

**UNC Request Workgroup 0646R Minutes
Review of the Offtake Arrangements Document
Wednesday 27 October 2021
Via Teleconference**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Maitrayee Bhowmick-Jewkes (Secretary)	(MBJ)	Joint Office
Ben Hanley	(BH)	Northern Gas Networks
Darren Dunkley	(DD)	Cadent
David Mitchell	(DM)	SGN
Leteria Beccano	(LB)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/271021>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting.

1.1. Approval of Minutes (25 August 2021)

The minutes were approved.

1.2. Review of Outstanding Actions

Action 0802: National Grid (SR) to organise a teleconference with DNOs to facilitate discussions around the metering process. Call to include HF and Catherine Litster from Wales & West Utilities and DD and Simon Howard from Cadent.

Update: Stephen Ruane (SR) advised that the meeting with the DNOs had occurred. BF asked if the output from it would feed into this meeting. SR noted that it should be added to the Supplemental Agreement Paper by the November Workgroup meeting. **Closed**

Action 0805: SGN (DM) to review the Transmission System Operator to Distribution System Operator Agreement Guidelines, including the definition of communication routes and whether details like email addresses could be extracted without impacting the usefulness of the document.

Update: Dave Mitchell (DM) suggested that the sensitive information in the Transmission System Operator to Distribution System Operator Agreement Guidelines should be removed. DM added that a proposal had been raised for each party whose details are included in the document to provide details of a Single Point of Contact (SPoC). The SPoC's details would then be added to the document once the parties have all agreed to the proposal. Cadent noted their approval.

BF asked if the document would need to be submitted to the Offtake Committee for approval. DM asked if this could be circulated electronically with an approval requested via email.

New Action 1001: Joint Office (BF) to circulate the amended Transmission System Operator to Distribution System Operator Agreement Guidelines to the Offtake Committee via email for approval.

Closed

Action 0901: National Grid (SR) to investigate and provide feedback in relation to them raising a new Modification – excluding the additional Hazardous areas.

Update: SR advised this action would be discussed under Agenda item 2. **Closed**

Action 0902: National Grid (LMc) and Cadent (DD) to discuss and resolve the wording in relation to the emergency area and provide an update at the next meeting.

Update: SR noted that Louise McGoldrick (LMc) had emailed Darren Dunkley (DD) and other participants of this Workgroup with National Grid's position. DD advised that he had not been able to review this yet and noted this could be discussed further offline or under Cost Recovery. **Closed**

Action 0903: Joint Office (AR/BF) to discuss the Draft Offtake Subsidiary (ToR) in relation to content and context.

Update: BF noted this action would be considered under Agenda item 5. **Closed**

Action 0904: All to provide any comments regarding the Draft Offtake Subsidiary (ToR) to the Joint Office prior to the meeting on 27 October 2021. Email: enquiries@gasgovernance.co.uk

Update: BF noted this action would be considered under Agenda item 5. **Closed**

Action 0905: National Grid (SR) to provide an overview of the Cyber Incident Playbook at the October meeting.

Update: SR advised that National Grid and DNOs had drafted the Cyber Incident Playbook and it would be progressed independently of this Workgroup. SR added that considering the other issues in the industry, it was unlikely this would be developed as a Modification and other options for progressing it were currently under consideration. **Closed**

2. Pre-Modifications for discussion

Site Drawings:

Stephen Ruane (SR) noted that there was some conflict between the Hazardous Areas clause in the Draft Modification and the Offtake Arrangements Document (OAD) provisions and the Workgroup had agreed to remove this clause from the Draft Modification. SR added that the amended document had been circulated to all interested parties.

SR noted that the legal advice obtained by National Grid suggested that a Modification would not be required to implement these amendments and a new Subsidiary Document could be created, but Cadent's legal advice had suggested that a Modification was required.

SR advised that his legal advice suggests that OAD Section N 1.2.1 h) *any other document which may be specified or may be agreed by the Parties to be a Offtake Subsidiary Document* allows the parties to agree a new Document without a Modification being raised and asked a Modification would still be required to add it to the Uniform Network Code (UNC).

BF explained that a new Subsidiary Document would need to be linked to the UNC by a Modification to clarify where it is given effect. Darren Dunkley (DD) agreed with this view.

BF asked if SR had any alternative process in mind to link the Subsidiary Documents to the UNC. SR suggested a bilateral agreement. DD noted that a bilateral agreement would be complex to implement and a more challenging route than raising a Modification as there is a risk of misalignment between the various bilateral arrangements.

SR accepted this and advised he would seek further legal advice and update the Workgroup.

SR added that he would draft the Modification whilst awaiting legal views.

Cost Recovery:

Shiv Singh (SS) submitted a Pre-Modification on Amendments to Cost Recovery and Invoicing under OAD for discussion to the Workgroup. Please see the published document on the meeting page for full details.

DD introduced the Pre-Modification, summarising the key changes being proposed, noting these were captured under the Business Rules (BR) listed in the Solution .

The Workgroup discussed the Business Rules with the key points noted below:

- SR asked how a party who disagreed with the Cost Recovery process being proposed could raise an issue with it and asked whether an arbitration process could be used.

DD explained that the once a notification intending to pursue cost recovery had been issued, and the other party did not agree with it, the BR set out the process that could be followed. DD added that a quotation would need to be issued for visibility and transparency where time allowed this to happen.

- Dave Mitchell (DM) asked how additional costs could be added to the original quotation. DD advised if there were unexpected costs, it will need to be added transparently, allowing an uplift to the original Purchase Order. DD added the importance to add contingency to any Purchase Order to account for this.
- Leteria Beccano (LB) asked what would happen if a revised Purchase Order was not agreed. DD advised that if there is a technical justification, an uplift should be agreed. If this did not happen an escalation process could be put in place. DD asked BF if an arbitration process was possible. BF advised that UNC General Terms Section A is the UNC Disputes Process but this is very high level and some other process may want to be considered before moving to the UNC process. DD noted he would review the options for escalation if costs could not be agreed.

New Action 1002: Cadent (DD) to review the options for an escalation process if Cost Recovery could not be agreed.

- LB noted the wording in Business Rule 9 was unclear. DD agreed to amend it by removing i.e. which indicated a defined list of scenarios when etc did not.

New Action 1003: Cadent (DD) to amend wording in Business Rule 9 of the Cost Recovery Pre-Modification by removing the use of 'i.e'.

- SR asked if DD could circulate his slides for review alongside the Pre-Modification. DD agreed to do so.
- The Workgroup discussed Emergency parties and agreed a lower case 'e' should be used for emergency.

New Action 1004: Cadent (DD) to reference Emergency parties with a lower case 'e'.

New Action 1005: Cadent (DD) to review BR bullet points around emergency parties so they align and complement existing clauses in OAD.

- SR noted Louise McGoldrick (LMc) had submitted a comment on Consumer Impacts identified in the Pre-Modification, stating that if there was a scenario with a declined payment and the wrong Transporter had to absorb the costs, there would be a knock-on effect to that Transporters consumers.

DD disagreed with this view noting that if cost recovery had already been agreed, this would not be an issue. DD emphasised the need to engage, consult and agree with the other party.

- Ben Hanley (BH) noted that whilst the proposal was making an improvement, it may be easier to implement the changes via a specific or bespoke works contract rather than rely on UNC. DD suggested that the OAD was the contract in this instance and standardised the terms for all parties.

SS advised that the Modification should be submitted to the December UNC Modification Panel.

3. Discussion on revised Hazardous Areas Provision

This was covered under Site Drawings under Agenda item 2.

4. Offtake Subsidiary Documents Committee: Review of ToR

BF provided a background to the standard Terms of Reference (ToR) for Sub-Committees and presented the draft ToR for the Offtake Subsidiary Documents Committee.

The Workgroup discussed this, with key points noted below:

- DD questioned the scope noting that the Committee may need to discuss other issues impacting DNOs besides reviewing documents. BF agreed and added Transporter related OAD issues to the scope of the Committee.
- DD noted the Committee needed autonomy to approving document. BF explained that the Sub-Committee could make recommendations to the Offtake Committee who would then approve a document.
- The Workgroup discussed voting arrangements for the Sub-Committee. DD suggested every member of the Sub-Committee should get a vote. BF clarified that this Sub-Committee could make recommendations but would not have the right to make approvals.
- LB asked who would attend the Sub-Committee and what would trigger the Committee to meet. BF explained that as the members of the Offtake Committee are not operationally close to the issues, this Sub-Committee would meet to review and make recommendations on these issues, with approvals being sought from the Offtake Committee. BF added this would involve reviewing the documents under the OAD and suggested the Committee's first agenda should include prioritising which OAD documents should be reviewed and in what order.
- The Workgroup agreed it may be beneficial to add Shippers to the Sub-Committee attendee list as they may be required to attend sometimes but not as voting members.
- BF noted the Sub-Committee would have a nominated membership, but it should not stop Transporters from sending in other representatives such as subject experts.

BF advised he would review and amend the draft ToR to reflect the discussions at the Workgroup.

5. Discussion on Process for Updating Supplemental Agreements

DD noted that DNOs had met with National Grid in October to review the process set out for updating the Supplemental Agreements. DD asked SR if there had been any outputs from that meeting.

SR highlighted that there were some questions around whether the flow diagrams previously considered could be added to the Supplemental Agreements and that the consensus had been that they should not.

SR also asked if Appendix D changes should be approved before the changes to it were implemented. SR and DD discussed this and recognised that National Grid and the DNOs did not agree on the process.

DD noted that that whilst Appendix D was being amended prior to implementation, if National Grid wanted the prerequisites providing additional information, they can request this, but it should not be mandated.

BH suggested following a consistent process that works for everyone. SR agreed with this view if it worked for all parties.

SR noted National Grid would confirm the process for updating Appendix D in the Supplemental Agreement.

New Action 1006: National Grid (SR) to confirm the process for updating Appendix D in the Supplemental Agreement so that prerequisite information will only be provided upon request when Appendix D changes are submitted.

6. Next Steps

BF confirmed that at the next meeting the Workgroup would review the:

- Amended Cost Recovery Pre-Modification
- Amended Offtake Subsidiary Documents Committee ToR
- Process for updating the Supplemental Agreement
- Complete Workgroup Report

7. Any Other Business

None.

8. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:00 Wednesday 24 November 2021	Microsoft Teams	Standard Workgroup Agenda
10:00 Wednesday 01 December 2021	Microsoft Teams	Standard Workgroup Agenda

Action Table (as at 27 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0802	25/08/21	4	National Grid (SR) to organise a teleconference with DNOs to facilitate discussions around the metering process. Call to include HF and Catherine Litster from Wales & West Utilities and DD and Simon Howard from Cadent.	National Grid (SR)	Closed
0805	25/08/21	9.1	SGN (DM) to review the Transmission System Operator to Distribution System Operator Agreement Guidelines, including the definition of communication routes and whether details like email addresses could be extracted without impacting the usefulness of the document.	SGN (DM)	Closed
0901	22/09/21	2.0	National Grid (LMc) to investigate and provide feedback in relation to them raising a new Modification – excluding the additional Hazardous areas.	National Grid (LMc)	Closed
0902	22/09/21	4.0	National Grid (LMc) and Cadent (DD) to discuss and resolve the wording in relation to the emergency area and provide an update at the next meeting.	National Grid (LMc) Cadent (DD)	Closed
0903	22/09/21	7.0	Joint Office (AR/BF) to discuss the Draft Offtake Subsidiary (ToR) in relation to content and context.	Joint Office (AR/BF)	Closed
0904	22/09/21	7.0	All to provide any comments regarding the Draft Offtake Subsidiary (ToR) to the Joint Office prior to the meeting on 27 October 2021. Email: enquiries@gasgovernance.co.uk	ALL	Closed
0905	22/09/21	9.1	National Grid (SR) to provide an overview of the Cyber Incident Playbook at the October meeting.	National Grid (SR)	Closed
10011	27/10/21	1.2	Joint Office (BF) to circulate the amended Transmission System Operator to Distribution System Operator Agreement Guidelines to the Offtake Committee via email for approval.	Joint Office (BF)	Pending
1002	27/10/21	2.	Cadent (DD) to review the options for an escalation process if Cost Recovery could not be agreed.	Cadent (DD)	Pending
1003	27/10/21	2.	Cadent (DD) to amend wording in Business Rule 9 of the Cost Recover Pre-Modification by removing the use of 'i.e'.	Cadent (DD)	Pending
1004	27/10/21	2.	Cadent (DD) to reference emergency parties with a small 'e'.	Cadent (DD)	Pending

1005	27/10/21	2.	Cadent (DD) to review BR bullet points around emergency parties so they align and complement existing clauses in OAD.	Cadent (DD)	Pending
1006	27/10/21	5.	National Grid (SR) to confirm the process for updating Appendix D in the Supplemental Agreement so that prerequisite information will only be provided upon request when Appendix D changes are submitted.	National Grid (SR)	Pending