

**UNC Offtake Arrangements Workgroup Minutes**  
**Thursday 23 June 2011**  
**at Elexon, 4<sup>th</sup> Floor, 350 Euston Road, London, NW1 3AW**

**Attendees**

Tim Davis (Chair)	(TD)	Joint Office
Bob Fletcher (Secretary)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andy Lees	(AL)	National Grid NTS
Anne Jackson	(AJ)	SSE
Brian Durber	(BD)	E.ON UK
Chris Shanley	(CS)	National Grid NTS
Chris Warner	(CW)	National Grid Distribution
David Watson	(DW)	British Gas
Edward Coleman	(EC)	E.ON UK
Joanna Ferguson	(JF)	Northern Gas Networks
Mark Cockayne	(MC)	Xoserve
Mathieu Pearson	(MP)	Ofgem
Nick Wye	(GE)	Waters Wye
Robert Cameron-Higgs	(RCH)	Wales & West Utilities
Sasha Pearce	(SP)	RWE npower
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Tom Connolly*	(TC)	ScottishPower

\*by teleconference

**1. Introduction and Status Review**

TD welcome all to the meeting, explaining that it had been called in order to provide British Gas with an opportunity to put forward a number of proposed amendments to the Terms of Reference for the Independent Technical Experts (ITEs) appointed to produce Significant Meter Error Reports (SMERs) in relation to the Aberdeen error (SC0006).

**2. Independent Technical Expert Terms of Reference**

DW explained the concerns British Gas has with the current Terms of Reference and the possible changes/comments they have highlighted – as published ahead of the meeting. The intention was to increase transparency and ensure the ITEs work independently, producing separate, independent, reports.

TD questioned the British Gas suggestion that the ITEs would produce a single report – they are each required to produce their own SMER. DW explained British Gas believed this was unclear in the Terms of Reference. BD suggested that he supported independent ITEs, and would be concerned if the ITEs work together and views of one or the other may be missed in the main report.

ST did not believe there was ambiguity regarding independent production of separate reports, either in the Guidelines or the Terms of Reference. However, he noted that the changes to introduce a second ITE into the Guidelines were rushed through the governance process with very little industry discussion and, in part, that may be causing a number of the issues that have been highlighted by British Gas.

DW remained concerned that there is a grey area and that the Terms of Reference do not explicitly require individual reports, with each presented independently to the Offtake Arrangements Workgroup. AJ asked when the reports should be brought together, is this defined in the timeline? DW wished to see the individual SMERs within the overall report and how the final answer is achieved.

JF felt that introducing additional meetings to review the individual reports independently, with neither expert able to access the other report, would add to the process unnecessarily and be inefficient.

TD advised that both SMERs would be published and would not be changed when brought together to produce a final recommendation. It was clarified that the obligations relating to SMER publication are within the Guidelines and are not a matter for the Terms of Reference – amendments to the publication requirements should, therefore, be pursued by putting forward proposed changes to the Guidelines.

RCH asked if the intention is for SMERs to be published at the same time so that one report cannot influence the other. DW confirmed it was his view was the SMERs should only be published simultaneously. The Workgroup supported this. ST believed that the guidelines already require the individual SMERs and summary report to be published together - this was part of the Guidelines amendments approved by the UNCC.

BD felt that, as professionals and experts in their field, the ITEs will follow their own methodologies and are unlikely to follow another's view; this has been demonstrated in previous meetings of experts and he had no concerns that this practice would not continue. As such, access to another report was not a major concern. ST suggested that, as the methodologies are published in advance of the SMER in any event, any influence would have occurred prior to producing the SMER.

DW was concerned by ST's observation and argued that the methodologies should not be made available to each ITE. TD clarified that such a change is outside the scope of the Terms of Reference and would require a change to the Guidelines. DW advised that he would review the Guidelines and consider if there were any changes required.

CS was concerned that the proposed amendments to the Terms of Reference include a review of the technical issues, which could unduly delay the report.

There was no general support for the proposed change that an issue cannot be closed until the party raising the issue is satisfied it has been

answered, as one party could be in a position to delay the process.

DW explained why he considered the data provided by the Transporter to support the investigation should be provided to all parties, provided it is not commercially sensitive or restricted. Any interested party should be able to undertake their own analysis to confirm the report outcomes. ST thought that any potential concerns in this area had been resolved by employing two ITEs, providing an independent check on all calculations.

JF was concerned by the proposal that ITEs should take instructions from Members of the Offtake Arrangements Workgroup; attendance changes from meeting to meeting and the Workgroup has no Membership nor defined Terms of Reference to control this activity. Transporters incur the costs of employing the ITEs and hold the contractual relationship. They should, therefore, instruct them – albeit following discussion with the Workgroup.

DW explained a desire that all contacts between the ITE and any other party should be logged and identified in the SMER. Others felt this was unnecessary.

TD asked if there was a consensus in the meeting to change the Terms of Reference as proposed by British Gas. There was no support in the meeting to amend the Terms of Reference. TD then asked if there was any part of the proposed changes that any other party might wish to support, but no support was forthcoming for any change.

DW then explained the recent email provided by British Gas putting forward thoughts/questions which they believe should be addressed and considered by the ITE's before and during the commencement of any on-site testing activity. The group had no concerns with this note being passed on to the ITEs.

### **3. Any Other Business**

None.

### **4. Diary Planning for Workgroup**

It was agreed that the Joint Office should arrange a teleconference to facilitate the ITE presenting his proposed evaluation methodology for the Horndon metering error.

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
OF1007	08/10/10	4.1	All to review the draft ME Register and comment on the key information to be included; to be reviewed at the next meeting.	All	Carried forward
OF1104	30/11/10	2.3	Measurement Error SC006 (Aberdeen MTA): Provide a 'one page overview' of the error.	Scotia Gas Networks (JM/SS)	Carried forward
OF0102	25/01/11	2.4.1	Measurement Error NT008 (Horndon B MTA): Publish the name of the Independent Technical Expert when confirmation of appointment received.	Joint Office (TD/LD)	Carried forward
OF0301	01/03/10	2.1.1	Measurement Error SC006 (Aberdeen MTA): The Downstream Transporter to approach the preferred nominee regarding the appointment process.	Scotia Gas Networks (JM)	Carried forward

**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)	To be provided by email.
OF0505	25/05/11	2.1	Amend draft modification and OCD in line with discussions.	Wales & West Utilities (RCH)	Mod to be presented to June Panel
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)	To be provided by email.
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)	To be provided by email.
OF0508	25/05/11	3	To apply the proposed 6% tolerance level to Offtakes and report back on their findings.	National Grid NTS (MW)	To be provided by email.
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)	To be provided by email.