













UNC Request Workgroup Report	At what stage is this document in the process?
<h1>UNC 0646R:</h1> <h2>Review of the Offtake Arrangements Document</h2>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 10px;"> 01 Request </div> <div style="margin-bottom: 10px;"> 02 Workgroup Report </div> <div> 03 Final Modification Report </div> </div>
<p>Purpose of Request:</p> <p>To create a Workgroup to conduct a review and assessment of the Rights and Obligations of Gas Transporters as defined under UNC Offtake Arrangements Document (OAD). This review would identify and consider possible amendments that are required to UNC arrangements because of associated industry changes made since 2005.</p>	
	<p>The Workgroup recommends that the Panel now consider this report.</p>
	<p>High Impact: Transporters</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: None</p>

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4 Modification(s)	9	Proposer: Shiv Singh
5 Recommendation	10	 shiv.singh1@cadentgas.com
About this document:		 07580 999287
This report will be presented to the panel on 21 October 2021 .		Transporter: Darren Dunkley
The panel will consider whether the Request should proceed with a modification or returned to the workgroup for further assessment.		 darren.dunkley@cadentgas.com
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1 Request Summary

Why is the Request being made?

The Offtake Arrangements Document (OAD) sets out the rights and obligations between Transporters (upstream and downstream) at offtakes. The OAD covers the connection, planning, maintenance and operation of the Transporters respective systems at shared offtake sites.

The OAD was implemented in 2005. Whilst the fundamental principles behind OAD are sound, a number of gaps exist as not all industry practice was taken fully into account during its development.

The OAD has also not kept in step with the industry changes that have occurred since implementation, and there are also some outstanding 'transfer' issues associated with the original network sales process which require attention.

The main priorities are to review:

- How OAD affects all gas network operators;
- How all GDNs engage with National Grid Gas (NGG) to manage NTS offtake arrangements; and
- How most GDNs must engage with other GDNs to manage LDZ to LDZ offtakes.

Revising OAD appropriately would help to ensure consistency in the understanding of the requirements that all network operators have to manage and comply with.

Scope

The Workgroup will review the following sections of UNC OAD:

- Section A – Scope and Classification
- Section B – Connection Facilities
- Section C – Safety and Emergency
- Section G - Maintenance
- Section L – Cost Recovery and Invoicing
- Section M – Information Flows
- Section N - General
- Appendices (Supplemental Agreements).

Potential amendments are categorised as follows:

- Enhance Existing Code:
 - Update definitions so that they are clear and concise
 - Update processes to align with industry practice/processes
 - Improve templates to allow for the correct asset ownership to be documented
- Amend existing arrangements to fully define:
 - Approach for Tri-party sites
 - Site Owner process and the removal of redundant site assets
 - Process for updating site owner drawings

- NGG’s responsibilities for managing the library of Supplemental Agreements
- New Requirements:
 - Requirements needed to support Critical Network Infrastructure (CNI) sites.

Impacts & Costs

Costs associated with the Request Proposal are expected to be limited to those incurred by parties in the normal course of conducting any system/process enhancements.

Recommendations

The principal objective of the Request is to identify and consider changes that are required to UNC arrangements to take account of industry changes since 2005.

Additional Information

None identified.

2 Impacts and Costs

Consideration of Wider Industry Impacts

None identified.

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> • Not impacted
Operational Processes	<ul style="list-style-type: none"> • Not impacted

Impact on Users	
Area of Users’ business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> • Not impacted
Development, capital and operating costs	<ul style="list-style-type: none"> • Not impacted
Contractual risks	<ul style="list-style-type: none"> • Not impacted
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> • Not impacted

Impact on Transporters	
Area of Transporters’ business	Potential impact
System operation	<ul style="list-style-type: none"> • Not impacted
Development, capital and operating costs	<ul style="list-style-type: none"> • Not impacted

Impact on Transporters	
Recovery of costs	<ul style="list-style-type: none"> • Impacted
Price regulation	<ul style="list-style-type: none"> • Not impacted
Contractual risks	<ul style="list-style-type: none"> • Impacted
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> • Impacted
Standards of service	<ul style="list-style-type: none"> • Not impacted

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> • Not impacted
UNC Committees	<ul style="list-style-type: none"> • Creation of a new Offtake Committee Sub-committee to review Offtake Subsidiary documents
General administration	<ul style="list-style-type: none"> • Not impacted
DSC Committees	<ul style="list-style-type: none"> • Not impacted

Impact on Code	
Code section	Potential impact
OAD A - C, G, L – O, Appendices	<ul style="list-style-type: none"> • Impacted

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	<ul style="list-style-type: none"> • Not impacted
General	Potential Impact
Legal Text Guidance Document	<ul style="list-style-type: none"> • Not impacted
UNC Modification Proposals – Guidance for Proposers	<ul style="list-style-type: none"> • Not impacted
Self Governance Guidance	<ul style="list-style-type: none"> • Not impacted
	<ul style="list-style-type: none"> •
TPD	Potential Impact
Network Code Operations Reporting Manual (TPD V12)	<ul style="list-style-type: none"> • Not impacted
UNC Data Dictionary	<ul style="list-style-type: none"> • Not impacted

Impact on UNC Related Documents and Other Referenced Documents	
AQ Validation Rules (TPD V12)	• Not impacted
AUGE Framework Document	• Not impacted
Customer Settlement Error Claims Process	• Not impacted
Demand Estimation Methodology	• Not impacted
Energy Balancing Credit Rules (TPD X2.1)	• Not impacted
Energy Settlement Performance Assurance Regime	• Not impacted
Guidelines to optimise the use of AQ amendment system capacity	• Not impacted
Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)	• Not impacted
LDZ Shrinkage Adjustment Methodology	• Not impacted
Performance Assurance Report Register	• Not impacted
Shares Supply Meter Points Guide and Procedures	• Not impacted
Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency	• Not impacted
Standards of Service Query Management Operational Guidelines	• Not impacted
Network Code Validation Rules	• Not impacted
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OAD	Potential Impact
Measurement Error Notification Guidelines (TPD V12)	• Not impacted
Temperature/Demand Methodology for Planning Purposes TD76 Code of Practice	• Not impacted
OAD Templates Agreement Document	• Implemented
Offtake Communications Document	• Not impacted
Safe Control of Operations Interface Procedure	• Not impacted
Transmission System Operator to Distribution System Operator	• Impacted

Impact on UNC Related Documents and Other Referenced Documents	
Agreement Guidelines	
Work Procedure for Operation and Maintenance of Calorimeters and Chromatographs Part 1: Danalyzers under direction from Ofgem	<ul style="list-style-type: none"> • Not impacted
Work Procedure for Validation of Equipment with Measurement Systems for the Calculation of Mass, Volume and Energy Flowrate of Gas Part 1: General	<ul style="list-style-type: none"> • Not impacted
Work Procedure for Validation of Equipment with Measurement Systems for the Calculation of Mass, Volume and Energy Flowrate of Gas Part 2: Generic Test Procedure	<ul style="list-style-type: none"> • Not impacted
Work Procedure for Validation of Equipment with Measurement Systems for the Calculation of Mass, Volume and Energy Flowrate of Gas Part 3: Flow Weighted Average Calorific Value Offtakes	<ul style="list-style-type: none"> • Not impacted
EID	Potential Impact
Moffat Designated Arrangements	<ul style="list-style-type: none"> • Not impacted
	<ul style="list-style-type: none"> •
IGTAD	Potential Impact
	<ul style="list-style-type: none"> • Not impacted
DSC / CDSP	Potential Impact
Change Management Procedures	<ul style="list-style-type: none"> • Not impacted
Contract Management Procedures	<ul style="list-style-type: none"> • Not impacted
Credit Policy	<ul style="list-style-type: none"> • Not impacted
Credit Rules	<ul style="list-style-type: none"> • Not impacted
UK Link Manual	<ul style="list-style-type: none"> • Not impacted
	<ul style="list-style-type: none"> •

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"> • Not impacted
Gas Transporter Licence	<ul style="list-style-type: none"> • Not impacted

Other Impacts	
Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"> • Not impacted
Operation of the Total System	<ul style="list-style-type: none"> • Not impacted
Industry fragmentation	<ul style="list-style-type: none"> • Impacted
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"> • Not impacted

3 Terms of Reference

Background

To conduct a review and assessment of the rights and obligations of Gas Transporters as defined under UNC Offtake Arrangements Document (OAD).

Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the Request
- Assessment of implementation costs of any solution identified during the Request
- Assessment of legal text

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including a draft modification where appropriate.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting would normally be quorate provided at least two Transporter and two User representatives are present. However, as this topic is mainly of interest to Transporters, meetings should be considered quorate if only Transporters are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.

4 Modification(s)

Modification(s)

Modification 0683S - *Offtake Arrangements Document (OAD) Review Updates – Phase 1* was implemented on 15 June 2020.

<https://www.gasgovernance.co.uk/0683>

The Modification updated the OAD in order to bring it in line with industry changes made since the implementation of OAD in 2005 and in summary proposed the following changes:

- Inclusion of Tripartite Arrangements for Offtakes where there were three parties using the site.
- Shared sites – 3 definitions of shared site offtakes:
 1. Bi-directional/reverse flow at offtakes in exceptional circumstances;
 2. Closed sites NTS/LDZ;
 3. Shared sites that are not offtakes.
- Implementation of the Supplemental Agreement template (incl. recitals) – governed by an OAD subsidiary document.
- Critical National Infrastructure
 1. By agreement Site security can be transferred to the Site User;
 2. Documented in the site Supplemental Agreements(s) and Site Schedule of Responsibilities.
- An Affected Party
 1. Alterations, replacements, relocation, and additions which have identified impacts, the “Modifying Party” will need to include these in the notice defined in OAD.

Further Modifications

Further Modification(s) are expected during September/October 2021 to cover areas including:

- Management of Site drawings;
- Cost Recovery and/or Reimbursement clarifications;
- Removal of Redundant Assets;
- Updating Supplemental Agreements.

Potential for additional work areas

The Workgroup recommends that the Offtake Committee establish a new sub-committee titled as Offtake Subsidiary Documents Sub-Committee (see attached Terms of Reference) with the task of

reviewing and maintaining Offtake Subsidiary Documents. This will also reduce the need to establish Request Workgroups to undertake further reviews of these documents.

Governance

The Workgroup view at the meeting on 22 September was that Request 0646R may need to be extended beyond 21 October 2021 Panel reporting date to allow for the report to be concluded.

5 Recommendation

The Proposer invites the Panel to:

- DETERMINE that Workgroup 0646R reporting date should be extended to the December 2021 Panel.