

UNC Offtake Arrangements Workgroup Minutes
Wednesday 10 August 2011
at the National Grid Office, 31 Homer Road, Solihull

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Ben Tuscon	(BT)	Scotia Gas Networks
Bethan Winter	(BW)	Wales & West Utilities
Dave Adlam	(DA)	National Grid Distribution
Dave Corby	(DC)	National Grid NTS
Jeanette Gregory	(JG)	National Grid Distribution
Keith Dixon	(KD)	Northern Gas Networks
Keith Gilmour	(KG)	National Grid NTS
Mark Freeman	(MF)	National Grid Distribution
Mark Lyndon	(ML)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Phil Hobbins	(PH)	National Grid NTS
Rob Cameron-Higgs	(RCH)	Wales & West Utilities

1. Introduction and Status Review

1.1 Review of minutes

The minutes of the previous meeting were accepted.

** Post meeting note: in reference to the 25/05/11 meeting minutes, page 3 second paragraph – PH has subsequently advised that NG NTS does not agree with the statement that “the timings should apply to designated offtakes only”.*

1.2 Review of actions

Only Actions specifically relating to Modification 0316 were considered:

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

Update: PH advised that the draft modification proposal only awaits the conclusions of the workgroup before proceeding.

Closed

OF0505: Wales & West Utilities (RCH) to amend draft modification and OCD

Update: Please refer to item 2.2 below for details.

Closed

OF0506: National Grid NTS (MW) to consider what would happen a) in the event that they were unable to deliver the agreed assured pressure and as a consequence flow swaps are invoked and overrun charges incurred; and b) in instances where the delivery pressure is higher than the agreed level, and who would cover any associated liability.

Update: Please refer to item 2.2 below for details.

Closed

OF0507: National Grid Distribution (AC) to review the proposed legal text changes in both OADI & TPDJ with the NGD lawyers before providing a copy of the drafting to NG NTS (MW) for consideration.

Update: Please refer to item 2.2 below for details.

Closed

OF0508: National Grid NTS (MW) to model the impact of the proposed 6% tolerance level.

Update: PH provided a brief overview of the hardcopy hand out (Application of a 6% tolerance to baseline capacities of the proposed designated offtakes) advising that in his view, a volume based tolerance regime is preferable to a percentage based one. MF suggested that more details would be forthcoming under consideration of item 2.2 below.

Closed

OF0509: National Grid (AC/MF/MW) to provide suggested wording around flow swaps and low demand days for inclusion within the Workgroup Report.

Update: BF advised that the information had been published prior to the meeting.

Closed

2. Draft Modifications

Please note: the following two items below were taken out of sequence during the course of the meeting.

2.1. NTS Proposal for Flow Swap Rules

MW advised that National Grid NTS is currently still considering the various (draft) flow swap scenarios and is seeking agreement on a preferred scenario before possibly withdrawing the modification.

When asked, MW confirmed that the logic had been developed based on existing Code provisions. Furthermore, should an aggregate overrun option be sought, a UNC modification would be required to support its development. MF voiced his support for the approach (logic) as agreed by parties at the previous meeting.

Thereafter, ML provided a brief overview of the 'Flow Swap Scenario – Logic to demonstrate how Overrun adjustments are calculated' presentation focusing attention on to 'Flow Swap Scenario 5'.

It was noted that in the example, a flow swap quantity of 12 would have invoked an overrun which would/could potentially conflict with current Code obligations. Furthermore, it was felt that adoption of a net position would not necessarily avert the issue.

MW advised that should parties reach agreement on these matters for inclusion within the Review Group Report (RGR), he would consider withdrawing the proposal. However, should no consensus be reached he would expect the draft proposal to be appended to the RGR with a formal Code proposal following in due course. In recognition that parties are able to bring forward their own UNC proposals, MW indicated that he is seeking consensus support for the logic aspect associated to scenario 5 for inclusion within the RGR. MF supported the logic statement as discussed, although RCH felt he needed additional time to consider the matter. BF pointed out that the RGR had been submitted to the August Panel for consideration.

Asked about governance aspects, BF suggested that these could be addressed via a form of operational manual / business rules style approach.

In closing, MW agreed to write out to DNs seeking their consensus support for the logic statement.

Post meeting note: an email entitled 'Agreement to Flow Swap Scenarios & logic/principles applied' was issued to DNs on 11/08/11.

2.2. Requirements as to the Submission of OPNs in relation to NTS – LDZ Offtakes

RCH provided a brief overview of the draft proposal on behalf of Wales & West Utilities advising that following a review with National Grid NTS any previous areas of conflict/contention had now been removed – additional draft proposals to address these matters could be forthcoming in due course.

Those present debated aspects such as what and who would/should have the deciding vote on 'tie breakers' (item 3 – Solution) suggesting that maybe this should reside with National Grid NTS on the grounds of safety.

In reviewing the designated/non designated offtake list, concerns were voiced around potential order of magnitude impacts - these being heavily dependent upon the size of the offtake. Examining the list in more detail it was noted that the list should only be considered as a draft. RCH suggested that a consensus view on elements such as code governance considerations, agreement of the listing and associated tolerances would be needed for inclusion within the draft proposal. He believes that in terms of governance, there maybe three key aspects to consider, namely:

- designated offtakes – consensus view required;
- tie breakers – National Grid NTS view required, and
- brand new offtakes – consensus view required.

PH indicated that he remains concerned about designation and would prefer an NTS discretionary based solution, especially in light of the fact that the UNC OAD currently states that changes to the supplemental agreement can only be made by consensus. He went on to add that National Grid NTS have not fully 'landed' on their view of this and would prefer additional clarity to be included within the draft proposal before making a final decision. In response, RCH suggested that there is sufficient 'flex' in the designated offtakes area to cater for any operational impacts/changes necessary. MF felt that the principle is sound and if tolerances could be agreed he believed it to be a sensible approach.

RCH advised that for the purposes of moving forward he would like to seek agreement of the designations and tolerances for inclusion within a revised draft proposal. However, he did acknowledge that there maybe issues surrounding whether or not the DNs can make changes to any supplemental agreements in a timely manner. He went on to advise that he expects to formally raise a proposal in September with a view to agreeing the designated list and tolerances thereafter (possibly up to 8 weeks later).

MW indicated that he would be seeking the views of the DNs on items such as pressure, forecasting and the 2 hour, 5% rule. It was felt that a wider 'industry' engagement would also be beneficial and should also include consideration of items such as data sets etc.

Quickly reviewing the suggested legal text, PH indicated that whilst supporting the basic principles, he would be discussing the text in more detail with his National Grid NTS colleagues in due course. He went on to suggest that paragraph 2.5.2(a) should remain on the grounds of safe and efficient operation of the system (this was not a universally supported view however) and that designated/non designated threshold aspects should be also be included. When asked, BW provided a brief summary of the rationale behind paragraph 3.1.5. (flex impacts at LDZ level).

BF reminded RCH that any new proposal also requires inclusion of the appropriate implementation timeline information. Furthermore, it should be noted that only the Panel would determine whether or not a new proposal meets the self-governance criteria.

Concluding, RCH agreed to amend the draft proposal in light of the discussions and in time for consideration at the next OAW meeting.

2.3. Amendments to the Provisions for agreeing Pressures at the Offtakes from the National Grid Transmission System to Distribution Networks

MW and JG provided a brief update on the draft proposal that was presented at an earlier meeting and subsequently updated following further discussions with National Grid NTS.

It was debated as to whether or not splitting the proposal in to the two (key) separate proposals would be beneficial, although in the end it was agreed that the addition of extra clarity would probably be sufficient rather than splitting the proposal.

In considering the significant offtake list, it was suggested that this could possibly lead on to a future OPN/OPS seasonal pressure process proposal.

When asked, JG confirmed that she believes that potential flow swap issues are 'covered' within the draft proposal, although it was acknowledged that overrun issues may also need considering.

Concluding, JG agreed to provide an advance copy of the revised draft proposal to MW for review with a suggested 'target' submission date of 02/09/11.

3. Any Other Business

UNC Modification 0389 - Simplification of points of telemetry update

DC provided a brief overview of the progress to date advising that the 'original' proposal had been discussed at the Transmission Workgroup who had agreed that development of a Workgroup Report for submission to the September Panel should be included in the Offtake Arrangements Committee – this will need to be ready by 02/09/11 at the very latest.

He went on to advise that comments had been received, with no real challenges to the background and approach of the proposal being raised. However, issues relating to the details surrounding the data items had been identified and in response a hardcopy handout (Current OAD Annex Refs) had been prepared. In considering the 'Current OAD Annex Ref' handout, DC advised that the blanks denote no provision of data would be required in future. Additionally, the control function for remotely operated valves operated by National Grid NTS are not detailed within the current version of the UNC OAD.

DC advised that he would now amend the proposal (by 17/08/11 at the latest) to include this listing with a view to seeking approval for a final workgroup report via either email or teleconference by no later than am on Friday 02/09/11. BF reminded DC to include the appropriate implementation timeline information within the amended proposal and then advised that the Panel is seeking assurances that there would be no direct impact upon the meter errors process.

Two new actions were assigned as follows:

New Action OF0801: National Grid NTS (DC) to amend UNC 0389 to include the 'Current OAD Annex Ref' listing and to reflect discussions and submit the amended version by no later than 17/08/11.

New Action OF0802: Joint Office (BF) to publish the amended UNC proposal 0389 and as soon as possible thereafter prepare and publish a (draft) final

workgroup report for consideration prior to formal submission to the September Panel.

Request to arrange October OAW meeting

Following a brief discussion the Joint Office agreed to arrange an additional OAW meeting (subject to room availability) at a Solihull location for 18/10/11.

New Action OF0803: Joint Office (BF/MiB) to arrange a OAW meeting for 18/10/11 in a Solihull location (subject to room availability) and provide confirmation in due course.

4. Diary Planning for Workgroup

10:30, 13 September 2011 at 31 Homer Road, Solihull, B91 3LT

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
OF0701	11/07/11	2.1	Measurement Error NT008 (Horndon B MTA) - provide an explanation as to why the change in data had not signaled an issue such that the error would have been identified earlier	National Grid (AR)	Pending
OF0702	11/07/11	2.1	Review the Six Point Plan to identify if a similar error to Horndon would be picked up in the future.	Scotia Gas Networks (JM)	Pending
OF0801	10/08/11	3.	Amend UNC 0389 to include the 'Current OAD Annex Ref' listing and to reflect discussions and submit the amended version by no later than 17/08/11.	National Grid NTS (DC)	Update to be provided in due course.
OF0802	10/08/11	3.	Publish the amended UNC proposal 0389 and as soon as possible thereafter prepare and publish a (draft) final workgroup report for consideration prior to formal submission to the September Panel.	Joint Office (BF)	Update to be provided in due course.
OF0803	10/08/11	3.	Arrange a OAW meeting for 18/10/11 in a Solihull location (subject to room availability) and provide confirmation in due course.	Joint Office (BF/MiB)	Update to be provided in due course.

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
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)	Update provided. Closed
OF0505	25/05/11	2.1	Amend draft modification and OCD in line with discussions.	Wales & West Utilities (RCH)	Update provided. Closed
OF0506	25/05/11	2.1	Consider what would happen a) in the event that they were unable to deliver the agreed assured pressure and as a consequence flow swaps are invoked and overrun charges incurred; and b) in instances where the delivery pressure is higher than the agreed level, and who would cover any associated liability.	National Grid NTS (MW)	Update provided. Closed
OF0507	25/05/11	2.2	Review the proposed legal text changes in both OADI & TPDJ with the NGD lawyers before providing a copy of the drafting to NG NTS (MW) for consideration.	National Grid Distribution (AC)	Update provided. Closed
OF0508	25/05/11	3	To apply the proposed 6% tolerance level to Offtakes and report back on their findings.	National Grid NTS (MW)	Update provided. Closed
OF0509	25/05/11	3	Provide suggested wording around flow swaps and low demand days for inclusion within the Workgroup Report.	National Grid Distribution (AC/MF/MW)	Update provided. Closed