

UNC Offtake Arrangements Workgroup Minutes

Wednesday 23 March 2022

via Microsoft Teams

Attendees

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Christopher Syrett	(CS)	E.ON
David Mitchell	(DM)	Scotia Gas Networks
Fiona Cottam	(FC)	Correla
James Doyle	(JD)	Out Fox the Market
Louise McGoldrick	(LMc)	National Grid
Matthew Newman	(MN)	National Grid
Shiv Singh	(SS)	Cadent
Tom Stuart	(TS)	Wales & West Utilities

Copies of non-confidential papers are available at: <https://www.gasgovernance.co.uk/OA/230322>

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting and provided an overview of the remit for today's meeting.

1.1 Approval of Minutes (04 February 2022)

The minutes from the previous meeting were approved.

1.2 Approval of Later Papers

No papers to consider.

1.3 Review of Outstanding Actions

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

Update: Matthew Newman (MN) confirmed that National Grid are considering the proposal for reconciling the Isle of Grain Measurement Error (circa £1.8m) through balancing neutrality. Once finalised this will be communicated to the Energy Balancing Energy Committee (EBCC) for consideration of the adjustment and potentially invoiced via the March Energy Balancing Invoice due to be processed in April. The notice to the EBCC will be provided in due course. It was agreed to keep the action open until an update is available from the EBCC. It was also noted there may be some mitigating actions that arise which may need further consideration. **Carried Forward.**

0708: Transporters and National Grid to consider how to ensure all Offtake Measurement Errors are captured and covered by a documented adjustment process.

Update: It was noted that the Measurement Error Notification Guidelines will need to be reviewed. See item 3.0. **Carried Forward.**

0904: Offtake Arrangements Workgroup to review the Offtake guidelines to ensure they are fit for purpose.

Update: Item deferred until May, to allow progress on Significant Measurement Error EM009 – Alrewas. **Carried Forward.**

0907: Joint Office (AR) to clarify the accounting arrangements for monies paid by Shippers to National Grid as a result of a Measurement Error and add this information to the Measurement Error Guidelines for the future.

Update: Item deferred until June. **Carried Forward.**

0101: E.ON (CS/KD) to discuss the rationale for two ITE's and to reconcile two the separate reports.

Update: Item deferred until May when the Workgroup will consider the consequences of having two ITEs particularly any subsequent impacts of ITEs not agreeing on the analysis undertaken.

Carried Forward.

2. Significant Measurement Error Update EM009 – Alrewas EM MTD

Shiv Singh (SS) advised that Cadent have:

- provided the Computational Flow Dynamics (CFD) and the 2nd ITE is currently undertaking the analysis. The analysis output is anticipated to be ready mid/end of April.
- arranged site works to physically test the orifice plates at Alrewas, noting that the flow availability on site has caused some difficulty.

SS asked the Workgroup in terms of the timeline if the expectation was for the 2nd ITE to work on the same timeframe as the 1st ITE or if Shippers needed an agreed reporting date.

Fiona Cottam (FC) advised that the 1st ITEs [timeline](#) was provided at the August 2021 Offtake meeting and was available at: <https://www.gasgovernance.co.uk/OA/040821>. This indicated a period of 6 months. Christopher Syrett (CS) believed there would be an acceptance for the 2nd ITE to work to the same 6 month timeframe, recognising the need for physical tests and that the offtake does not have a steady flow stream.

Cadent was asked to provide the anticipated final report date from the 2nd ITE and when the 6 months started from. SS confirmed that the 2nd ITE commenced work on 26 January 2022 and based on the 1st ITEs timeline Cadent expected the 2nd ITE report to be available by the end of April.

It was agreed that Cadent would provide the Joint Office with an update from the ITEs for publication/communication at: <https://www.gasgovernance.co.uk/MER/EM009> and ahead of the next Offtake meeting at: <https://www.gasgovernance.co.uk/oa/250522>.

3. Offtake Guidelines Review

EF gave a brief update from the Offtake Committee with regards to reviewing the Offtake Subsidiary Documents, listed in Section N1.2.1. EF confirmed to avoid overlapping discussions and to ensure the efficient use of time the [Offtake Arrangements Document \(OAD\) Subsidiary Documents, listed in Section N1.2.1](#), would not be discussed at this Workgroup.

EF noted that the Offtake Arrangement Workgroup would need to consider the Measurement Error Notification Guidelines published at: <https://www.gasgovernance.co.uk/OADDocs> and the need for the Workgroup to agree/discuss the changes and preferred mechanism for documenting the required changes to the document.

The Workgroup considered the additional elements not captured in the above actions which would benefit from a review.

CS enquired about the Significant Measurement Error threshold of 50GWh and how this value was derived, noting with recent fluctuations in wholesale gas prices. It was suggested the threshold should be reconsidered as in terms of monetary value this would have much more of an impact compared to when gas prices were lower.

The Workgroup considered whether an energy and monetary value should be incorporated into the guidelines.

FC wished to note that the threshold for special treatment is connected in the UNC TPD E, explaining that to ascertain the monetary value, the error needs to be evaluated and the energy reconciliation assigned against the individual days to apply the energy prices. FC explained this information may not be available at the beginning/early part of the process until further analysis is undertaken.

It was noted there are a small number of live Measurement Errors reported on the Measurement Error Register which appear to be dated and if there would be benefit considering the end-to-end communications in support of the process. The Workgroup briefly considered the communication process and the possibility of having a timeline. Matt Newman (MN) agreed to review the current live errors on the register published at: <https://www.gasgovernance.co.uk/MER>, to confirm if they are still live errors, advising that National Grid would not be able to provide an update on the two bio sites in the Northern Gas Network. DM noted that some errors can be very complex, explaining the difficulties with measuring the physical characteristics that mirrored the flow conditions during the period of the error, which causes inherent delays and explains why some errors remain open longer than others.

The Workgroup agreed the initial elements to be considered for review would include the:

- Significant Measurement Error 50GWh threshold
- Requirement for two Independent Technical Experts (ITEs) for errors over 500GWh
- Any UNC impacts/references to 50 GWh (TPD E)
- End-to-end communication process / timeline.

New Action 0301: All to review the Measurement Error Notification Guidelines and identify areas of the document to the Joint Office which need to be reviewed. This is to prompt discussions and allow for an itemised May agenda.

New Action 0302: E.ON Energy (CS) to provide further analysis on the potential impact of gas price fluctuations for Measurement Errors.

New Action 0303: Fiona Cottam (FC) to provide known threshold references within the UNC.

New Action 0304: National Grid (MN) to confirm if any live errors should be closed.

4. Any Other Business

None raised.

5. Diary Planning

The Workgroup agreed to defer the April meeting and meet again in May.

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

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday 26 April 2022	Cancelled		
10:00, Wednesday 25 May 2022	17:00 Monday 16 May 2022	Teleconference	Standard Agenda
10:00, Wednesday 22 June 2022	17:00 Monday 13 June 2022	Teleconference	Standard Agenda
10:00, Wednesday 27 July 2022	17:00 Monday 18 July 2022	Teleconference	Standard Agenda
10:00, Wednesday 24 August 2022	17:00 Monday 15 August 2022	Teleconference	Standard Agenda

Action Table (as of 23 March 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
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	May 2022	Carried Forward
0708	08/07/21	3.0	Transporters and National Grid to consider how to ensure all Offtake Measurement Errors are captured and covered by a documented adjustment process.	All Transporters	May 2022	Carried Forward
0904	01/09/21	1.3	Offtake Arrangements Workgroup to review the Offtake guidelines to ensure they are fit for purpose.	All Transporters	May 2022	Carried Forward
0907	29/09/21	1.3	Joint Office (AR) to clarify the accounting arrangements for monies paid by Shippers to National Grid as a result of a Measurement Error and add this information to the Measurement Error Guidelines for the future	Joint Office (AR)	June 2022	Carried Forward
0101	07/01/22	1.0	E.ON (CS/KD) to discuss the rationale for two ITE's and to reconcile two the separate reports.	E.ON (CS/KD)	May 2022	Carried Forward
0301	23/03/22	3.0	All to review the Measurement Error Notification Guidelines and identify areas of the document to the Joint Office which need to be reviewed. This is to prompt discussions and allow for an itemised May agenda.	All	May 2022	Pending
0302	23/03/22	3.0	E.ON Energy (CS) to provide further analysis on the potential impact of gas price fluctuations for Measurement Errors.	E.ON Energy (CS)	May 2022	Pending
0303	23/03/22	3.0	Fiona Cottam (FC) to provide known threshold references within the UNC.	Correla (FC)	May 2022	Pending
0304	23/03/22	3.0	National Grid (MN) to confirm if any live errors should be closed.	National Grid (MN)	May 2022	Pending