

**UNC Request Workgroup 0683S Minutes
Offtake Arrangements Document (OAD) Review Updates – Phase 1
Wednesday 05 February 2020
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Arran Poad *	(AP)	Northern Gas Networks
Ben Hanley *	(BH)	Northern Gas Networks
Darren Dunkley	(DD)	Cadent
David Mitchell *	(DM)	SGN
Leteria Beccano	(LB)	Wales & West Utilities
Louise McGoldrick	(LM)	National Grid NTS
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS
Stevie Docherty *	(SD)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0683/050220>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 April 2020.

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting.

1.1. Approval of Minutes (06 January 2020)

The minutes from the previous meeting were approved.

1.2. Review of Outstanding Actions

Action 1202: Cadent (SS/DD) to review the Legal Text for bi-directional sites, to ensure the definition is clear and within the intent of the Modification/solution.

Update: Shiv Singh (SS) confirmed the legal text had been updated and would be reviewed later in the meeting. See item 2.0 and New Action 0201. **Closed.**

Action 1205: All to review the OAD notice process and consider if this is the right communication tool for any activity on Offtake Sites.

Update: No further discussion required. **Closed.**

Action 1207: Cadent (SS/DD) to consider whether further clarity is required in OAD to manage Disputes.

Update: SS suggested this may require further consideration in relation to Redundant Assets. It was agreed to transfer this Action to Workgroup 0646R. **Closed.**

Action 0101: Cadent to review the scenarios where a bi-directional flow can exist and ensure the legal text considers Shared Sites and NTS to LDZ in line with the Modification's solution.

Update: See item 2.0 and New Action 0201. **Closed.**

Action 0102: National Grid (SR) to validate the point of offtake, confirmed in the Supplemental Agreement, is by Appendix A and not the drawings referenced.

Update: Stephen Ruane (SR) confirmed that an email had been circulated to provide an update on this action on 24 January. He explained that it was proposed when moving to the new Supplemental Agreement Template a text statement would prevail over any drawings, if there

was a discrepancy. SR advised that following advice from National Grid Legal, an additional statement is added to the template such as *“in the event of any conflict between the statements in the schedule and a drawing the statements in the schedule will prevail”* should be used to remove any potential doubt.

SR also advised that there is still some utility in the phrase in Appendix B *“The Site Owner’s land and land to which the Site User has right to occupy is shown in Diagram 2”*. He appreciated that this would need to be changed to a more appropriate reference given the new template format and also that it does not need to be in the template which is *“substantially in the form of”* it should be agreed and utilised on a case by case basis when updating Supplemental Agreements.

Darren Dunkley’s (DD) view was that the template shouldn’t need caveats. He suggested when parties migrate to the new template, the provided statement (text) and drawings should align and that the operators should ensure they are consistent.

Ben Hanley (BH) suggested that there could be instances where the statement only refers to drawings. SR was keen to find a sensible approach if there was ever a need to challenge a discrepancy between the statement and drawing, he believed there needs to be a starting point from a legal perspective on what should prevail.

SR suggested the template should cover the eventuality that a point of offtake may not be clearly defined i.e. where drawings could have been updated without amending text or referenced drawing so there could be a mis-alignment. **Closed.**

2. Amended Modification

SS summarised the changes proposed providing a draft changed marked version of the Modification for Workgroup discussion.

Referring to the SCADA changes and telemetry issues, DD explained that the National Grid and Cadent SCADA systems are due to be separated as there is a project running to conclude this task but there may still be some onsite shared telemetry facilities.

Louise McGoldrick (LM) queried the legal text for Section B 2.2.3 (b) (iii) on page 3 for shared connection facilities. DD explained that if there are any shared systems on site, these will normally be separate, however on smaller offtakes it is likely that P1 Transmitters may still be connected. This is to avoid the P1 Transmitters being switched off. DD went on to question if the Transmission System Operator to Distribution System Operator Agreement Guidelines would still be required.

Leteria Beccano (LB) suggested the Transmission System Operator to Distribution System Operator Agreement Guidelines (published at: <https://www.gasgovernance.co.uk/OADDocs>) would still be required as there are references to this within other areas of OAD. SS clarified these will be referenced for the Redundant Asset process.

LM questioned the use of the term Shared Sites and wanted to ensure it was used consistently within the Modification’s solution and legal text. The Workgroup considered the bullet points within the solution under the heading Shared sites, NTS and LDZ Shared Sites and the need to list all three items: NTS/LDZ Offtake definition (Definition to be retained); Closed offtakes (Modify to include NTS/LDZ Closed Offtakes); and Non-offtake NTS/LDZ shared site (New).

3. Amended Legal Text

Shiv Singh (SS) confirmed a number of amendments have been made to the legal text and comments have been received from National Grid. The Workgroup reviewed the text and comments provided.

B1.5.1. – LM asked within the statement “*The Supplemental Agreement in relation to each Offtake shall contain (in Appendices A, B, C and D)*” if Appendix C was referenced correctly as this is now sites services. DD explained there are some details within site services which list assets, and there could be different lines and different owners.

B2.2.3 (b) (iii) - LM questioned as the Modification had been amended in respect of removing the Transmission/Distribution Guidelines if the legal text required further amendment. DD confirmed that Telecommunication has always been part of this structure.

B3.1.1 - LM questioned if Section 3.6 should still be referenced, LM believed this referred to Redundant Assets which had now been removed. SS explained that 3.6 is an existing paragraph within OAD and relates to site user provisions (the Removal of Site User's Facilities). SS, however confirmed that he would double check that this is not an oversight having removed the redundant asset process and amend the text if necessary.

Annex B-2 Part 1 Mandatory Sites Services - LM enquired if the Standby Power Arrangement should be within the Supplemental Agreement Template under Assets, as she expected this to appear within Appendix C. DD explained this is a Mandatory site service. DD clarified that there will always be standby power on site, this may be a generator, but it may not provide back-up power to the entire site. LM believed Site Services are what the site owner is providing the site user. It was agreed that Standby Power listed as a Mandatory Sites Service would need to be reviewed and consideration given on whether this needs to be moved from Mandatory Sites Services to Part 2 Other Site Services. It was acknowledged that Standby Power, as part of the electrical arrangements, and the Supplemental Agreement may need further review. The Workgroup considered how best to capture Standby Power Arrangements within the template.

LM asked if there could be an instance where the site owner had their own electrical supply. LB and BH confirmed there can be dual power supplies. The Workgroup considered how best to capture Electricity Supply Services.

BF enquired what are the minimum requirements for both parties, and what arrangements are in place with the site owner for the site user. DD explained the electrical connections and how connections are made through a power kiosk. BH explained there are sites that have dual services, BH highlighted it should be mandatory to provide details of such arrangements however some of the services but they are not mandatory for one party to provide. BH clarified that what makes up an Offtake can be different to what is mandatory but where facilities/arrangements exist the recording of the set up and all its elements is mandatory. If the site-owner is providing a service to site-user it should be documented. It was recognised there are elements to the site set up which are required, but it is not mandatory that all these elements should be provided by the site owner.

It was believed further consideration and clarity may be required. It was agreed not to amend the existing OAD text or Modification solution, however the template would need to have a section within the Supplemental Agreement to define and detail which party provides which service.

The Workgroup considered the retention of site records and if there is a definition within OAD and an obligation. DD confirmed an additional section had been added to the template.

G3.6.5. - LM wished to understand how Shared Sites, temporary connections, or bi-directional flows link into paragraph G3.6.5. DD clarified that inline inspection (ILI) runs, should not be carried out unless all parties are in agreement.

N10.1.7 - LM noted Section B1.2.3 had been referred to twice.

LB asked if there would be a separate definition for bi-directional flows. DD believed that a bi-directional definition exists, however it may need to be updated. It was understood a formal definition was being drafted and recognised this term is used with the Supplemental Agreement templates. SS explained that this is a capability in the system not a type of site. It was suggested this still needed better clarification.

New Action 0201: Cadent (SS) (in conjunction with Dentons) to provide clarification of how best to capture bi-directional flows between and NTS and LDZ capable offtakes. See previous Actions 1202 and 0101.

New Action 0202: Cadent (SS) to provide further clarity for Shared Sites (Section G3.6.5.)

4. Amended Supplemental Agreement Template

SS wished to note that the template would need to be renamed to the Offtake Arrangements Document (OAD) Template Agreement Document, referred in Section N1.2.1(g), confirming this would contain:

1. NTS/LDZ Offtake - Supplemental Agreement (Bilateral)
2. NTS/LDZ Offtake - Supplemental Agreement (Tripartite)
3. LDZ/LDZ Offtake - Supplemental Agreement
4. Shared Site Agreement (No Offtake)

Section 1.1 - LB questioned the square brackets within the paragraph "*Transporters Framework Agreement dated [] between National Grid NTS, the DNO and the other parties to that Agreement*". The date was believed to be 01 May 2005. The Workgroup considered whether the date should be included in italics as a guide.

Appendix A: Site Details - The Workgroup considered the OS & BNG Co-ordinate references, the Workgroup also considered the Offtake Type reference to Bi-directional and this may need a minor amendment dependent on Action 0201.

Appendix B: Sites Asset & Ownership Section 1.1 Points of Offtake - Drawings/Diagrams, SR explained there are certain instances where Pressure System Diagrams (PSDs) are used and these may not be merged into one PSD. DD referred to Section B1.6.1 (b) and the requirement for the site owner to have a whole site drawing. SR wished to ensure that National Grid's PSD drawings are not inadvertently replaced. DD explained that if a site user undertakes changes on site these need to be reflected in any diagrams and the site owner should have drawings which cover the whole site and these need to be kept up to date. DD recognised these can be a collection of diagrams. DD explained that somebody needs to be responsible for the collection and maintenance of site diagrams to ensure they are accurate and up to date. The Workgroup considered the contractual elements of drawings and site owner drawings.

Appendix C: Sites Services - DD confirmed what additional boxes will be added following earlier discussions on Mandatory and Other site services.

Referring to Page 59 it was noted within paragraph 1.3 it referred to Recital A whereas on pages 5, 23 & 41 the same paragraph referred to Recital C. It was suggested page 59's reference needed to be changed to C to be consistent. The Workgroup also considered the need for an additional recital for Shared Site Agreements. It was agreed Cadent would consider the need for an additional recital.

New Action 0203: Cadent (SS) to consider an additional recital for Shared Site Agreements – for the location of the site involved and to ensure it is referenced accordingly.

The Workgroup considered whether the provided pretext "*[Party 1] is the operator of the []*" and "*[Party 2] is the operator of the []*" on page 59 should be clearer similar to the pretext provided on pages 5, 23 & 41 and not open ended.

LB wished to relay the positive feedback she had received with regards to the design of the Template Agreement Document.

Concluding the review of the Amended Modification, Legal Text and Template Agreement Document, SS agreed to consider all three in line with discussions and provide the appropriate amendments for the next meeting.

5. Development of Workgroup Report

SS agreed to circulate the legal text, following a further offline review and a formal amendment to the Modification for the next meeting. The Workgroup deferred reviewing the Workgroup Report.

6. Next Steps

- Amended Modification (March)
- Amended Legal Text (March)
- Amended OAD Template Agreement Document (March)
- Development of Workgroup Report (March)
- Finalise Workgroup Report (April)

Items transferred to Workgroup 0646R:

- Redundant Asset Process Review (March – Closed Action 1206)
- Offtake Sites and Connection Site definitions (March – Closed Actions 1204 and 1208)

7. Any Other Business

None raised.

8. 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 04 March 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Amended Modification Amended Legal Text Amended OAD Template Agreement Document Development of Workgroup Report
10:00 Wednesday 01 April 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Finalise Workgroup Report

Action Table (as at 05 February 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1202	04/12/19	2.0	Cadent (SS/DD) to review the Legal Text for bi-directional sites, to ensure the definition is clear and within the intent of the Modification/solution.	Cadent (SS/DD)	Closed
1205	04/12/19	2.0	All to review the OAD notice process and consider if this is the right communication tool for any activity on Offtake Sites.	All	Closed
1207	04/12/19	2.0	Cadent (SS/DD) to consider whether further clarity is required in OAD to manage Disputes.	Cadent (SS/DD)	Closed
0101	06/01/20	2.0	Cadent to review the scenarios where a bi-directional flow can exist and ensure the legal text considers Shared Sites and NTS to LDZ in line with the Modification's solution.	Cadent (SS/DD)	Closed

0102	06/01/20	2.0	National Grid (SR) to validate the point of offtake, confirmed in the Supplemental Agreement, is by Appendix A and not the drawings referenced.	National Grid (SR)	Closed
0201	05/02/20	3.0	Cadent (SS) (in conjunction with Dentons) to provide clarification of how best to capture bi-directional flows between and NTS and LDZ capable offtakes. See previous Actions 1202 and 0101.	Cadent (SS/DD)	Pending
0202	05/02/20	3.0	Cadent (SS) to provide further clarity for Shared Sites (Section G3.6.5.)	Cadent (SS/DD)	Pending
0203	05/02/20	4.0	Cadent (SS) to consider an additional recital for Shared Site Agreements – for the location of the site involved and to ensure it is referenced accordingly.	Cadent (SS/DD)	Pending