

UNC Offtake Arrangements Workgroup Minutes

Wednesday 08 July 2021

Via Teleconference

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Anna Shrigley	(AS)	ENI
Ben Hanley	(BH)	NGN
Ben Oldham	(BO)	Cadent
Catherine Lister	(CL)	Wales & West Utilities
Christopher Syrett	(CS)	E.ON
Dave Mitchell	(DM)	SGN
David Ransome	(DR)	Cadent
Ed Carter	(EC)	National Grid (Grain LNG)
Guv Dosanjh	(GD)	Cadent
Joel Martin	(HB)	SGN
Kirsty Dudley	(KD)	E.ON
Louise McGoldrick	(LMc)	National Grid
Lucy Manning	(LMa)	National Grid
Mason Lewis	(ML)	SGN
Malcom McKenny (MM)	(MM)	National Grid (Grain LNG)
Martin Attwood	(MA)	Correla on behalf of Xoserve
Rachel Martin	(RM)	Correla on behalf of Xoserve
Shiv Singh	(SS)	Cadent
Simon Howard	(SH)	Cadent
Zoe Thorpe	(ZT)	National Grid

Copies of all papers are available at: <https://www.gasgovernance.co.uk/OA/080721>

1. Introduction and Status Review

Alan Raper (AR) welcomed all to the Workgroup.

1.1. Approval of Minutes (15 March 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

AR advised that the Alrewas presentation had been received in good time but published late; it was his view that it should still be discussed the Workgroup.

1.3. Pre-Modification discussion

None.

2. Significant Measurement Error Report EM009 - Alrewas EM MTD

Ben Oldham (BO) provided a presentation which had also been given to the Performance Assurance Committee (PAC). For the full details, please refer to the published paper on the meeting page.

BO provided a brief re-cap of the Alrewas Measurement Error and confirmed that an internal investigation for the Error had been undertaken, which was due to the incorrect orientation of the orifice plate. The investigation focused on:

- Identifying the root causes for the incorrect orientation of the orifice plate;
- What controls should be in place to provide assurance of correct orientation; and
- What measures need to be put in place to prevent a future reoccurrence.

The Error was identified on 23 February, reported on 26 February and the investigation completed 07 May 2021. The root cause for error was due to a combination of insufficient training, documentation and labelling.

BO provided an overview of the controls and assurances put in place since the error which included markings being etched on orifices plate to ensure correct installation, photographic evidence of plate condition and orientation, and technician cross checking. Further mitigation measures were also outlined to improve procedural documentation, training and audits.

BO confirmed Dr. Reader-Harris had been appointed as the Independent Technical Expert (ITE) and provided an overview of the work undertaken on assessing the error. The proposed timeline for reporting was provided with BO confirming that the Computational Fluid Dynamics (CFD) results had been provided to the ITE for analysis. The analysis was work was expected to be complete by the end of July and finalisation of the Meter Error Report potentially taking 8-12 weeks.

Guv Dosanjh (GS) confirmed that following the presentation to PAC, the Committee had a number of questions regarding the process as a whole, which were covered on the remaining two slides and were provided with responses.

GS also advised of two new actions which PAC wanted the Offtake Arrangements Workgroup to consider these were:

1. For Cadent to prepare a draft implementation plan including consideration of how best to disseminate the 'lessons learnt' from Cadent's review of the ME/2 process and EM009 in particular, across all Transporters.
2. A request for Orifice Plate overview data from all Gas Transporters. With a suggestion Cadent would be best placed to co-ordinate to the data is provided in a standard format.

It was noted that some networks have replaced Orifice Plates meters with Ultrasonic metering.

Kirsty Dudley (KD) appreciated the response provided, noting some appeared to be generic responses with little comfort this will not happen again. KD reported that assurances had been provided in the past, stressing Shippers need better assurances especially due to the financial impact.

Anna Shrigley (AS) welcomed the focus provided in the presentation and enquired when the adjustments are expected for this error, and if this was likely to be October onwards.

BO explained that the adjustment timeline will be driven by the ITE investigation, which is expected to conclude at the end of July. However, until the full data set is available this was difficult to predict.

Simon Howard (SH) hoped to have a better view on the timeline in due course and would be able to provide some provisional dates shortly.

AS also enquired about the magnitude of the adjustment, as this could require Shippers to stand up extra security. AS stressed the need to be able to identify and prepare for the costs, and if there was any guide on the estimated value of the adjustment. AS was keen to see improvements within the current reporting process from Transporters to avoid having to provide security at very short notice. AS asked the Transporters, for Significant Measurement Errors, to provide sufficient notice to Shippers to account for time they need to prepare.

AR asked how soon there would be an estimate for Shippers, if there are any provisional findings to help with an estimate, and if there was an ability to provide pre-warning notices for Shippers for settlement invoices, to ensure cash flows are maintained.

Rachel Martin (RM) explained the invoicing process for the Amendment Invoice, and that the adjustment will be smeared over the period of the error. RM confirmed the monthly cut-off date for Amendment Invoice submissions was the 14th calendar day each month, for that month's invoice. RM offered to be guided by the Workgroup as to which month this adjustment should be invoiced.

AS suggested it would be useful to be provided with an outline from Correlax/Xoserve on the invoice timeline to assist preparing. AS stressed the need for as much notice as possible to keep the financial impact to a minimum.

AR asked if there is an ability to provide some advanced notice. AS also asked within this notice if it was possible to provide an estimate to allow for an accrual based on Shipper portfolios. AR asked if Xoserve consider providing, for example, a months' notice ahead of the invoice to allow for an accrual.

New Action 0701: Xoserve (RM/MA) to consider providing advance notice for Significant Measurement Error Adjustments, to impacted Shippers, ahead of the Amendment invoice being issued along with an estimated value.

KD requested a timeline with an outline of commitments. Zoe Thorpe (ZT) asked to be involved in the inputs into the timeline process to ensure National Grid's involvement is captured.

New Action 0702: Cadent (GD/BH), National Grid (ZT), Xoserve (RM) to produce a timeline for the final stages and invoicing of Measurement Error EM009 - Alrewas.

It was suggested the timeline should be communicated as soon as possible without delaying this to the next meeting. It was suggested this is provided and published on the Joint Office Website as soon as possible.

AR also reminded Cadent in addition to this Action to prepare implementation plan.

New Action 0703: Cadent (BH) to prepare a draft implementation plan including consideration of how best to disseminate the 'lessons learnt' from Cadent's review of the ME/2 process and EM009 in particular, across all Transporters (PAC Action 0601).

New Action 0704: Cadent (BH) to coordinate a report on the population of Orifice Plates from all Gas Transporters (PAC Action 0602).

3. Significant Measurement Error Report SE007 – Isle of Grain

Ed Carter (EC) provided a high-level overview of the error and why this was different to an NTS to LDZ or LDZ to LDZ Measurement Error.

Joel Martin (JM) explained this offtake is linked to an entry meter, as opposed to an offtake meter, and hence is not covered by the Offtake Arrangements Documents. Accordingly, this measurement error is not covered by the Measurement Error Guidelines, however SGN and National Grid (Grain LNG) wanted to make the industry aware of the error and eventual reconciliation.

Malcom McKenny (MM) provided an overview of the published Measurement Error Report, explaining the error had occurred when the maintenance team replaced a faulty temperature transmitter with a replacement which did not have the correct temperature range. The out-of-range device introduced a mis-measurement. An ITE had been appointed to work out the misread range equating to 86 GWh and preventative action has been taken to avoid this error happening again.

MM clarified that the error would result in a credit to the Shippers due to an over-read for the South East (SE) LDZ.

KD asked for a timeline from National Grid/SGN for the final stages of the error so Shippers can anticipate the adjustment in the same way as the earlier error. KD enquired if this error is likely to be invoiced sooner.

JM explained that the published Measurement Error Report provided a breakdown and is ready to be provided to National Grid for processing. ZT briefly explained the process undertaken by National Grid for validating reports, confirming that when a report is provided, National Grid will process it and, as there has been an appointed ITE, she anticipated this would not take long. It was anticipated that this adjustment would be processed in the August and only entry Shippers associated with the Grain LNG to SE LDZ connection would be impacted.

New Action 0705: National Grid (ZT) and Xoserve (RM) to produce a timeline for the final stages and invoicing of Measurement Error SE007 – Isle of Grain

KD wished to understand why this error has taken so long to report on. EC explained this type of error had never occurred before and time was needed to understand the nature of the error and how it should be reported and processed.

KD enquired what assurances are going to be provided to Shipper to ensure this issue does not arise again.

New Action 0706: Transporter Metering Forum to share knowledge of the SE007 – Isle of Grain Measurement Error to ensure awareness and consider mitigating actions.

AS asked about the exit meter adjustment, if the meter readings would be corrected and if the adjustment will only affect Grain Shippers. It was understood a credit will only be provided to the Shippers operating on the South East LDZ for the period of the error.

AS enquired about any consequential impact of the balancing actions and if there was any secondary imbalance impact, that needed to be considered. AS asked for clarification of the full impact of the error and asked that going forward there is a coordinated approach adopted whereby a timeline is provided with a full assessment of the impacts.

RM agreed to take this request to the analytical team to provide an overview and timeline.

New Action 0707: Xoserve (RM) to request an analytical overview of Measurement Error SE007 – Isle of Grain, in addition to a timeline (Action 0705).

KD asked the Transporters to collectively review the end-to-end process, to ensure there are no gaps and that the feedback provided today is incorporated for future errors.

AR agreed to take an action to consider how best to conduct a review.

New Action 0708: Joint Office (AR) in conjunction with Transporters and National Grid to consider how to ensure all Offtake Measurement Errors are captured and covered by a documented adjustment process.

AS enquired if the UNC allowed for the Grain LNG adjustment without the need for a Modification. ZT explained this is not classed as an NTS entry, as this is not on the NTS, and although this is complex matter, the counter party adjustments would also be processed.

4. Any Other Business

4.1. Publication of contact details in TSO to DSO Agreement Guidelines

Dave Mitchell (DM) enquired about the need for providing email addresses within the TSO to DSO Agreement Guidelines. He confirmed that an internal audit on process by the IT cyber security team, had brought to his attention whether it was advisable for the control-room email addresses to be in the public domain. He suggested consideration needs to be given to an alternative way of providing this information in a more secure way.

AR challenged the need to publish the email addresses within public documents. DM suggested the use of secure webpages for users to log into.

KD suggested that consideration could be given to providing information on request and suggested the Joint Office could be used to provide the contacts, for the parties involved.

It was agreed that this required further consideration and may need to be reviewed under Request 0646R to discuss how to document should be amended and how the dissemination of the email address should be managed going forward.

5. Diary Planning

It was agreed to organise monthly Workgroups for the first week in August, September and October. Please note these are provisional dates.

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

Time / Date	Venue	Programme
<u>Provisional date TBC:</u> 10:00 Wednesday 04 August 2021	Microsoft Teams	Updates on: <ul style="list-style-type: none"> • SMER EM009 - Alrewas EM MTD • SMER SE007 - Isle of Grain
<u>Provisional date TBC:</u> 10:00 Wednesday 01 September 2021	Microsoft Teams	<ul style="list-style-type: none"> • SMER EM009 - Alrewas EM MTD
<u>Provisional date TBC:</u> 10:00 Wednesday 06 October 2021	Microsoft Teams	<ul style="list-style-type: none"> • TBC

Action Table (as of 08 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
0701	08/07/21	2.0	Xoserve (RM/MA) to consider providing advance notice for Significant Measurement Error Adjustments, to impacted Shippers, ahead of the Amendment invoice being issued along with an estimated value.	Xoserve (RM/MA)	26 July	Pending
0702	08/07/21	2.0	Cadent (GD/BH), National Grid (ZT), Xoserve (RM) to produce a timeline for the final stages and invoicing of Measurement Error EM009 - Alrewas.	Cadent (GD/BH), National Grid (ZT), Xoserve (RM)	20 July	Pending

Action Table (as of 08 July 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
0703	08/07/21	2.0	Cadent (BH) to prepare a draft implementation plan including consideration of how best to disseminate the 'lessons learnt' from Cadent's review of the ME/2 process and EM009 in particular, across all Transporters (PAC Action 0601).	Cadent (BH)	26 July	Pending
0704	08/07/21	2.0	Cadent (BH) to coordinate a report on the population of Orifice Plates from all Gas Transporters (PAC Action 0602).	Cadent (BH)	26 July	Pending
0705	08/07/21	3.0	National Grid (ZT) and Xoserve (RM) to produce a timeline for the final stages and invoicing of Measurement Error SE007 – Isle of Grain	National Grid (ZT), Xoserve (RM) to	26 July	Pending
0706	08/07/21	3.0	Transporter Metering Forum to share knowledge of the SE007 – Isle of Grain Measurement Error to ensure awareness and consider mitigating actions.	All Transporters	26 July	Pending
0707	08/07/21	3.0	Xoserve (RM) to request an analytical overview of Measurement Error SE007 – Isle of Grain, in addition to a timeline (Action 0705).	Xoserve (RM)	26 July	Pending
0708	08/07/21	3.0	Joint Office (AR) in conjunction with Transporters and National Grid to consider how to ensure all Offtake Measurement Errors are captured and covered by a documented adjustment process.	Joint Office (AR)	04 August	Pending