

## Minutes of the Offtake Arrangements Workgroup

Monday 04 April 2011

31 Homer Road, Solihull, B91 3LT

### Attendees

Tim Davis (Chair)	TD	Joint Office of Gas Transporters
Helen Cuin (secretary)	BF	Joint Office of Gas Transporters
Alison Chamberlain	AC	National Grid Distribution
Ben Tuson	BT	Scotia Gas Networks
Bethan Winter	BW	Wales & West Utilities
Dave Adlam	DA	National Grid Distribution
Glenn Bryn-Jacobson	GBJ	National Grid NTS
Mark Amos	MA	National Grid NTS
Mike Wassell	MW	National Grid NTS
Mark Lyndon	ML	National Grid NTS
Mark Freeman	MF	National Grid Distribution
Rob Cameron-Higgs	RCH	Wales & West Utilities

### 1. Introduction and Status Review

#### 1.1 Minutes from previous meeting

The minutes of the 23 February 2011 and 01 March 2011 were accepted.

#### 1.2 Review of Actions from previous meetings

**OF0904:** Consideration to be given on the appropriate wording for pre-notifications within the Meter Error Notification Guidelines.

**Update:** Item deferred. **Carried forward**

**OF1003:** Establishment of a formal Log to capture reasons for MEs and remedies - DNs to consider in what format it might best be produced.

**Update:** Item deferred. **Carried forward**

**OF1007:** All to review the draft Register and comment on the key information to be included; to be reviewed at the next meeting.

**Update:** Item deferred. **Carried forward**

**OF1104:** Measurement Error SC006 (Aberdeen MTA): Provide a 'one page overview' of the error.

**Update:** Item deferred. **Carried forward**

**OF1202:** OAD Section I Review - OPN Rejection Rules - DNs to articulate their views on the OPN rules in respect of complexity and practicality on their part.

**Update:** A draft modification on OPNs was presented. **Complete**

**OF1202A:** National Grid Distribution to provide views on the OPN rules to other DNs. This will also be considered within the recommendation for the report.

**Update:** See item 2.0 and Action 0302. **Complete**

**OF1203:** OAD Section I Review - SFRN Process - Provide examples to National Grid NTS for further study offline.

**Update:** Examples had been provided. **Complete**

**OF1204:** OAD Section I Review - National Grid NTS to discuss critical Offtakes with individual DNs and report back on the feasibility/practicality of developing and using a concept of critical and non-critical Offtakes at the January meeting.

**Update:** Discussions had identified candidate offtakes. The merit of developing rules which reflect criticality was acknowledged although practical difficulties may emerge. **Complete**

**OF0101:** Measurement Error NT008 (Horndon B MTA): Downstream Transporter to invite preferred nominee to take up appointment and confirm acceptance of the appointment to the JO.

**Update:** Item deferred. **Carried forward**

**OF0201:** National Grid Distribution (MF) to capture the issues they have raised with National Grid NTS and provide for discussion and inclusion in the Review Group Report.

**Update:** Presented. **Complete**

**OF0301:** Measurement Error SC006 (Aberdeen MTA): The Downstream Transporter to approach the preferred nominee regarding the appointment process.

**Update:** Item deferred. **Carried forward**

**OF0302:** Wales & West Utilities to draft a modification on OPN Changes in time for consideration on 04 April 2011.

**Update:** See item 2.2. **Complete**

**OF0303:** National Grid Distribution to draft modifications on low demand days and revised pressure requests.

**Update:** See item 2.1. **Complete**

**OF0304:** National Grid NTS to collate some high level flow swap scenarios and the calculations for these.

**Update:** See item 2.0. **Complete**

**2. UNC0316: “Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows”**

ML provided a presentation on some high level flow swap scenarios and the overrun adjustment principles. The intention was to maintain the principle that capacity could not be created by the flow swap process, but there should be no overrun charges solely as a result of a flow swap.

BW enquired about the management of multiple flow swaps, which would complicate the presented scenarios. DA asked about using aggregate capacity positions to cap the maximum amount of transfer and also to ascertain if an overrun has occurred. He was concerned about the implications on costs where

aggregate positions are not used and believed the process should avoid inefficient booking of capacity.

**Action OF0401:** National Grid NTS to provide a scenario on multiple flow swaps.

**Action OF0402:** National Grid NTS to consider the use of aggregate offtake positions to ascertain overruns.

GBJ asked if flow swaps create more uncertainty for end of day flows and if flow swapping creates risk. He questioned what was unique about a flow swap to justify looking at capacity in aggregate as opposed to offtakes where flow swapping had not taken place. MW added that “the ticket to ride” principle also needs to be taken into account, which may not sit well with aggregation.

MW asked for views on how to take the agreed principles forward, as set out in the scenarios – is the existence of examples sufficient or is more formalisation needed? MF asked about having a wider debate outside the Offtake Arrangements Workgroup, and it was suggested the deemed application process may need to be considered via the modification process.

BW emphasised the need to discuss the 2 hour 5% rule and that the flex component should be included within the rule. GBJ believed the 2 hour 5% rule opens up a wider debate. However, he understood the need for clarification and that the rule should not create a process that cannot represent what actually happens. He recognised the scope of the DNs would also probably need to be considered.

## **2.1 Draft Modification – low demand days**

AC introduced a Draft Modification regarding low demand days. It was proposed that the threshold should be changed if the demand for the day forecast is to be less than 25%, rather than 50%, of the 1 in 20 peak day demand.

Some debate occurred about the rationale for any specific percentage and whether all LDZs would need to take flex. MF asked if National Grid NTS would be able to provide any analysis to support the modification and illuminate the impact of reducing the percentage.

**Action OF0403:** National Grid NTS to provide some analysis to support the draft low demand day modification.

## **2.2 Draft Modification – Offtake Profile Notice**

RCH introduced the draft Modification for the Amendment to Section I of the OAD to reflect Offtake Profile Notice application and recognition of different offtake sensitivities. He anticipated that the modification would be submitted to the UNC Panel on 19 May 2011 with a 01 October 2011 implementation date.

RCH believed it was important to understand the 2 hour 5% rule - it was agreed that the flex component should be included within the rule.

RCH acknowledged that some further amendments would be required to the draft modification before it was formally submitted. MA suggested there were a number of defined terms that may also need to be re-defined within the UNC.

MA asked if flow rate changes are captured. National Grid NTS suggested that they would need some time to consider the modification in relation to any designated/critical offtakes.

RCH suggested that the Transporters would need to take a view on whether section I2.3 in its entirety should be removed from the UNC.

**Action 0404:** Transporters to provide a view to Wales & West Utilities on whether section I2.3 could be removed from the UNC.

**Action 0405:** Transporters to compile a list of designated (critical) offtakes in time for the May Panel meeting.

MW suggested the rule around revised Offtake Profile Notices being submitted within the nearest full hour should be considered since this may affect flow swaps.

The justification of the tolerances within Section 3.1 was questioned.

It was noted that the potential implementation date may need to be restated, considering the modification could be a self-governance modification and the need to address the requirements of Modification 0281 for fixed implementation dates.

**Action 0406:** National Grid NTS to consider the modification and the implications on other processes and timescales before 06 May 2011.

**Action 0407:** Transporters to consider systems, obligations and contractual routes, processes and interaction with the OCS.

It was agreed to meet again on 03 May 2011 at 13:30 at 31 Homer Road, Solihull.

### 3. Any Other Business

None raised.

### 4. Diary Planning for Workstream

Date	Place	Time	Purpose
03 May 2011	Conference Room 5 – 31 Homer Road	13:30	Review 0316: “Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows” Consider draft modification proposals. Consider flow swap scenarios.

### Offtake Arrangement Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF0904	08/09/10	3.0	Consideration to be given on the appropriate wording for pre-notifications within the Meter Error Notification Guidelines.	All	Carried forward
OF1003	08/10/10	3.1	Establishment of a formal Log to capture reasons for MEs and remedies - DNs to consider in what format it might best be produced.	All DNs	Carried forward
OF1007	08/10/10	4.1	All to review the draft ME Register and comment on the key information to be included; to be reviewed at the next meeting.	All	Carried forward
OF1104	30/11/10	2.3	Measurement Error SC006 (Aberdeen MTA): Provide a 'one page overview' of the error.	Scotia Gas Networks (JM/SS)	Carried forward
OF0102	25/01/11	2.4.1	Measurement Error NT008 (Horndon B MTA): Publish the name of the Independent Technical Expert when confirmation of appointment received.	Joint Office (TD/LD)	Carried forward
OF0301	01/03/10	2.1.1	Measurement Error SC006 (Aberdeen MTA): The Downstream Transporter to approach the preferred nominee regarding the appointment process.	Scotia Gas Networks (JM)	Carried forward

**ACTIONS relating to Modification 0316 - Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF1202	08/12/10	3.0	<i>OAD Section I Review</i> – OPN Rejection Rules – DNs to articulate their views on the OPN rules in respect of complexity and practicality on their part.	DNs	Closed
OF1202A	22/02/11	1.2	National Grid Distribution to provide views on the OPN rules to other DNs. This will also be considered within the recommendation for the report.	National Grid Distribution (MF)	Complete
OF1203	08/12/10	3.0	<i>OAD Section I Review - SFRN Process</i> - Provide examples to National Grid NTS for further study offline.	Wales & West Utilities (BW)	Closed
OF1204	08/12/10	3.0	<i>OAD Section I Review - National Grid NTS</i> to discuss critical Offtakes with individual DNs and report back on the feasibility/practicality of developing and using a concept of critical and non-critical Offtakes at the January meeting.	National Grid NTS (PS)	Closed
OF1205	08/12/10	3.0	<i>OAD Section I Review - OPN Options</i> - DNs to put forward a combined DN preferred option to find some common ground on what is important from a practical standpoint rather than a theoretical one, and their view on an appropriate level of accuracy.	DNs	Closed
OF1206	08/12/10	3.0	<i>OAD Section I Review - OPN Options</i> - DNs to present a collective view on a zonal concept.	DNs	Closed

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF0302	07/03/11	2.0	Wales & West Utilities to draft a modification on OPN Changes in time for consideration on 04 April 2011.	Wales & West Utilities (RCH)	Complete
OF0303	07/03/11	2.0	National Grid Distribution to draft modifications on low demand days and revised pressure requests.	National Grid Distribution (MF)	Complete
OF0304	07/03/11	2.0	National Grid NTS to collate some high level flow swap scenarios and the calculations for these.	National Grid NTS (MW)	Complete
OF0401	04/04/11	2.0	National Grid NTS to provide a scenario on multiple flow swaps and the use of aggregate flow swaps.	National Grid NTS (MW)	Pending
OF0402	04/04/11	2.0	National Grid NTS to consider the use of aggregate offtake position to ascertain overruns.	National Grid NTS (MW)	Pending
OF0403	04/04/11	2.1	National Grid NTS to provide some analysis to support the draft low demand day modification.	National Grid NTS (GBJ)	Pending
OF0404	04/04/11	2.2	Transporters to provide a view to Wales & West Utilities on whether section 12.3 could be removed from the UNC.	Transporters	Pending
OF0405	04/04/11	2.2	Transporters to compile a list of designated (critical) offtakes in time for the May Panel meeting.	Transporters	Pending
OF0406	04/04/11	2.2	National Grid NTS to consider the modification and the implications on other processes and timescales	National Grid NTS (MW)	Pending
OF0407	04/04/11	2.2	Transporters to consider systems, obligations and contractual routes, processes	Transporters	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			and interaction with the OCS.		