2.6

- The term '*where possible*' to be retained to reflect that it is not always possible to reach agree all elements prior to the changes being implemented.

Paragraph 2.6.4

- National Grid's favoured bulleted list approach to be adopted.

Process Steps Table – Step 01

- Reference potential removal of '*as notified via the OAD process, and*' in bullet point 1 – following a brief discussion where it was noted that the 2nd bullet point 'covered off' National Grid's concerns, it was agreed to leave 'as-is'.

Following on, parties then undertook a brief onscreen review of the clean draft version of the document (v0.5, dated xx/11/2021) during which Darren Dunkley (DD) agreed to make some further subtle changes in-line with the discussions and National Grid's feedback.

When asked, DD noted that a final version will be appended to a new modification for submission possibly for the January 2022 Panel.

BF explained that, subject to the timings involved, this additional Modification could always run alongside the Cadent Cost Recovery Modification (i.e. both Workgroups could meet on the same day) which is currently being raised for consideration at the 16 December 2021 Panel meeting.

3. Approval of the Drawings Process Flow

In providing a brief verbal update, Stephen Ruane (SR) explained that he had been in further discussions with the National Grid lawyers on this matter who whilst still of the opinion that a UNC Modification is not required, have also come around to recognising the value of following the UNC Modification route in order to progress things in a transparent manner.

SR went on to explain that the Subsidiary Document has now been agreed by the various Operators and a (supporting) UNC Modification is going to be developed in due course. BF pointed out that as far as the Modification is concerned, any pre-Modification discussions would usually take place within a main Workgroup arena (i.e. Distribution and / or Transmission Workgroup), but in this instance it could perhaps also be considered within the new Cadent Cost Recovery Modification Workgroup once established – recognising that it would perhaps be beneficial for Cadent and National Grid to liaise on this matter, BF offered to speak to SR offline after the meeting concerning the content and timing of a new modification.

4. Approval of the Terms of Reference

During a brief onscreen review of the draft '*Offtake Technical Committee – Terms of Reference*' document (ToR), BF enquired whether parties would support these ToR being submitted to the Offtake Committee for approval. Leteria Beccano (LB) advised that her Wales & West Utilities colleague Richard Pomroy (RP) is of the opinion that the proposed OTC is not required and that these matters would be better served via the Offtake Committee.

In noting that, RP is an active OC Member and therefore should he reject the OTC Terms or Reference, then the proposals to establish the OTC would not move forward. BF went on to point out that the OTC would not just undertake a recommendation for approval role, but would also undertake a development role (i.e. investigating and evaluating changes etc.), similar to how the DESC / DESC Technical Workgroup model works.

When asked, parties in attendance recognised the benefits of having a technical expert biased Committee such as the proposed OTC.

In recognition of the differing views on what is potentially the best solution, BF suggested that it might be beneficial to consider providing a supporting presentation when approaching the OC for approval and that having an actual meeting rather than simply seeking OC approval via email might also prove advantageous.

Moving on, BF advised that he would look to make reference to the matter within the Request Workgroup 0646R Report which could also be provided to the OC at some point which is something that could always be 'covered off' as an AOB item at one of the new (Cadent) Modification Workgroup meetings in due course.

BF then went on to remind parties that the Offtake Arrangements Workgroup comprises both Shipper and Transporter representatives and the proposals for establishing the OTC as a sub-committee to the OC is a Transporter only activity that would enable the focus to be on Transporter issues (i.e. management of subsidiary documents etc.).

It was also noted that at some point in the future consideration of IGT involvement maybe needed.

Concluding discussions, BF reminded parties that the TSO / DSO documents are still with the OC awaiting approval. Responding LB advised that her colleague RP is considering the matter, whilst Ben Hanley (BH) confirmed he would look to provide approval or rejection confirmation after this meeting.

5. Completion of Request Workgroup Report

During an onscreen review of the draft Request Workgroup 0646R Report (v0.6, dated 24 November 2021), BF outlined some key process points to those in attendance, namely:

- It is expected that several UNC Modifications over and above the Cadent '*Amendments to Cost Recovery and Invoicing under OAD*' Modification would be raised over the coming months, and
- The Request Workgroup 0646R Report would be submitted to the 16 December 2021 Panel with a recommendation that the Workgroup is now closed and any further requirements would be developed via the raising of the (related) UNC Modifications in due course.

Changes were made to the draft Request Workgroup Report in-line with the comments and feedback of those parties in attendance.

Concluding the discussions, BF advised that following the meeting he would collate the changes before issuing (via email) the draft Request Workgroup Report to parties for their approval and final sign off with a view to submitting the document to the 16 December 2021 Panel meeting by no later than close of play on Thursday 02 December 2021.

6. Next Steps

BF identified the next steps as being as follows:

- Offline review of the 24 November and 01 December 2021 minutes.
- Draft Request Workgroup 0646R Report to be circulated to parties for review and sign off.
- Final Request Workgroup 0646R Report submitted to the 16 December 2021 Panel meeting (by close of play on Thursday 02 December 2021) with a supporting recommendation that the Request Workgroup is closed.
- A new (follow on) Cadent Modification for '*Amendments to Cost Recovery and Invoicing under OAD*' to be formally submitted for consideration at the 16 December 2021 with an expectation that the first Workgroup meeting would take place in the New Year (circa mid – late January 2022).

7. Any Other Business

None.

8. Diary Planning

There are no more meetings of Request Workgroup 0646R planned at this time.