

**UNC Request Workgroup 0646R Minutes
Review of the Offtake Arrangements Document
Thursday 14 February 2019
at St Johns Hotel, Warwick Road, Solihull B91 1AT**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Arran Poad*	(AP)	Northern Gas Networks
Chris Warner	(CW)	Cadent
David Mitchell	(DM)	SGN
Eddie Blackburn	(EB)	National Grid NTS
Louise McGoldrick	(LM)	National Grid NTS
Richard Pomroy*	(RP)	Wales & West Utilities
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS
Stevie Docherty*	(SD)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/140219>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1. Introduction and Status Review

1.1. Approval of Minutes (25 January 2019)

The minutes from the previous meeting were approved.

2. Consideration of Draft Modification

Following receipt of an updated version of the draft modification entitled '*Updating the Offtake Arrangements Document (OAD) with recommendations resulting from UNC Request Workgroup 0646R – Phase 1*' immediately prior to discussion of this item, the Workgroup undertook an onscreen review of the document whilst Bob Fletcher (BF) made appropriate changes inline with Workgroup feedback and comments.

The following summary aims to capture the salient points of the discussions (by exception) that resulted in onscreen amendments to the draft modification on a Section by Section basis, as follows:

1 Summary (comments ML1, 2, 5 and 6 and NG3, 4 and 7)

Leased land causes some concern, especially where hazardous items and/or material are involved.

OAD provisions already 'cover off' moving site assets – care needed to avoid opening up ALL leases in the first instance, especially when a simple request to enter into negotiations to utilise someone else's land would suffice. At this point National Grid would not necessarily be able to fully support the recommendations without further internal consideration.

Where a 'need' is identified, the asset is also identified and the asset owner has been funded for all or in part, or agrees to remove the asset, then removal should take place. However, where no funding provision exists, the site owner should be requested to make a contribution or full payment depending on the benefits case presented.

OAD already contains rules relating to site offtake and agreements.

It was noted that Cadent do not have any leases, however the other DNOs have site leases in place.

Subtle tweaks to the wording within the 'Why' and 'How' items in line with Workgroup discussions on the various feedback comments provided.

Whilst happy with the proposed amendments, National Grid would be equally happy with the inclusion of a 'by agreement' statement should Northern Gas Networks (NGN) believe that the OAD supersedes the lease agreements – a Business Rule would be required to cover this (Please refer to new BR added into Section 5 on page 10).

2 Governance (comments ML8 and NG9)

Comments noted.

3 Why Change? (comments ML10, 14, 18, 20, 21, 22, 24, 28, 30, 34, 36 and NG11, 13, 15, 17, 19, 23, 25, 26, 29, 31, 33, 35 and 37 and RP13 and 27 and MD16 and 32)

Comments noted and statement changes undertaken in response to the feedback provided.

4 Code Specific Matters

No comments.

5 Solution (comments ML38, 39, 41, 44, 45, 47, 55, 63, 65, 66 and 88 and NG40, 42, 43, 46, 48, 50, 51, 53, 54, 57, 59, 61, 62, 64, 67, 69, 71 and 73 and RP49, 56, 58, 70 and 72 and MD60)

New BR added as a consequence of discussions under Section 1 above.

Changes undertaken to the wording within the 'Tripartite Arrangements' statements, focusing mainly on the Section B2.6.2 statement.

It was noted that care is needed in ensuring the use of 'plain English' statements in order to aid industry participants understanding of the Modification, development of the business rules and ultimately provision of suitable legal text.

It was noted that some participants felt the Site Lease overrides the requirements set out in the OAD provisions.

Cadent (CW/SS) will contact NGN offline to discuss their concerns before amending the draft modification.

Asset removal requests require written justifications outlining the 'need' case in order to potentially avoid costs for asset removals that in the end are not needed or undertaken.

Shive Singh (SS) to discuss telemetry and shared board aspects with his colleague D Dunkley offline before looking to amend the modification.

National Grid explained the rationale behind their regulatory funding and avoided costs concerns.

Care needed around making specific references to sections within a Supplemental Agreement.

SS to discuss metering and telemetry templates embedded within the OAD with his colleague D Dunkley offline and consider whether these should be moved to reside within the Code Referenced Document – perhaps the BR needs to be expanded to cater for the requirements.

Opportunity now exists to consider reviewing the location of all the various templates and whether the Workgroup could consider moving all into the Code Referenced Document (governance of which is via the Offtake Committee or UNCC as appropriate which the former currently DO NOT meet on a regular basis and therefore might require setting up a new approval process to enable them to undertake the appropriate actions).

Brief discussions around the 'National Grid Guidance Document' and whether it should be updated to better align with the draft modifications business rules (i.e. review the document as part of development of this modification, or outside the scope of this modification and requiring another follow up (Phase 2) modification being raised in due course). Eddie Blackburn (EB) explained the governance aspects relating to OAD Supplementary documents and how at least two parties must be present for a quorate Offtake Committee meeting (one of which must be National Grid) to approve any changes (ref: OAD Section N provisions relating to subsidiary document rules) – some parties indicated they would favour a governance model based around National Grid + two (2) or three (3) DNOs being present (i.e. 3 or 4 out of 5).

Comments noted and statement changes undertaken in response to the feedback provided.

6 Impacts & Other Considerations

No comments.

7 Relevant Objectives

No comments.

8 Implementation

No comments.

9 Legal Text

No comments.

10 Recommendations

No comments.

2.1. Bi-directional Site Definition

Considered as part of the Workgroup discussions on the draft modification under the main heading of item 2.0 above.

2.2. Electrical Site Service

Consideration deferred.

2.3. Material Impact Definition

Considered as part of the Workgroup discussions on the draft modification under the main heading of item 2.0 above.

2.4. Removal of Assets

Considered as part of the Workgroup discussions on the draft modification under the main heading of item 2.0 above.

2.5. Shared Sites

Considered as part of the Workgroup discussions on the draft modification under the main heading of item 2.0 above.

2.6. Supplemental Agreements

During a brief onscreen review of the '*Proposal for Updating Supplemental Agreements*' document, it was suggested that this could form the basis of a subsidiary document which would be governed via the Offtake Committee processes.

It was also suggested that there would be benefit in attaching the document as an appendix to the Cadent (draft) modification going forwards.

In considering how best to develop the contents of the document further, BF pointed out that once the modification is formally raised, it would be expected that it would be the subject of consideration within at least three (3) Workgroup meetings providing ample time to refine the document further.

When asked whether the document is proposing the site owner having an agreement with each and every site user, EB provided a brief explanation behind the proposals (example A and B would be the Downstream/Upstream parties and C the site owner).

Moving on to provide an explanation behind how tri-partite aspects would be expected to work, EB acknowledged that in attempting to cover all eventualities within a single process flow map, we may have missed an opportunity – for clarity purposes, it might be preferable to have two (2) process flows, one for a two party model and one for a three party model.

2.7. Tripartite Agreements

Considered as part of the Workgroup discussions on the draft modification under the main heading of item 2.0 above.

Concluding discussions SS advised that he would consider the various comments provided and discuss the merits with his colleague D Dunkley before providing an updated version of the draft Modification for consideration at the March 2019 meeting.

3. CNI (ISS)/PSUP) Update

Considered under discussion of item 2.0 above.

4. Outstanding Actions

Action 0101: *Reference Supplemental Agreement Process Flow Diagram* – Cadent (DD) to refine the process flow to better reflect proposed Business Rules and Workgroup feedback.

Update: In referring to the ‘*Proposal for Updating Supplemental Agreements*’ document as considered under item 2.7 below, the Workgroup agreed the action could now be closed.

Closed

Action 0102: *Reference Redundant Asset Management* - NGN (BH) to discuss what would be an acceptable option with his NGN colleagues and provide a view at the next Workgroup meeting.

Update: In noting that work remains ongoing on this matter, SS agreed to contact NGN direct to discuss requirements in more detail. **Closed**

Action 0103: *Reference Redundant Asset Management* – Cadent (SS) to provide an amended version of the draft UNC Modification with asset removal aspects excluded.

Update: When BF made reference to the updated modification considered under item 2.0 above, the Workgroup agreed the action could now be closed. **Closed**

Action 0104: *Reference C&I Group Update* – Cadent (DD) to invite the C&I Forum Chairperson to provide an update at a future Workgroup meeting.

Update: In noting that DD was not present at the meeting, BF pointed out that work on this action remains ongoing. **Carried Forward**

5. Next Steps

BF summarised the next steps as follows:

- Cadent to provide an amended version of the draft UNC Modification to be circulated for comment ahead of the 14 March 2019 Request Workgroup meeting.

6. Any Other Business

6.1. Shared Site Drawings Presentation (National Grid)

In providing a brief overview of this late (on the day) submission, Stephen Ruane (SR) outlined the main discussion points from the meeting (as provided under the '*Key Points Discussed*' on slide 2) before explaining that the National Grid minutes are currently undergoing an internal review and sign off, which should hopefully be completed soon, and the minutes published immediately thereafter.

Moving on to consider the '*Next Steps*' slide, SR advised that the next scheduled meeting is due to take place in April 2019 for which the invite should be going out over the next few weeks.

When asked, SR confirmed that a Wales & West Utilities representative had been present at the first meeting.

When RP enquired why the 'site owner' does not appear to control the site drawing process (i.e. is this an historical precedent perhaps), LM responded by quoting the respective OAD provisions (Section B, paragraph 1.6). DM also explained how a 'site owner' would retain a master copy of any site drawings and any changes would be approved by them in the first instance.

7. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Thursday 14 March 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda plus <ul style="list-style-type: none"> • Consideration of amended (draft) Modification
10:00 Thursday 11 April 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda

Action Table (as at 14 February 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	25/01/19	2.7	Reference Supplemental Agreement Process Flow Diagram – Cadent (DD) to refine the process flow to better reflect proposed Business Rules and Workgroup feedback.	Cadent (DD)	Update provided. Closed
0102	25/01/19	8.	Reference Redundant Asset Management - NGN (BH) to discuss what would be an acceptable option with his NGN colleagues and provide a view at the next Workgroup meeting.	NGN (BH)	Update provided. Closed

0103	25/01/19	8.	<i>Reference Redundant Asset Management</i> – Cadent (SS) to provide an amended version of the draft UNC Modification with asset removal aspects excluded.	Cadent (SS)	Update provided. Closed
0104	25/01/19	8.	<i>Reference C&I Group Update</i> – Cadent (DD) to invite the C&I Forum Chairperson to provide an update at a future Workgroup meeting.	Cadent (DD)	Carried Forward