

UNC Workgroup 0646R Minutes
Title Review of the Offtake Arrangements Documents
10.00am Thursday 08 March 2018
at Pure Offices, Wilton Drive, Warwick CV34 6RA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Chris Warner	(CWa)	Cadent
Darren Dunkley	(DD)	Cadent
David Mitchell	(DM)	SGN
Eddie Blackburn	(EB)	National Grid NTS
Leteria Beccano*	(LB)	Wales & West Utilities
Louise McGoldrick	(LM)	National Grid NTS
Nicholas Handley	(NH)	SGN
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS
Steve Docherty*	(SD)	Northern Gas Networks

* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0646/080318>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 July 2018.

1.0 Outline of Modification

BF explained that the Request 0646R had been agreed by Panel in relation to the review of the Offtake Arrangements Document (OAD), which had been raised by Cadent. He added that no initial representations had been received and that the Terms of Reference would be agreed at a later meeting. He noted the Request was due to report to the July Panel.

SS then introduced the Request and explained it was being raised to create a Workgroup to conduct a review and assessment of the Rights and Obligations of Gas Transporters as defined under UNC OAD. This review would identify and consider possible amendments that were required to UNC arrangements because of associated industry changes made since 2005.

He further explained the reasons for this request being made which were;

The 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 following the sale of a number of Distribution Networks. Whilst the fundamental principles behind OAD were sound, a number of gaps existed as not all industry practice was taken fully into account during its development.

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

He then said the main priorities were to review:

- How OAD affected all gas network operators;
- How all GDNs engaged 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.

He said the main areas in scope were as detailed below:

- Section A – Scope and Classification
- Section B – Connection Facilities
- Section C – Safety and Emergency
 - SCO procedures
- 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 were 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.

DD then presented the Introduction to Request 0646R presentation that had been discussed at the UNC Modification Panel in January and he explained this had also subsequently been overviewed and presented to the GDN's, with the aim of setting what the review was focusing on.

The key points of the presentation were described as detailed below:

DD explained that since the implementation of the OAD in 2005, a number of issues had been identified that needed to be addressed. A collaborative approach was sought as:

- OAD affects all gas network operators
- All DN's engage with NGG to manage NTS Offtake arrangements; and
- Most DN's have to engage with other DN's to manage LDZ to LDZ offtakes.

He said that revising the OAD appropriately would ensure consistency in the understanding of the requirements for all network operators to manage and comply with.

DD then drew attention to a flow chart schematic that overviewed the content as described below:

- No process for update of Drawings between Operators;
- Structure of SA's needs a better approach;
- OAD seen a not fit for purpose;
- Legacy Transfer issues iE ROV's;
- No process for sharing of Maintenance Plans.

DD then overviewed the options section of the presentation as below:

The proposal was to seek sanction to form a Workgroup with representation from all network operators to review the current OAD in order to identify and consider changes that were required in order to take account of the Industry changes since 2005.

He said as the OAD impacted all Gas Transporters, it was felt that the most suitable option was to set up a standalone workgroup that allowed for representation from all concerned parties.

DD said the Process of Refreshing the OAD was outlined in the Request document and encompassed the following:

The proposal sought to review OAD Sections A, B, C, G, L, M, N and the Appendices with an aspiration on conclusion of the review to raise a modification to make any changes identified and agreed within the Workgroup. These could be categorised as below:

Enhancing Existing Code

- Update definitions so that they were 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

Proposed OED Review Changes/Amendments

OAD - Section A – Scope and Classification

DD then went on to overview the main sections contained in the '*Proposed OED Review Changes/Amendments*' Spreadsheet concentrating on *Section A - Scope and Classification*, explaining that the items highlighted in red font, were the areas that needed amending.

This document instigated a considerable amount of general discussion within the Workgroup and the general consensus was that more detail was required from DD in relation to all the specific issues and the reasons and background behind the points listed. DD agreed to provide further information to give the background and the reasons.

New Action 0301: Cadent (DD) to provide background detail to the sections and points within the “Proposed Amendments to OAD” spreadsheet that were deemed issues and the reasoning for these issues and impacts.

BF reminded everyone that the aim of a Request is to discuss a subject without being committed to the content of a modification. It was not a formal modification at this stage and that a report would need to be submitted at the end of the process to Panel in July. He added that a Draft Modification(s) could be attached to the Workgroup Report if appropriate, and reiterated that for the purposes of this discussion it was not advisable to get into the detail of the solution.

A number of participants were not sure of the amount of detail that was needed to be discussed at this stage, owing to the fact it was a Request only, at this stage. DD said that this approach was to ensure all parties had the opportunity to discuss and feedback into the Request and to explore all options, via a cohesive and collective approach.

A lengthy and protracted general discussion took place in relation to certain sections that DD drew attention to within Section A of the spreadsheet. These included the following discussion areas:

- Shared Sites in relation the Tri Party Agreements – for example Wingfield and Ross on Wye, where the booking process was complicated due to Tri Party Agreements. LMcG agreed to investigate this matter further and provide a view at the next meeting.

New Action 0302: National Grid NTS (LM) to investigate the Tri Party Agreements in relation to shared sites.

DD then proceeded to continue to move through Section A and the following comments were made:

- A formalisation was required by the Supplemental Agreements for Sites with closed Offtakes for example; Cadent/SGN or Cadent/NTS and WWU/NTS
- Shared Sites should be brought under the OAD, which was the intent.
- Consideration was needed in relation to how the definitions were impacted collectively.
- The overall process needed to be made simple and more efficient and easier to understand.
- The definition of an Offtake; should this be made wider or more generic in terms of what it covers.
- What was the process regarding Supplemental Agreements in relation to them being superseded or removed. EB agreed to investigate the Legal view regarding this area.

New Action 0303: National Grid NTS (EB) to investigate the Legal status regarding Supplemental Agreements and related documents and the impact of the review.

- How are the Supplemental Agreements reviewed in relation to the contract and content.
- Should the site definitions clarify what plant, equipment, building, and structures are on site or other non-gas equipment. Should there be separate communications for shared sites, whenever work was planned to be carried out. The NRO may already have this process built into the procedure documents or it may need to be included, further clarification was required.

OAD Section B – Connection Facilities

DD then overviewed Section B of the OAD as detailed with the '*Proposed OED Review Changes/Amendments*' presentation. He explained that this section was pivotal, as it was addressing the connection aspects and the management of the sites.

He drew specific attention to areas that required noting or had specific areas of proposed amendments. A lengthy general discussion took place regarding this particular section with the high-level discussion points as detailed below:

- Should the definition be changed to allow a more comprehensive level of detail in the OAD or the Supplemental Agreement, and it was agreed that National Grid NTS should consider the potential impacts of these proposed changes, if they were not already included in the Maintenance Plan.
- Should the Supplemental Agreements be updated by Go-Live, discussions required as to the feasibility of whether this could be possible.
- Investigations to take place as to why the Electrical Testing was not included in the overall Maintenance Plan. Further discussion of the present Mandatory Site Services and all other generic site services, especially in relation to the shared electrical arrangements. SR agreed to look into this matter.

New Action 0304: National Grid NTS (SR) to investigate why the Electrical Plans are not included within the Supplemental Agreement.

- Confirmation required as to owns what on each site; buildings, equipment and other structures.
- Safe Control of Operations (SCO) – management of operations on site and in particular shared sites.
- OAD Notices and Notice periods – approved 12 months in advance, or wait until the design is approved, so this could be included in the OAD Notice. In some instances, due to the nature of the work that had to be undertaken, could mean that these notices were raised at short notice.

New Action 0305: Cadent (DD) to arrange a joint Maintenance and Resource Management Teams meeting to explore all of the overall obligations regarding the OAD and Maintenance Plan; should there be a combined process ,and investigation of Section G regarding compliance.

New Action 0306: ALL to consider if a 12 months notice period was reasonable, if not, propose what duration would be acceptable.

- The OAD Notice should not be treated as the final notice, it merely commenced the initial discussions.
- Telemetry Arrangements and maintenance of shared boards – not presently defined in the Supplemental Arrangements. DD agreed to investigate this area.

New Action 0307: Cadent (DD) to investigate the Telemetry arrangement and shared boards.

- Management of the Redundant assets process for addressing and resolving these, and if the Site holder could request removal of specific equipment.

New Action 0308: Cadent (DD) and National Grid NTS (LM) to investigate the redundant asset pressure from a Site User/ Site Owner perspective e.g. Holding/Barking.

- Access to Sites – controls to be reviewed to ensure site security processes are not put at risk in an emergency situation – Network specific process.

DD said he appreciated there was not enough time in one meeting to cover all the other sections in the spreadsheet in one go and he appreciated individuals would want to study the spreadsheet further in due course. He said the other sections would be addressed in

the next Workgroup meetings, he then reiterated that he wanted the OAD amendment process to be a cohesive and collective approach.

2.0 Initial Discussion

2.1. Initial Representations

None received.

2.2. Terms of Reference

BF confirmed that the Terms of Reference would be discussed in the forthcoming meetings, when the Workgroup would then have a better view of the requirements.

3.0 Next Steps

BF confirmed that more meetings were required to fully assess Request 0646R in detail and to allow sufficient time for all the OAD sections and proposed changes to be fully understood and evaluated.

He then proposed the following Workgroup Meetings should take place on Monday 16 April 2018, Thursday 10 May 2018, and Thursday 14 June 2018, to ensure the report was completed in time for the July Panel

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Monday 16 April 2018	Joint Offices at the Pure Office, Wilton Drive, Warwick CV34 6RA	Detail planned agenda items. <ul style="list-style-type: none"> Proposed OED Review – changes and Amendments – Sections C – N. Review Workplan
Thursday 10 May 2018	Solihull, venue TBC	Agenda to be confirmed
Thursday 14 June 2018	Solihull, venue TBC	Agenda to be confirmed

Action Table (as at 08 March 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	05/03/18	1.0	Cadent to provide background detail to the sections and points within the "Proposed Amendments to OAD" spreadsheet that were deemed issues and the reasoning for these issues and impacts.	Cadent (DD)	Pending
0302	05/03/18	1.0	National Grid to investigate the Tri Party Agreements in relation to shared sites.	National Grid (LM)	Pending
0303	05/03/18	1.0	National Grid to investigate the Legal status regarding Supplemental Agreements and related documents and the impact of the review.	National Grid (EB)	Pending
0304	05/03/18	1.0	National Grid NTS to investigate why the Electrical Plans are not included within the Supplemental Agreement.	National Grid (SR)	Pending
0305	05/03/18	1.0	Cadent to arrange a joint Maintenance and Resource Management Teams meeting to explore all of the overall obligations regarding the OAD and Maintenance Plan; should there be a combined process, and investigation of Section G regarding compliance.	Cadent (DD)	Pending
0306	05/03/18	1.0	ALL to consider if a 12 months notice period driven by the maintenance plan was reasonable, if not, propose what duration would be acceptable.	All	Pending
0307	05/03/18	1.0	Cadent to investigate the Telemetry arrangements and shared boards.	Cadent (DD)	Pending

Action Table (as at 08 March 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0308	05/03/18	1.0	Cadent and National Grid to investigate the redundant asset pressure from a Site User/ Site Owner perspective e.g. Holding/Barking.	Cadent (DD) and National Grid LM	Pending