

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

Friday 30 April 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
Louise McGoldrick	(LMc)	National Grid NTS
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/300421>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 October 2021.

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting.

1.1. Approval of Minutes (03 March 2021)

The minutes were approved.

1.2. Review of Outstanding Actions

0301: DD, SR and BH to add a caveat concerning responsibilities to the Shared Site Drawings process.

Update: This action has been deferred to the May meeting. **Carried Forward.**

0302: BH to provide clarity for requirements for gas flow concerning the update of Supplemental Agreements.

Update: Darren Dunkley (DD) explained that the only way to amend flow rates was to carry out a capacity upgrade as no other site update would require/facilitate amending the flow rate information in Appendix D. Ben Hanley (BH) agreed with this view. DD added that this would mean carrying out significant changes to capability such as increasing meter sizes or changing the filter. The Workgroup accepted this explanation. **Closed.**

0303: SR to write to all DNOs clarifying the metering processes for Supplemental Agreements.

Update: Louise McGoldrick (LMc) noted this had been provided and would be discussed under agenda item 4.0. **Closed.**

0304: DD and LMc to discuss Site Services before further amendments are made to clause 2.10 of the Supplemental Agreement.

Update: DD confirmed this had been completed. **Closed.**

0305: DD to review the definition of emergency under UNC General Terms Definitions, OAD Section C and the TPD and seek guidance internally before liaising with the Workgroup to agree the accepted definition.

Update: DD advised he had reviewed the definition of emergency and had sought legal advice to clarify the position. DD confirmed the legal advice was that the definition of emergency under the Loss and Liability section of the OAD would supersede any other definition or lack of definition in the subsidiary documents.

DD noted that the Distribution Network Operators (DNOs) were looking to review this definition internally and as a group, as this could potentially have an impact on them. Shiv Singh (SS) added that some concerns had been raised in relation to the current definition of emergency at the DNO Forum which DNOs were looking to investigate and address.

LMc noted National Grid were not looking to carry out a review and asked for further details of the concerns raised by DNOs. DD explained that generally the DNOs were looking to review the impact of the definition on them as well as the Loss of Liability arrangements under OAD. This includes considering the overall impact of the way emergency is currently defined, as it places the risk and financial burden on the DNOs as a downstream operator, with no reciprocal impact on National Grid, the upstream operator.

LMc noted that this discussion appears to be related to Loss and Liability and not to the definition of an emergency. This was agreed.

BF suggested that the DNO Forum would be the most appropriate forum for discussing this further so that DNOs can present an agreed view to this Workgroup in terms of loss and liability. The Workgroup agreed and noted this action can be closed as the definition of emergency was not being changed and the Loss of Liability review was a separate matter. **Closed.**

2. Removal of Redundant Assets

Shiv Singh (SS) explained that he was currently awaiting guidance from Cadent's legal team who were still reviewing the documents related to the Network Sale process previously provided by National Grid.

BF noted that this topic would continue to be monitored with an update expected at the next Workgroup meeting in May.

3. Site Drawings Update

Stephen Ruane (SR) advised there were no updates on Site Drawings process review.

SR explained that Cadent had requested additional information, on receipt of which Cadent and National Grid would be discussing the proposals raised.

Darren Dunkley (DD) asked if other DNOs had accepted the principals being proposed by National Grid. SR advised further discussions might be required prior to confirming this. SR noted that whilst some DNOs have provided their agreement, he would be contacting other DNOs to seek confirmation they agreed with National Grid's proposals.

4. Updating Supplemental Agreement

DD presented the updated Supplemental Agreement to the Workgroup and highlighted the amendments made to it following the review at the March Workgroup.

The Workgroup then reviewed and discussed the amendments made to the Supplemental Agreement document. Some of the key points discussed were:

- LMc noted that they would have expected to be notified prior to the proposed amendments being made to Appendix D. LMc and DD discussed this issue and LMc accepted DD's explanation.

- SR questioned the amendment to opening and closing OAD notices. LB also asked for clarity as the amendment was proposing adding an internal process for DNOs rather than between parties. DD explained that the party carrying out works needed to inform the DNO of it as part of the OAD process. Once the DNO was made aware of any works they would open or close the OAD notice as updating the Supplemental Agreement is part of the OAD process.
SR suggested this should be reviewed on a project-by-project basis.
LMc noted the process should not be too onerous as this would increase the possibility of error. DD noted the amendment was not placing an obligation but was a suggestion to add this step.
- LMc, SR and DD discussed the amendments to the Process Steps and agreed to discuss it offline to decide how to progress this issue.
- DD asked the DNOs for their views and was advised they had no additional comments. David Mitchell (DM) noted he would revert to DD once he had feedback from colleagues in his business.
- DD asked the Workgroup to review the document and flag any further amendments to him prior to the next Workgroup.

LMc presented a Draft Metering Process Flow diagram and asked the Workgroup to review on it. The Workgroup discussed it with key points arising noted below:

- DD noted once a meter was installed it would then be commissioned. He also noted that the before the metering was installed the draft of the Supplemental Agreement should be agreed so that the parties are aware of the technical requirements.
- LMc asked when Appendix D would be updated. DD noted that if there were other assets that needed updating, there would be updates to the Supplemental Report for metering activities.
- DD and Ben Hanley (BH) advised without a design, SAT would not be passed and the process would need to be restarted. DD noted he would share an example of this.
- DD noted the process set out needed further refinement as National Grid and DNOs should follow the same process.
- BH noted the process set out was too onerous for DNOs. He advised that DNOs already shared sufficient details and did not need to provide all the information being proposed in this process.
LMc noted the process set out was to protect NTS shrinkage when signing bilateral agreements.
- BH commented the suggested process would result in additional time and effort for the DNOs as well as result in additional costs to their projects.
- BF asked if the process was being made to onerous as it was being standardised with the process used for NTS direct connects.
- DD suggested industry technical process and procedures documents which National Grid and DNOs have to comply with align their connection processes so there is no needs to align to the direct connect process. BF suggested this should be reviewed to see if it could be used to set out the metering process to make it less onerous and ensure sufficient obligations were being placed on all parties.
- LMc thanked the Workgroup for their comments noting the process flow diagram was for information at this stage and was not ready to be embedded in the OAD documents yet. She invited further comments from DNOs.

New Action 0401: DNOs to provide feedback to LMc on the Draft Metering Process Flow diagram.

5. Cost Recovery

DD noted there were no further updates on Cost Recovery.

LMc noted that it was important to identify that Cost Recovery and Loss and Liability were two different matters. DM agreed with this view and suggested the adding a new agenda item for the Workgroup to review the Loss and Liability.

New Action 0402: Joint Office to add an additional agenda item to Review Loss and Liability Arrangements for future Workgroup meetings.

New Action 0403: DD advised he would reassess Cost Recovery Proposals before reverting to the Workgroup.

6. Outstanding items from Issues Log

DD informed the Workgroup that there were no updates on the Issues Log.

7. Identification of any new OAD items or issues

7.1. Changing ME2 to meet current challenges

BH explained that procedural documents T/PR/ME/2 Validation of equipment associated with measurement systems for the calculation of mass, volume and energy flowrate of gas were technical and prescriptive documents which the industry was no longer compliant with, as the industry had advanced technologically since this document had been drafted and subsequently published as OAD referenced documents. BH proposed there should be an industry review and establishment of standard documents and governed as a subsidiary document to the OAD. BH asked the Workgroup if they would support discussions to review and amend T/PR/ME/2 suit of documents.

DD asked for clarity on the changes being proposed. BH noted the documents were technical procedures and needed to be updated in line with current technology and operating practices.

DD agreed with the proposals and noted Appendix D and arrangements in the OAD should also be reviewed and that he would be seeking to set up a review of these documents too in the future.

LMc noted National Grid would also support the review of T/PR/ME/2 and asked how the review would be progressed. BH suggested that the DNOs should carry out an impact assessment and a technical review of the document. BH noted the DNOs would also decide whether this review would be administered by the Joint Office of Gas Transporters or whether it would be more appropriate for this review to be held at another forum.

BF explained that there should also be a discussion around the publication and future management of these documents, is the UNC an appropriate location for technical procedures. BF clarified, at present this document is published on behalf of Gas Transporters and they were able to propose amendments to it for approval by the Offtake Committee. He noted that other technical procedures were referenced in UNC but were published maintained on behalf of Gas Transporters by the Energy Networks Association (ENA) – it would be beneficial if the Transporters could consider a more appropriate review forum such as the ENA or Institution of Gas Engineers and Managers (IGEM).

BF added that as more than one Significant Measurement Error (SMER) have recently arisen, the Joint Office is likely to reactivate the Offtakes Arrangements Workgroup which might be an appropriate forum to explain changes to the review process for the T/PR/ME/2 documents.

8. Next Steps

BF suggested that the next meeting for this Workgroup will include the following:

- Review of the Removal of Redundant Assets Draft Modification (if legal review and advise is provided)
- Site Drawings Update
- Discussion on Updating Supplemental Agreements
- Cost Recovery Legal Text Update
- Loss and Liability Arrangements

9. Any Other Business

No other business was raised.

10. 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 26 May 2021	Teleconference	Standard Agenda Items
10:00 Wednesday 23 June 2021	TBC	Standard Agenda Items
10:00 Wednesday 28 July 2021	TBC	Standard Agenda Items
10:00 Wednesday 25 August 2021	TBC	Standard Agenda Items
10:00 Wednesday 22 September 2021	TBC	Standard Agenda Items

Action Table (as at 30 April 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	03/03/21	3	DD, SR and BH to add a caveat concerning responsibilities to the Shared Site Drawings process.	DD/SR/ BH	Carried Forward
0401	30/04/21	3	DNOs to provide feedback to LMc on the Draft Metering Process Flow diagram.	DNOs (All)	Pending
0402	30/04/21	4	Joint Office to add an additional agenda item to Review Loss and Liability Arrangements for future Workgroup meetings.	Joint Office (MBJ)	Pending
0403	30/04/21	4	DD advised he would reassess Cost Recovery Proposals before reverting to the Workgroup.	Cadent (DD)	Pending