

UNC Offtake Committee Minutes
Monday 07 September 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
Andrew Finch	(AF)	National Grid Distribution
Anne Young	(AY)	National Grid Distribution
Bethan Winter	(BW)	Wales & West Utilities
Chris Shanley (Alternate)	(CS)	National Grid NTS
Joanna Ferguson (Member)	(JF)	Northern Gas Networks
Leyon Joseph (Alternate)	(LJ)	Scotia Gas Networks
Richard Pomroy	(RP)	Wales & West Utilities
Richard Wilson	(RW)	National Grid Distribution
Roger Golding	(RG)	Scotia Gas Networks
Simon Trivella (Member)	(ST)	Wales & West Utilities

1. Note of any alternates attending the meeting

JB advised members that: Chris Warner had appointed Alan Raper as alternate for National Grid Distribution; Andrew Gibson had appointed Leyon Joseph as alternate for Scotia Gas Networks; Ritchard Hewitt had appointed Chris Shanley as alternate for National Grid NTS; 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 Meeting (28 April 2009)

2.1. Review of Minutes

The minutes of the previous meeting were accepted.

2.2. Review of Outstanding Actions

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

Update: ST reported that Safety Case changes were taking precedence at the present time, and that the Safety Case Committee would need to resolve the position of E2 before any further progress could be expected. CS volunteered to clarify NTS' perception of what the problems were.

Action expanded and carried forward.

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

Update: At the last meeting an extension to this action was agreed, that “RW review Section H, Section I as amended by Modification Proposal 0195AV and Consent to Modify CO31 and update the document.” Please see 4, below.

Action carried forward.

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

Update: RW reported that he had so far been unable to ascertain the location of the document(s). AY said that she had hard copies of the documents and volunteered to undertake to locate electronic versions. The responsibility for the action passed to AY.

Action carried forward.

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: Issued by the Joint Office on 13 August 2009. Comments were received from two parties; see item 3.2, below.

Action carried forward.

Action 1012OC: National Grid NTS to contact Paul Youngman to consider E/2 from a National Grid NTS perspective and confirm what elements need to be amended.

Update: RW reported that National Grid NTS had contacted Paul Youngman who would contact ST to discuss.

Action closed.

3. Offtake Subsidiary Documents - matters for review

3.1. Offtake Communications Documents (OCD)

ST reported that following work carried out at SOMSA SC2004 Solutions Business Review Workshops, it had been identified that there were references within the OCD to Sections/paragraphs of the OAD that no longer exist. The Joint Office had carried out a review of the OCD and had identified additional incorrect references.

i) OAD Section E Annex E 3.4 (Page 11, OAD Clause 3rd Row)

OAD Section E Annex E3.4 did not exist. The table entry related to the notification by the DNO to NG NTS of battery failure. OAD Section E did not mention this, as far as ST was aware.

The intent of the original reference was briefly discussed and whether the obligation was contained in the Supplemental Agreement. It was expected that the reference could be removed, with no perceived ill effects.

CS agreed to clarify whether the clause was in the Supplemental Agreement and added that National Grid NTS was reviewing Supplemental Agreements and would liaise with DNs at a later date.

Action 1013OC: CS agreed to clarify whether the clause (relating to battery failure) was in the Supplemental Agreement.

ii) OAD Section F 4.2.1(c) (Page 12, OAD Clause 3rd Row)

OAD Section F 4.2.1(c) did not exist. The clause referred to was contained within clause 4.2.1(b).

The intent of the original reference was briefly discussed and it was agreed that the reference could be removed.

iii) 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)

OAD Section I5 no longer existed (it now stated "Not Used"). This was removed as part of Modification Proposal 0090. All of Section I5 now appeared in Part IIC Transitional Rules Paragraph 11. This will fall away in October 2011. It was pointed out that, once corrected, a further OCD change will be required.

After a brief discussion it was agreed it would be appropriate to make changes to the OCD.

Action 1014OC: ST to make the appropriate changes to the OCD and provide a revised copy to the Joint Office for circulation/approval by email.

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 Part 2**

AF believed this document to be of limited value, but advocated retention in the event of uncommon circumstances encountered or unusual solutions requiring agreement in the future. It was agreed that Part 2 should be retained and that the document should be reviewed.

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

3.2.2 T/PR/ME/2 Part 3

The revised marked up version of T/PR/ME/2 Part 3 had been issued for email approval on 13 August 2009; comments had been received from two parties.

The marked up document was then displayed on screen, the proposed amendments were reviewed and discussed, with further amendments being made onscreen as appropriate as the discussion progressed.

While reviewing the document Scotia Gas Networks (SGN) had raised further two points.

- Under 'Section 10: Reinstatement' (page 15) SGN had observed that "Management of an approved version controlled master Omni configuration may need to be referred to, rather than the current system which has attracted auditor criticism for carrying errors forward."; and
- Under 'Flow Computer Configuration Check – Procedure No: CP9' (page 61) SGN had observed that "Auditors have repeatedly warned, and experience has shown, that the current procedure can carry forward errors from one year to the next. SGN propose that this section be rewritten to reflect use of a master version controlled configuration file that would be checked/approved before use."

These observations were discussed and it was acknowledged that these points could involve a proposed major change to working practices. Recognition of the potential

magnitude of such a change precluded the incorporation of these points into the document for the present time. Their importance was noted by the Offtake Committee for further consideration at a later date.

The revised version of T/PR/ME/2 Part 3 (drafted at this meeting) would be issued by email for further comment (responses by 17:00 Friday 25 September 2009), with a view to seeking and gaining final approval of the document by the end of September 2009.

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

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

See updates on Actions 1008OC and 1012OC above.

4. UNC OAD Section H – NTS Long Term Forecasting

ST explained that this section of the OAD contained information that DNOs are required to provide to National Grid NTS for the long term planning process, including data relating to Interruptible sites. With the changes in DN Interruption arrangements (Modification Proposal 0090) there were questions over whether this would continue to be appropriate from October 2011. Although there will still be Supply Points that the DNs will be able to interrupt post October 2011 this form of interruption was on contractual/commercial basis, and therefore it was believed that this should not be considered in the same way for Demand Forecasting purposes.

CS had spoken with Steve Thompson (National Grid NTS) who had advised that for NG NTS to continue to include interruptible sites in the forecast, specific information was required from the DNs, and had given the assurance that any information provided would be used solely for forecasting purposes. RG pointed out that most currently Interruptible sites would be Firm. Interruptible volumes would, therefore, be so small as to have little effect in terms of aggregate forecasting. From 2011 the load should not be considered in the same way, and it may be commercially inappropriate to release such information, as it was strictly a commercial relationship between the DN and the site. LJ added that following the change in process after 2011 there may be no volumes at all. ST reiterated, was it still appropriate to talk about Interruption within the OAD? The new regime involves the DN and Firm sites making a commercial decision to demand side manage, because 'Interruptible demand' in its current guise and meaning would no longer exist.

CS presented the slide that had been sent to the DNs by National Grid NTS, which included details of a number of proposed changes that National Grid NTS was intending to make. In anticipation of this Offtake Committee meeting, the DNs were asked by National Grid NTS to provide comments on the proposals by 31 August 2009. CS added that no comments had been received to date, but he would be willing to extend the deadline to the end of next week. ST queried the circulation list used as he had not been aware of this until Friday. CS confirmed the recipients. CS explained that these were the changes that Steve Thompson was trying to get in to this year's report; wider changes to OAD Section H would be required at a later date. CS requested that any responses should be sent in fairly quickly to enable consideration.

LJ observed that in Appendices H1 and H2 a lot of categories could be zero. CS said that double counting needed to be avoided. Responding to ST's query as to why

Shrinkage had been included in the list as it is a fixed daily value in Gemini, CS agreed to ask Steve Thompson.

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

5. Timing of OPNS/LDZ Demand Forecasts from DNs to National Grid NTS

It was believed that this topic has been discussed before and needs to be looked at again. AY explained that this was also raised through the SOMSA SC2004 work but it was felt that National Grid NTS should pursue any identified issues via the Offtake Committee. Supporting information to clarify the issues had been provided by AY and circulated to attendees by email.

From a GNCC demand forecasting perspective, there were two major issues associated with current DN demand forecasting processes: a mismatch of timing (present since Network Sales), and an OPN accuracy issue.

The GNCC demand forecasting process runs at specific times. Some of these forecasts are published on the National Grid web site. National Grid NTS is also incentivised on the accuracy of the Day Ahead 13:00 forecast, with a target annual error of 3.0%. Removal of SC2004 will mean that National Grid NTS will no longer have access to certain information.

RG believed there may also be implications for LDZ/LDZ transfer and balancing off – this was a very complex area. SGN had concerns regarding embedded VLDMCs putting in OPNs and providing it to SGN after the LDZ forecast – clearly this did not fit well together. It was also pointed out that National Grid NTS would not have access to certain demand screens which the DNs will continue to populate with data.

AY explained that, although some data was provided in advance, it is still not in sufficient time to use it for certain forecasting. Each DN will be putting in its own systems.

CS commented that correcting the OPN inconsistencies may be the best way forward, whilst acknowledging that a wider review may be required.

ST believed that the DNs needed to understand what was creating the issue for National Grid NTS in relation to the DNs' current timing, and then it could be established which way round to go to address any changes required. It would be helpful to have a greater understanding of any obligations. AR added that it would also be helpful to understand to what use the demand figures were put. RG observed that the DNs will need new mechanisms to communicate with National Grid NTS in the new regime so DNs need to understand how best the required information can be efficiently provided at the right time. AR made reference to previous Modification Proposals, which had attempted to tackle similar issues.

ST reiterated that the Transporters needed to think through the issues to understand the NTS requirements and how best to meet them, and to clarify a way forward. ST also pointed out that the Transporters should be wary of redesigning systems/processes to meet any current incentive that may disappear in a couple of years.

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.

6. OAD Section F – proposed Consent to Modify (CTM)

ST had provided a marked up version of OAD Section F in advance of the meeting and gave a brief outline of the circumstances forcing the proposed changes. He had received different views on the removal of paragraph 3; paragraph 3 may still be relevant depending on what was done with paragraph 4. There was a desire to formalise arrangements going forward prior to amending OAD Section F. However since drafting these amendments ST preferred not to progress anything until a clearer view of potential consequences was reached.

RW believed that at a prior Offtake meeting National Grid NTS had stated that it would continue to provide this service until such time as significant changes forced changes to systems. FWACV does not have to be tied into National Grid NTS; it could be offered by another party with access to the relevant information; it is in OAD but does not need to be. There was a brief discussion on data flows. It was felt that to oblige National Grid NTS to provide the service on the DNs' behalf was not necessarily appropriate. AY commented that some functions may be replaced, but may fall within a new agreement.

ST pointed out that OAD Section F paragraph 4 had already end dated and gone; it needed to be understood where it may best fit. It was recalled that there had been a draft Modification Proposal in 2007 but for some reason it was not formalised. AR said that it had included a date change and an 'exit plan'.

RW confirmed that National Grid NTS was happy to continue with the current arrangements until such time as new developments force significant change.

It was agreed that no further action would be taken for the present and that the topic would be kept under review.

7. Measurement Error Notification Process – Review of Operation

JB reported that although Measurement Errors had been notified to the Joint Office, report dates come and go and reports are not received.

Action 1018OC: DNs to follow up on outstanding Measurement Error reports.

JB also noted that it was time to contact those persons currently named on the Independent Technical Expert (ITE) List to invite them to remain on the List. JB then asked if anyone was aware of any circumstances that may force the removal of a name from the List. No one requested the removal of a name.

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

8. Any Other Business

None raised.

9. Diary Planning

The next meeting of the Offtake Committee will commence at 10:30 on Monday 02 November 2009, in Conference Room 5, 31 Homer Road, Solihull B93 9PS.

ACTION LOG – UNC Offtake Committee: 07 September 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)	Carried forward
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. Carried forward
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)	Action passed from RW to AY. Carried forward
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)	Carried forward
1012OC	28/04/09	3.3	National Grid NTS to contact Paul Youngman to consider E/2 from an NTS perspective and confirm what elements need to be amended.	National Grid NTS (RW)	Closed
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)	
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)	

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1015OC	07/09/09	3.2	AF and JO to review T/PR/ME/2 Part 2 and issue a revised document for comment/approval.	NG UKD (AF) and JO (JB)	
1016OC	07/09/09	3.2.2	JO to issue revised T/PR/ME/2 Part 3 for comment/approval (responses by 17:00 Friday 25 September 2009).	Joint Office (JB)	Issued 08/09/09 Closed
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)	
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)	
1019OC	07/09/09	7.0	DNs to follow up on outstanding Measurement Error reports.	All DNs	
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)	