

UNC Offtake Arrangements Workgroup Minutes

Friday 27 October 2023

Via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Harmandeep Kaur (Secretary)	(HK)	Joint Office
Ben Oldham	(BO)	Cadent
Charles Sabbagh	(CSa)	ENGIE
Christopher Syrett	(CS)	EON
David Mitchell	(DM)	SGN
David Ransome	(DR)	Cadent
Edward Allard (part)	(EA)	Cadent
Darren Dunkley (part)	(DD)	Cadent
Matthew Newman	(MN)	National Gas Transmission
Mark Jones	(MJ)	SSE
Richard Pomroy	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Gas Transmission
Steve Mulinganie	(SM)	SEFE Energy
<i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i>		

1. Introduction

Eric Fowler (EF) welcomed all parties to the meeting and noted the meeting was quorate. EF provided an overview of the agenda for the meeting.

1.1. Approval of Minutes (05 June 2023)

The minutes from 05 June 2023 were approved.

1.2. Approval of Late Papers

The late papers were approved.

1.3. Review of Outstanding Actions

0101: Cadent to coordinate a full review, with all GDNs, of the Measurement Error Notification Guidelines Document and provide suggestions for updates to this Workgroup.

Update: Ben Oldham (BO) noted that the audit exercise hadn't addressed this point. EF asked if workgroup wished to close the action.

Christopher Syrett (CS) suggested that there is scope to update the guidelines as in some scenarios something that falls in Class 2 could have a larger impact on the shippers than Class 1. Steve Mulinganie (SM) suggested that the current thresholds be revised due to the fundamental change in gas prices that are unlikely to reduce anytime soon. SM suggested that the threshold can be dropped to 30 GWH.

A Workgroup Participant asked whether a lower threshold might result in many more instances requiring investigation. EF recalled that the parameters, whilst appearing arbitrary, may have some link with the base uncertainty levels in metering.

CS observed that he has previously analysed reportable errors and highlighted that between 2009 and August 2021, there were 166 reports; banding based on overall industry impact - Low (below 30GWH impact – 151 in total), Medium (between 30GWH and 50GWH – 7 reported) and High (Over 50GWH – 8 reported).

Workgroup Participants agreed that a change to the parameters would not materially affect the number of investigations that are called.

Richard Pomroy (RP) observed that there appear to be different rules for direct connection offtakes and LDZ offtakes. EF suggested that this may relate to the number of downstream customers because with a direct connect there is a single customer who is likely to identify an error more quickly whereas an error would be 'invisible' to LDZ consumers.

David Ransome (DR) queried the value of appointing two ITEs. SM responded that shippers appreciate the assurance of a second opinion, and the main issue is to ensure efficiency in timing of the appointment. CS asked at what point would the ITE declare the methodology that they will use. BO responded that this is part of the tender response. SM suggested it may be appropriate, if the second ITE proposes the same methodology, to reduce the scope so that it is a quality assurance rather than replication of the first ITE's work. This would require a little more flexibility in the guidelines.

Workgroup Participants agreed to close Action 0101 and to set two new actions. **Closed.**

New Action 1001: *Measurement Error Notification Guidelines* - Parties to consider changing the threshold to 30 GWH and come back to the next workgroup with comments.

New Action 1002: *Measurement Error Notification Guidelines* - Parties to consider a change to the guidelines such that the scope of appointment for a second ITE is open for amendment, i.e. that the rules allow that a second ITE is appointed unless the committee agrees otherwise.

DR asked if the thresholds should be reviewed annually. SM agreed and suggested that it could be reviewed in this workgroup meeting annually.

0201: Cadent is to share findings of the external audit of ME2 processes and all networks through the Distribution Liaison forum to identify any additional learning points and report to OAW.

Update: The workgroup agreed to close this action further to Cadent's presentation of the audit report. Cadent confirmed that the findings of the audit were shared with key personnel before the workgroup meeting. Please refer to section 2.1 for further details. **Closed**

0202: Workgroup Participants to review and consider the outcome of the external audit (when available) and take forward any recommendations for changes.

Update: EF agreed to replace this action with another more specific action. Steve Mulinganie (SM) agreed and suggested that the plan for ME/2 is requested as part of the new action. **Closed**

New Action 1003: GDN participants to report to the next Offtake Workgroup meeting on any new initiatives identified as a result of the ME2 external audit exercise.

2. ME2 External Auditors Report

2.1. Review and consider the outcome of the external audit

Ben Oldham (BO) presented material 2.1: <https://www.gasgovernance.co.uk/OA/271023>

BO explained that the audit covered activities that pose a potential risk of introducing measurement errors. The findings were separated into categories 1, 2, and 3 with 1 being the higher risk category.

BO confirmed that the audit highlighted two category 2 findings which means the non-conformance no longer exists, however, the data or calculations may need to be corrected. They discovered seven category 3 findings that have not led to, nor are likely to lead to a measurement error. There were no category 1 findings. The overall assessment of the audit was 'satisfactory'.

BO stated that the Area 1 audit covered 9 controls across a broad spectrum and there were no category 1 findings. However, the review highlighted that the guidance on managing contaminated plates is unclear.

Steve Mulinganie (SM) acknowledged that in the contamination scenario, he understands that the solution is to increase the cleaning schedule and asked whether there is a trigger to identify the upstream source in the network. BO confirmed that Cadent have standard operating procedures but there is not a clear line to the higher management documents. Cadent are in the process of putting a system in place using their guidance so that anybody working on ME2 can resolve this issue with documents properly aligned.

BO noted that this was a useful exercise as they brought in a third party to carry out an assessment to determine whether their processes were working properly. BO highlighted that Cadent were entirely open and honest with the auditors. Ultimately, they have discovered that they are doing things correctly but there is room for improvement. BO noted that they need to ensure a clearly structured hierarchy document suite is in place and there is a transparent and easily auditable workflow process. BO also confirmed that the Cadent improvement plans align with the audit outcomes.

SM enquired about the frequency of audits. BO confirmed that they are carrying out enough audits, however, they are trying to determine whether they can tweak the current audit processes. BO stated that they would like to make audits more flexible so that they can ask their auditors to include new implementations in their ongoing audits.

SM noted that this report shows there is value to external audits. BO agreed and stated that it allows them to re-think and highlight the changes they need to make.

EF enquired about the framework of the joint GDN project for ME2. BO explained that the project aims to lay out the best practice. NGN have taken the lead on ME2 with Cadent making suggestions. The work from the project will be presented to the GDN metering technical forum who will make the final decision on what best practices are taken forward into ME2. EF asked whether there is a time frame for the project. BO confirmed that funds have been received, however, they have not had a meeting since. BO agreed to obtain clarity on the timeline and report back to the workgroup.

Please refer to the published papers for further details.

3. ME2 Offtake Communications Document Update (UNC 0844)

Matthew Newman (MN) presented the Notification of DSR Exercise to DNOs. MN explained that further to the approval of Modifications 0844 and 0845, there may be an increase in the likelihood of embedded consumers participating in DSR. NGT have documented the arrangements in place for NGT to communicate to the relevant DNO if consumers within their network have been 'exercised' for DSR.

MN confirmed that NGT will present the Offtake Committee on 2nd Nov and no changes were proposed. Workgroup Participants were reminded that Modification 0852 is currently in workgroup development.

4. Measurement Error Notification Guidelines

Update deferred to the next meeting.

5. Next Steps

The chair agreed to schedule the next meeting as soon as possible so that the attendees can be notified in advance. SM suggested that a meeting in January would allow time for actions to be progressed.

6. Any Other Business

Darren Dunkley (DD) raised three points:

6.1 DD noted that the range in Annex D1 in the OAD Measurements Document (Measured Data and Permitted Ranges table) has been updated. Cadent are still running with the legacy details. DD enquired when and why these details were updated and whether they were updated due to a new Modification. If changed due to a Modification, DD asked that the Modification number be shared with them.

Eric Fowler (EF) agreed to make enquiries and revert to DD.

6.2 DD noted that Cadent would like to discuss Hazardous Area Drawings with the workgroup and would like this topic added to a future agenda. DD highlighted that there are issues with operation zones overlapping in Hazardous Area Drawings and the responsibility for these zones needs to be assigned to the correct parties. Cadent proposed that the site owners look after their own zone and the 'site shared zones'. DD highlighted that multi-function sites will have multiple shared zones.

SM enquired about the impact on customers and whether they intend to reach customers through the suppliers. DD clarified that this only applies to operators at the NTS offtake sites. The operators are already required to have drawings in place for each offtake site. Richard Pomroy (RM) highlighted that the regulations may apply to exit customers as well. DD clarified that this will only apply to sites within network operators ownership and does not include customer offtakes.

6.3 DD noted that Cadent would like to review and update maintenance clauses in the OAD which has not been amended. DD asked that this be added to the agenda and confirmed that they will pre-populate the slides that will include the changes they would like to propose. DD stated that they also need a pre-modification discussion before they get to the business rules.

7. Diary Planning

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 30 January 2024	5 pm Monday 22 January 2024	Microsoft Teams	On-Site process evaluation

Offtake Arrangements Table of Actions						
Action Ref	Meeting Date	Min Ref	Action	Owner	Reporting Month	Status Update
0101	16/01/23		Cadent to coordinate a full review, with all GDNs, of the Measurement Error Notification Guidelines Document and provide suggestions of updates to this Workgroup.	Cadent (SS)	May 2023	Closed
0201	09/02/23	1.3	Cadent to share findings of the external audit of ME2 processes and all networks through the Distribution Liaison forum to identify any additional learning points and report to OAW.	All Networks	May 2023	Closed
0202	09/02/23	1.3	Workgroup Participants to review and consider the outcome of the external audit (when available) and take forward any recommendations for changes.	Workgroup participants	TBC	Closed
1001	27/10/23	1.3	<i>Measurement Error Notification Guidelines</i> - Workgroup Participants to consider changing the threshold to 30 GWH and come back to the next workgroup with comments.	Workgroup participants	Jan	New
1002	27/10/23	1.3	<i>Measurement Error Notification Guidelines</i> - Parties to consider a change to the guidelines such that the scope of appointment for a second ITE is open for amendment, i.e. that the rules allow that a second ITE is appointed unless the committee agrees otherwise.	Workgroup participants	Jan	New
1003	27/10/23	1.3	GDN participants to report to the next Offtake Workgroup meeting on any new initiatives identified as a result of the ME2 external audit exercise.	GDN participants	Jan	New