

**UNC Request Workgroup 0683S Minutes  
Offtake Arrangements Document (OAD) Review Updates – Phase 1  
Thursday 10 October 2019  
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alan Raper	(AR)	Joint Office
Arran Poad *	(AP)	Northern Gas Networks
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

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0683/101019>

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

**1. Introduction and Status Review**

BF welcomed everyone to the meeting.

**1.1. Approval of Minutes (31 July 2019)**

The minutes from the previous meeting were approved.

**1.2. Review of Outstanding Actions**

**Action 0701:** LDZ to LDZ Recitals Template: SR to consider the wording of paragraph E on the Supplemental Agreement. WWU will then review.

**Update:** SR confirmed a response had been provided to the Workgroup and an action update published alongside the agenda. The proposal is to mirror the NTS to LDZ Recitals and SR relayed the information in the published action update. LB confirmed WWU was satisfied with the approach in that there was a choice to use the new Supplemental Agreement. The original concern was there was an obligation rather than an option. LM believed the intention was the recitals would not go into the Supplemental Agreement Template. It was agreed this action could now be closed but a further action may be required for Cadent (Darren Dunkley) to confirm this is in keeping with his expectations. **Closed.**

**New Action 1001:** Cadent (DD) to confirm that the use of the new Supplemental Agreement Template, will be an option not an obligation and this is in keeping with his expectations.

**Action 0702:** All to check that Leases are in place for every offtake

**Update:** It was noted that there was a need to address Lease Agreements for two sites and this is being dealt with under normal operational requirements and should be considered as outside the scope of this Workgroup. It was therefore agreed that this action could be closed. **Closed.**

**Action 0703:** SR to confirm the National Grid Redundant Asset process. *Legal Text 3.6.4*

**Update:** SR reported that a small working group had got together to consider ideas and look at concepts around a time bound cap, the cumulative amount of requests and the value of the asset type, to minimise the risk in the T2 submission and consider all redundant assets in advance of the T3 submission. SR confirmed Daren Dunkley had provided some feedback. SR advised the redundant asset strategy needed further consideration and National Grid needed to consider the regulatory funding. Further dialogue will continue. **Carried Forward.**

**2. Consideration of Cost Allocation**

Consideration Deferred.

**3. Amended Subsidiary document (removal of redundant assets)**

Deferred until next meeting.

**4. Consideration of Draft Legal Text**

Before the Workgroup commenced reviewing the provided draft Legal Text, LM wished to note that without the supporting documents the review of the text could only be high level. This was noted and agreed by the Workgroup

SR confirmed that National Grid had provided some comments via email prior to the meeting. The Workgroup agreed to review these comments. The following considerations were made:

It appeared there was no reference to tri-partite sites. SS believed this had been covered but would review and confirm the content.

Paragraph 3.1.1. LM pointed out that there was a need to understand the format of the reference documents. She suggested the Workgroup needed to review in aggregate the Legal Text with the supporting documents. It was suggested that Non-Offtakes will be referred to as Shared Sites, within the Supplemental Agreement Template. LM believed that Shared Sites have been considered before and there may have been some concerns expressed previously. It was noted that a new definition would be required for Shared Sites.

Paragraph 3.1.1. SR believed there was a need to confirm the transitional rules for when this is implemented to avoid parties being non-compliant if new/replacement Supplemental Agreements are not put in place. SS believed that the concept for using the new Supplemental Agreements is that the current Supplemental Agreements would not need to be replaced until there is a need for them to be updated. He clarified the change-over could be done at a point the current agreement needed an update rather than a wholesale change requirement. LB had understood previously that the agreements would only need to be changed as and when there was a need to. SM also asked about the format and whether it needed to be prescriptive, i.e. to allow flexibility to include items such as drawings. SR also mentioned there was a specific reference to letters and how to be compliant. LM enquired about the favoured approach and if DNOs wanted flexibility of using diagrams or using the template depending on the information required. LB anticipated that WWU would want to use a format which is the best fit for that site and there was need for some flexibility. SR noted that the Legal Text needed to allow for some flexibility.

DM supported changing to the new agreement template when there are updates on site (as needs arise) rather than changing all Supplemental Agreements by a specific date. SR asked about the maintenance of two different templates as minor changes on site may not warrant a move to the new template. LM suggested that the text needs to allow for flexibility to use a format agreed with both parties and that the new template need not be used if the existing agreement is deemed appropriate.

LM wished to highlight that some alignment may be required to the Legal Text to ensure there are consistent references to supporting documents in terms of titles. LM asked SS to consider all references to Closed Offtakes.

Referring to changes to Information Systems, such as outages, SR believed that the current wording may not cover the concerns originally raised. LM referred to the OAD Notice, noting that the current reference to connection facilities wouldn't work. LM explained that the IS document has defined communication channels so using the OAD Notice may not be fit for purpose.

LM wished to understand the intent of Section 2 and the issue trying to be addressed in relation to the electrical equipment on site. SS and LB believed this was in relation to shared electrical boards. LM was concerned about the low-level information required, stressing this may not always be available, she suggested that the Legal Text may need additional clarity.

SR believed that Part 3 may not be needed as there already obligations in place for Telemetry Facilities.

It was agreed that Paragraph 3.6.4. Redundant Assets needed further consideration.

SR highlighted that Part 4 may also need further consideration particularly the wording around restricting access to sites.

LM enquired about the approval of subsidiary documents and if the Workgroup need to review the rules around the Offtake Arrangement Committee quoracy and voting rules, to facilitate the approval of documents. She suggested that to ensure appropriate parties are included in the approval process or to avoid failed approvals due to a party not being present it may be worth revisiting the rules to consider how to manage quoracy and approve changes to subsidiary documents. SS agreed to look at the quoracy and voting rights which may affect the approval of subsidiary documents and how best to manage the interest of all parties.

LM asked about Critical National Infrastructure (CNI) Re-enforcement and defining CNI. It was believed that CNI does not currently exist in OAD. It was suggested that a definition for CNI will be required. The Workgroup briefly discussed what makes a site CNI and that the site owner normally provides the site security. It was recognised that the site security provision may need to be amended for some sites, it was suggested that the Legal Text wording needed to be kept at a high level to allow for circumstances when the site user can provide site security.

SR noted Section J and the rewording to include LDZ to LDZ. He enquired if the reference to LDZ or LDZ would need a corresponding section for NTS to LDZ.

It was suggested that the indemnities and liabilities needed further consideration. It was noted that this was in the solution but had not come out in the Legal Text, along with the bi-directional flows and temporary connections.

DM referred back to Paragraph 3.6.7, the reference to B1.1.4 and the use of word 'instrument'. He asked if this was a reference to Lease Agreements as B1.1.4 does not refer to an instrument. He also wished to record from previous conversations that Lease Agreements need to take precedent and the rules within the OAD should not over-rule the Lease Agreements already in place.

The Workgroup briefly considered the Supplemental Agreement Template. It was agreed to defer a review of this until Darren Dunkley (Cadent) was present. LM suggested Section 3: Site Services needed further discussion and consideration of what should be included within the template.

It was agreed that the Workgroup required further time for more detailed consideration of the Legal Text. It was agreed to defer consideration of the Legal Text Commentary on the understanding this would bring up the same considerations.

## **5. Development of Workgroup Report**

It was believed there was still a substantial amount of work to undertaken and that the Workgroup Report deadline would need extending by 3 months until February 2020.

## **6. Next Steps**

It was agreed that for the next meeting to be of value the Workgroup would need to be supplied with revised Legal Text and the updated subsidiary documents for review.

BF summarised the anticipated next steps as follows:

- Extension until February 2020.
- Review supporting documents and Legal Text (November / December)
- Development of Workgroup Report (December / January)
- Finalise the Workgroup Report (February)

## **7. Any Other Business**

None

**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 06 November 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Availability of essential meeting papers to be confirmed before confirmation of next meeting.  Expected Agenda: Review Supporting Documents and Legal Text
10:00 Wednesday 04 December 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Development of Workgroup Report
10:00 Monday 06 January 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Development of Workgroup Report
10:00 Wednesday 05 February 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Finalise Workgroup Report

**Action Table (as at 10 October 2019)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	31/07/19	2.0	<i>LDZ to LDZ Recitals Template</i> : SR to consider the wording of paragraph E on the Supplemental agreement. WWU will then review.	National Grid (SR)	<b>Closed</b>
0702	31/07/19	3.0	All to check that Leases are in place for every offtake	All	<b>Closed</b>
0703	31/07/19	6.0	<i>Legal Text 3.6.4</i> SR to confirm the National Grid Redundant Asset process.	National Grid (SR)	<b>Carried Forward</b>
1001	10/10/19	1.2	Cadent (DD) to confirm that the use of the new Supplemental Agreement Template, will be an option not an obligation and this is in keeping with his expectations.	Cadent (DD)	<b>Pending</b>