

**UNC Offtake Committee Minutes**  
**Friday 27 November 2009**  
**31 Homer Road, Solihull B91 3LT**

**Attendees**

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	(LD)	Joint Office of Gas Transporters
Alan Raper (Alternate)	(AR)	National Grid Distribution
Anne Young	(AY)	National Grid Distribution
Chris Shanley (Alternate)	(CS)	National Grid NTS
Joanna Ferguson (Member)	(JF)	Northern Gas Networks
Joel Martin (Alternate)	(JM)	Scotia Gas Networks
Nick Reeves	(NR)	National Grid NTS
Richard Wilson	(RW)	National Grid NTS
Simon Trivella (Member)	(ST)	Wales & West Utilities
Stuart Gibbons	(SG)	National Grid Distribution

**1. Note of any alternates attending the meeting**

JB advised members that: Chris Warner had appointed Alan Raper as alternate for National Grid Distribution; Ritchard Hewitt had appointed Chris Shanley as alternate for National Grid NTS; Andrew Gibson had appointed Joel Martin as alternate for Scotia Gas Networks, and that Simon Trivella and Joanna Ferguson were Members of the Committee.

The meeting was therefore determined to be quorate.

**2. Review of Minutes and Actions of Previous Meetings (07 September and 16 October 2009)**

**2.1. Review of Minutes**

The minutes of the previous meetings were accepted.

**2.2. Review of Outstanding Actions**

**Action 1008OC:** WWU to liaise with the Collaboration Forum to initiate amendments to E2.

**Update:** ST will raise this again at the Collaboration Forum. **Action carried forward**

**Action 1009OC:** All to review the Offtake Communications document and either approve, or provide feedback.

**Update:** ST and CS agreed to liaise to progress this. **Action carried forward**

**Action 1010OC:** NG UKD to ascertain the location of the Industry Operating Procedures and make available for publication.

**Update:** The documents had been made available electronically. **Action closed**

**Action 1011OC:** Joint Office to provide a marked up version of T/PR/ME/2 to the Offtake Committee members/alternates for final approval via email.

**Update:** Reviewed at this meeting, amended and approved (see below). **Action closed**

**Action 1013OC:** OAD Section E Annex E 3.4 (Page 11, OAD Clause 3<sup>rd</sup> Row) - CS agreed to clarify whether the clause (relating to battery failure) was in the Supplemental Agreement.

**Update:** CS confirmed that this was not in the Supplemental Agreement. It was unanimously agreed to remove the clause relating to battery failure from the OCD. **Action closed**

**Action 1014OC:** OAD Section I5 (various) including I5.1.3(a), I5.1.3(b), I5.1.3(c), I5.1.3(d), I5.1.4, I5.2.1, I5.2.2, I5.2.3, I5.2.4, and I5.3.3(b) - ST to make the appropriate changes to the OCD and provide a revised copy to the Joint Office for circulation/approval by email.

**Update:** Changes outstanding. **Action carried forward**

**Action 1015OC:** AF and JO to review T/PR/ME/2 Part 2 and issue a revised document for comment/approval.

**Update:** Action expanded to include the review of T/PR/ME/2 Part 1. **Action carried forward**

**Action 1016OC:** JO to issue revised T/PR/ME/2 Part 3 for comment/approval (responses by 17:00 Friday 25 September 2009).

**Update:** Completed. Further review at this meeting and final version approved. **Action closed**

**Action 1017OC:** UNC OAD Section H – NTS Long Term Forecasting – CS to ask why Shrinkage had been included in the list.

**Update:** Clarification note sent out following last meeting. **Action closed**

**Action 1018OC:** Timing of OPNS/LDZ Demand Forecasts from DNs to National Grid NTS – CS will liaise internally to gain a greater understanding of the issues, and potential options, and report back to the Offtake Committee.

**Update:** CS gave a presentation in response to this action. It was seen to be a very complex topic and CS had attempted to break it down into component parts to aid understanding. Issues concerned data currently provided/accessed, the purposes to which it is/was likely to be put, and timings.

The DNs' inputs, their obligations under UNC, their routes into National Grid NTS and the activities to which these related, were described and a short discussion ensued.

AR pointed out that OPNs were never designed to be part of the DN demand forecast. To be of use for the demand forecast the OPNs would have to be supplemented with further information. Even if the OPN plus additional data were provided at 16:00, this would not be early enough for National Grid NTS's purposes. ST pointed out the

balance that needs to be struck between timing and accuracy – earlier notification would be less accurate. It was then concluded that the use of OPNs by National Grid NTS should not be part of the forecasting procedure.

AY commented that iGMS needed figures by quarter to the hour so it can be prepared to meet the publishing time.

It was noted that the demand forecasting process ran to fairly tight timescales at the moment.

Moving on to future considerations, ST pointed out that the DNs still have issues with flex; in this year's round of flex bookings there was constraint on flex and requests were not satisfied. The DNs have no current mechanism to increase flex, and therefore have to build storage to meet flex. It seems to be a vicious circle. CS noted the DNs' concerns and would communicate these internally.

AY referred back to 'Current Requirements' and the final bullet point relating to the potential need to introduce governance arrangements for METGAS, and questioned the need for this. The SC2004 replacement programme was looking at developing an aggregate system with forward routes; there is a UKT project looking at this, but AY did not think it would pick up every small detail on the METGAS screen. The SC2004 includes some things but not others. CS noted these comments.

AY said that METGAS is on GTMS and this will be replaced and each DN Controller will have its own access/view. Each DN will have its own forecasting application in the future and will feed it into UKT/Gemini. It replaces what SC2004 currently does, not what METGAS does.

ST pointed out that there was a mismatch between what the UNC provides and when, and what is actually needed and when. It was agreed, however, that we were not seeking a solution under a UNC Modification or a UNC Related Document and that it was therefore outside the remit of this UNC Committee. It was up to the DNs and National Grid NTS to discuss the information requirements and what would be reflected within the replacement systems. AY would inquire about the METGAS screen and if/how it would be replaced operationally and clarify what was covered by SC2004. **Action closed**

**Action 1019OC:** DNs to follow up on outstanding Measurement Error reports.

**Update:** JB confirmed receipt of more reports, and requested that DNs also submit an updated spreadsheet to reflect the figures calculated for the report, at the same time as the report. **Action closed**

**Action 1020OC:** JO to write out to existing ITEs inviting them to remain on the ITE List for a further year.

**Update:** Completed (see 5.3 below). **Action closed**

### 3. Offtake Subsidiary Documents - matters for review

#### 3.1. Offtake Communications Documents (OCD)

The document was displayed on screen to highlight the Industry Operating Procedures column under discussion. The Industry Operating Procedures documents had been made available electronically following the previous meeting. AY asked if the information remained relevant or should the column in the OCD now be removed.

ST had briefly reviewed some of the documents prior to the meeting and believed there was value in reviewing them all before deciding to remove the column. Some of the documents were then briefly considered and it was agreed that more extensive reviews were required. Recognising that this might be a transitional issue now but also a future one after SOMSA exit it was suggested that this might be brought to the attention of Diane Ritchie's team.

**Action 1021OC: DNs to review the IOPs and AY to liaise with the DNs and Diane Ritchie's team to convene a teleconference to decide what should be retained and what should be removed.**

### **3.2. The Validation Procedures (T/PR/ME/2 Parts 1 to 3 and T/PR/GQ/3)**

#### **3.2.1 T/PR/ME/2 Parts 1 and 2**

Both documents were displayed on screen and briefly reviewed. It was agreed that both documents should be reviewed and circulated for wider review/comment/approval. Action 1015OC was expanded accordingly.

**Expanded Action 1015OC: AF and JO to review T/PR/ME/2 Parts 1 and 2 and issue revised documents for wider review/comment/approval.**

#### **3.2.2 T/PR/ME/2 Part 3**

The document was displayed on screen. Referring to page 4, ST reported that Wales & West Utilities did not work to a document called 'Gas Requirements Manual' and that this reference would therefore have to be amended in some fashion. Following a brief discussion it was agreed to add the words 'Transporters Gas Requirements Manual or equivalent'. The amendment was made, the document was unanimously approved, and the JO will publish the document on the website.

### **3.3. The Emergency Procedure E2 (DN/PM/E/2/E)**

JB pointed out that this document was not currently available on the JO website because of issues with content/version. There was a brief discussion whereby it was felt to be satisfactory for the Transporters as a group to review the document, bring to the Offtake Committee for final approval and then JO will publish on the website. See Action 1008OC above – ST will raise this again at the Collaboration Forum.

### **3.4 Safe Control of Operations Interface Procedures (SCOIP)**

ST provided a change marked document for review, and explained the amendments. ST agreed to forward the document to the Joint Office and it would be emailed out for final approval. JB pointed out that a formal response needed to be received from each party indicating acceptance.

**Action 1022OC: ST to provide SCOIP version 9.3 to the JO for circulation and formal approval.**

## **4. SOMSA Industry Operating Procedures**

See Action 1010OC above; the documents had been located and circulated for review.

## 5. Measurement Errors

### 5.1 Measurement Error Guidelines and Process

JB reported that some suggestions regarding the Measurement Error (ME) process had been made at the UNC Modification Panel meeting. It had been suggested that the Joint Office should inform all parties:

- a) whenever any change was made to the Measurement Error Spreadsheet); and
- b) every time a Measurement Error is notified.

The Joint Office had implemented these suggestions.

It had also been suggested that once this first Significant Measurement Error Report (SMER) process had been completed, the guidelines should be reviewed to see if they were 'fit for purpose'. It was agreed that this was a sensible approach; a review of the guidelines would be added to the agenda of the Offtake Arrangements Workstream once the first SMER had reached the end of the process. Further suggestions for improvement would be welcomed.

JB reported that BGT had sent emails to various parties following the identification of the MEs, and that some parties had responded. It was noted that discovery of the latest MEs had arisen through the audit and not the ME2 validation process, which had generated questions from Shippers regarding levels of transparency. Transporters were asked for their views on how to address the points raised by the Shippers, eg how did the audit fit with the ME2 validation procedures.

SG responded that the audit process was a voluntary aspect for a DN. The DNs engage with Ofgem's Technical Department beforehand in deciding which Offtakes were to be audited, and a list was submitted and agreed. Each DN explains the criteria for its particular choices. Once agreed the audits are generally aligned to the ME2 validation timescales which are set independently. The auditor attends when the ME2 validation takes place and conducts the audit according to the requirements. Ofgem are invited to and do attend some audits/validations.

JB asked if the DNs would be prepared to offer a presentation to Shippers to elucidate what procedures were followed during such an audit.

SG referred to GMR00022 and stated that all DN audits were carried out in line with this document. JB asked if it would be possible for Shippers to have sight of this document and also a schedule of which audits are expected to take place. ST said that he would be happy to share the process that DNs follow and to give individual Shippers a copy of the GMR00022 document on request, with caveats around copying/making available to third parties, etc. ME2 is reviewed in the light of any audit findings and these are shared across the DNs.

**Action 1023OC: DNs to discuss at the next DN Forum the suggestion that Shippers be permitted to have sight of GMR00022 and also a schedule of which audits are expected to take place.**

**Action 1024OC: DNs to prepare and deliver a presentation for the next Offtake Arrangements Workstream, to cover eg the basic governance of audits, the audit schedule and how determined, what is currently in place, the level of Ofgem engagement, the procedure itself, the validation process/schedules, etc.**

Referring to the validation procedures, ST suggested that the '12 month rule' is sometimes unworkable under UNC and that scheduling problems could be experienced if confined to a particular date. Experiences were briefly discussed. RW commented that single stream sites presented the most problems in respect of limited opportunities for closing off. It was thought that under the UNC, the Downstream Party also had to submit the validation schedule to the Upstream Party for checking to see if this was viable. ST thought that visibility should be given to Shippers as to the reasons for having to exceed the '12 month rule' at certain sites.

## **5.2 Orifice Plate Measurement Error - Appointment of the Independent Technical Expert (ITE)**

SG reported that National Grid Distribution had met with the prospective ITE who had confirmed willingness to undertake the required analysis. Scope, timescales and the appropriate methodology to be applied had also been discussed. The ITE foresaw no significant problems. Negotiations were underway to put a contract in place, and it was likely that the Offtake Arrangements Technical meeting may be scheduled for some time in January 2010.

## **5.3 Review of ITE Register**

JB reported that the Joint Office had written to all parties registered and all had confirmed their wish to remain on the Register for the coming year.

## **6. Any Other Business**

### **6.1 Notifications**

As briefly referred to earlier in the meeting, CS reported that may be some issues in respect of notifications but that this may be covered in with the review of operating procedures.

AY asked if there were any specific details, and CS said recent problems had been experienced with the Supplemental Agreement updates and notifications. However he thought that this may have improved recently and other areas may need attention. This could be discussed at the next meeting.

### **6.2 CV and High Pressure Metering Technical Forums**

SG reported that two Technical Forums currently met (also attended by Ofgem) but did not report through any formal governance structure. The views of the Committee were sought and a brief discussion took place, following which it was concluded that they might best sit under Energy Networks Association governance. The DNs agreed to follow up this suggestion.

## **7. Diary Planning**

If time permits it is likely that the next meeting will be held following the next Offtake Arrangements Technical Workstream. Arrangements for the next meeting of the Offtake Committee will be made and notified as appropriate.

**ACTION LOG – UNC Offtake Committee: 27 November 2009**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1008OC	28/01/08	2.0	a) WWU to liaise with the Collaboration Forum to initiate amendments to E2. b) NG NTS to clarify NTS' perception of what the problems were.	WWU (ST) & NG NTS (CS)	<b>Carried forward</b>
1009OC	28/01/08	2.0	a) All to review the Offtake Communications document and either approve, or provide feedback; b) RW to review Section H, Section I as amended by Modification Proposal 0195AV and Consent to Modify CO31 and update the document.	All  National Grid NTS (RW)	Current version approved for publication.  National Grid NTS to amend to reflect 0195AV. <b>Carried forward</b>
1010OC	28/01/08	2.0	NG UKD to ascertain the location of the Industry Operating Procedures and make available for publication.	NG UKD (AY)	<b>Closed</b>
1011OC	28/04/09	3.2	Following today's review Joint Office to provide a revised marked up version of ME/2 to the Offtake Committee members/alternates for final approval via email.	Joint Office (JB)	Amended and approved <b>Closed</b>
1013OC	07/09/09	3.1	National Grid NTS to clarify whether the clause (relating to battery failure) was in the Supplemental Agreement.	National Grid NTS (CS)	<b>Closed</b>
1014OC	07/09/09	3.1	Offtake Communications Document: Make the appropriate changes to the OCD and provide a revised copy to the Joint Office for circulation/approval by email.	Wales & West Utilities (ST)	<b>Carried forward</b>
1015OC	07/09/09	3.2	AF and JO to review T/PR/ME/2 Parts 1 and 2 and issue revised documents for comment/approval.	NG UKD (AF) and JO (JB)	<b>Expanded to include Part 1.</b> <b>Carried forward</b>

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1017OC	07/09/09	4.0	UNC OAD Section H – NTS Long Term Forecasting: CS to ask why Shrinkage had been included in the list.	National Grid NTS (CS)	<b>Note issued following last meeting.</b> <b>Closed</b>
1018OC	07/09/09	5.0	Timing of OPNS/LDZ Demand Forecasts from DNs to National Grid NTS – CS will liaise internally to gain a greater understanding of the issues, and potential options, and report back to the Offtake Committee.	National Grid NTS (CS)	<b>Presentation given at this meeting.</b>  <b>Closed</b>
1019OC	07/09/09	7.0	DNs to follow up on outstanding Measurement Error reports.	All DNs	<b>Closed</b>
1020OC	07/09/09	7.0	JO to write out to existing ITEs inviting them to remain on the ITE List for a further year.	Joint Office (JB)	<b>Closed</b>
1021OC	27/11/09	3.	DNs to review the IOPs and AY to liaise with the DNs and Diane Ritchie's team to convene a teleconference to decide what should be retained and what should be removed.	DNS and AY	
1022OC	27/11/09	3.4	ST to provide SCOIP version 9.3 to the JO for circulation and formal approval.	Wales & West Utilities (ST)	
1023OC	27/11/09	5.1	DNs to discuss at the next DN Forum the suggestion that Shippers be permitted to have sight of GMR00022 and also a schedule of which audits are expected to take place.	DNs	
1024OC	27/11/09	5.1	DNs to prepare and deliver a presentation for the next Offtake Arrangements Workstream, to cover eg the basic governance of audits, the audit schedule and how determined, what is currently in place, the level of Ofgem engagement, the procedure itself, the validation process/schedules, etc.	DNs	

