

Minutes of the Offtake Arrangements Workgroup
Tuesday 01 March 2011
via teleconference

Attendees

Tim Davis (Chair)	(BF) Joint Office
Lorna Dupont (Secretary)	(LD) Joint Office
Alan Raper	(AR) National Grid Distribution
Alison Chamberlain	(AC) National Grid Distribution
Brian Durber	(BD) E.ON UK
Chis Hill	(CH) First Utility
Chris Shanley	(CS) National Grid NTS
Graham Wood	(GW) British Gas
Joel Martin	(JM) Scotia Gas Networks
Jonathan Wisdom	(JW) RWE npower
Katherine Porter	(KP) EDF Energy
Mark Jones	(MJ) SSE
Simon Trivella	(ST) Wales & West Utilities
Thomas Connolly	(TC) Scottish Power

1. Introduction and Status Review

TD explained that following recent changes to the Guidelines approved by UNCC the purpose of this meeting was for Users to identify an additional Independent Technical Expert to consider the recently reported Significant Measurement Error at Aberdeen and to consider the Terms of Reference under which the ITEs should operate.

1.1 Minutes from previous meeting

The minutes of the 23 February 2011 Meeting will be reviewed/approved at the next Workgroup meeting.

1.2 Review of Actions from previous meetings

OF0904: Consideration to be given on the appropriate wording for pre-notifications within the Meter Error Notification Guidelines.

Update: Item deferred. **Carried forward**

OF1003: Establishment of a formal Log to capture reasons for MEs and remedies - DNs to consider in what format it might best be produced.

Update: Item deferred. **Carried forward**

OF1007: All to review the draft Register and comment on the key information to be included; to be reviewed at the next meeting.

Update: Item deferred. **Carried forward**

OF1104: Measurement Error SC006 (Aberdeen MTA): Provide a ‘one page overview’ of the error.

Update: Item deferred. **Carried forward**

OF1202: OAD Section I Review - OPN Rejection Rules - DNs to articulate their views on the OPN rules in respect of complexity and practicality on their part.

Update: Item deferred. **Carried forward**

OF1202A: National Grid Distribution to provide views on the OPN rules to other DNs. This will also be considered within the recommendation for the report.

Update: Item deferred. **Carried forward**

OF1203: OAD Section I Review - SFRN Process - Provide examples to National Grid NTS for further study offline.

Update: Item deferred. **Carried forward**

OF1204: OAD Section I Review - National Grid NTS to discuss critical Offtakes with individual DNs and report back on the feasibility/practicality of developing and using a concept of critical and non-critical Offtakes at the January meeting.

Update: Item deferred. **Carried forward**

OF1205: OAD Section I Review - OPN Options - DNs to put forward a combined DN preferred option to find some common ground on what is important from a practical standpoint rather than a theoretical one, and their view on an appropriate level of accuracy.

Update: Item deferred. **Carried forward**

OF1206: OAD Section I Review - OPN Options - DNs to present a collective view on a zonal concept.

Update: Item deferred. **Carried forward**

OF0101: Measurement Error NT008 (Horndon B MTA): Downstream Transporter to invite preferred nominee to take up appointment and confirm acceptance of the appointment to the JO.

Update: Item deferred. **Carried forward**

OF0201: National Grid Distribution (MF) to capture the issues they have raised with National Grid NTS and provide for discussion and inclusion in the Review Group Report.

Update: Item deferred. **Carried forward**

2. Measurement Error SC006 (Aberdeen MTA)

2.1 Appointment of Additional Independent Technical Expert

2.1.1 Voting

The Joint Office had received initial submissions of proposed experts from some Users. Other Users were then given the opportunity to make their initial submissions via email/text/telephone. TD then collated the information received

and requested that Users rank the experts put forward in order of preference, with rankings able to be submitted to TD via email/text/telephone.

2.1.2 Announcement of Result

TD announced that there was a preferred nominee who would be the first person approached by the Downstream Transporter regarding the appointment process, and the name of the preferred nominee will go forward to the Offtake Committee for endorsement. The details of the voting would remain confidential but be retained by the Joint Office. The Joint Office would not publish the name of the Independent Technical Expert before he/she had accepted the appointment.

Action OF0301: Measurement Error SC006 (Aberdeen MTA): The Downstream Transporter to approach the preferred nominee regarding the appointment process.

2.2 Consideration of Terms of Reference

GW submitted some suggested additions to the generic Terms of Reference for the Workgroup's consideration. These were reviewed and discussed, with amendments agreed during the meeting.

Whilst recognising the need for transparency, concerns were raised regarding the proposed release of data to parties other than the ITEs, and the perceived risks relating to potential contravention of the Data Protection Act and or the UNC, as well as commercial sensitivities.

The basic principle of appointing an ITE was also questioned if data release was required to allow others to undertake their own modelling. TD suggested the intent of this process was to provide the chosen ITE with everything he/she needed to enable him/her to perform their job in a professional manner, with the opportunity for technical questions if appropriate. If multiple reports are generated, that can detract from the process and its original principles. BD agreed and added that an element of professional trust was required.

CS believed that a request for specific data for a specific purpose might be appropriate, for example as a high level check to provide a measure of confidence. For example, NTS had requested data for a single day to allow them to validate adjustments. However, 'fishing expeditions' were in no one's interest, could cause the process to be delayed, and were to be avoided. TC added that, along with transparency, an element of trust on the part of all parties was also required. ST observed that, now the appointment of two ITEs was required, the opportunities for generating more technical questions had increased, as had those for differing interpretations. He stressed that the experts needed to be trusted and left to get on with the job they were contracted to do.

Whilst recognising that any two experts may have individual opinions and methods and want to carry out individual tests, JM pointed out that for operational reasons the two ITEs should arrange to attend site at the same time to perform any common tests, etc. in unison, which would ensure the same access to any available data and accuracy of any comparisons.

There was a brief discussion on the benefits of taking a co-operative approach and whether the two ITEs should be expected to work together or pursue

independent lines. Some held the view that combining forces would negate the appointment of two experts and the benefits of independence and the production of two individual reports. Others believed a co-operative approach would be more beneficial. AR was concerned that the two ITEs were appointed with equal standing and believed that the appointment of an ITE Advisor to challenge and review what an ITE had done could have been a more appropriate approach.

In light of the discussions, additions to the Terms of Reference were agreed as follows:

- “The Appointed Independent Technical Experts shall be expected to provide full and prompt responses to any and all relevant questions, technical challenges and reasonable requests for supporting data relating to the investigation from any affected party during any point of the process (subject to any legal or commercial restrictions on the release of information).
- The Appointed Independent Technical Experts shall be expected to provide detail within their report of any assumptions made within any of their calculations or determinations.
- The Appointed Independent Technical Experts shall be expected to individually and independently progress the compilation of individual SMERs in accordance with the Terms of Reference approved by the Offtake Committee. For the avoidance of doubt, any common tests requested will be expected to be carried out once only with the results provided to each expert.
- Each expert will be provided with the same access to and provision of any data or information provided by the Downstream or other authorised parties.
- Upon completion of their independent SMERs the experts will convene a meeting between themselves to review and discuss the findings from their relevant SMERs along with a comparison of their relevant SMERs.
- The Appointed Independent Technical Experts will produce a summary report which will identify any material differences in individually reported correction figures, and propose a single conclusion together with the justification for that conclusion.
- The summary report will be the single agreed SMER outcome, referring back to the two individual reports as appropriate. The individual SMER reports are not to be modified at this stage, however both the summary report and individual SMERs will be presented to Users, the Upstream Party and Downstream Parties for review and technical challenge.
- In the event that the Appointed Independent Technical Experts cannot propose a single conclusion the experts will provide a further report detailing the reasons as to why a single conclusion cannot be reached.”

TD summarised that the ITEs would be expected to work independently and to work within the Terms of Reference.

3. Any Other Business

None raised.

4. Diary Planning for Workstream

Date	Place	Time	Purpose
07 March 2011	31 Homer Road, Solihull	10:30	Review 0316: "Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows" Consider Draft Workgroup Report.
04 April 2011	Venue to be confirmed	10:30	Review 0316: "Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows" Workgroup Report completion.

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
OF0101	25/01/11	2.4.1	Measurement Error NT008 (Horndon B MTA): Downstream Transporter to invite preferred nominee to take up appointment and confirm acceptance of the appointment to the JO.	National Grid Distribution (SG/AC)	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)	

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
OF1202	08/12/10	3.0	<i>OAD Section I Review</i> – OPN Rejection Rules – DNs to articulate their views on the OPN rules in respect of complexity and practicality on their part.	DNs	Carried forward
OF1202A	22/02/11	1.2	National Grid Distribution to provide views on the OPN rules to other DNs. This will also be considered within the recommendation for the report.	National Grid Distribution (MF)	Carried forward
OF1203	08/12/10	3.0	<i>OAD Section I Review - SFRN Process</i> - Provide examples to National Grid NTS for further study offline.	Wales & West Utilities (BW)	Carried forward
OF1204	08/12/10	3.0	<i>OAD Section I Review</i> - National Grid NTS to discuss critical Offtakes with individual DNs and report back on the feasibility/practicality of developing and using a concept of critical and non-critical Offtakes at the January meeting.	National Grid NTS (PS)	Carried forward
OF1205	08/12/10	3.0	<i>OAD Section I Review</i> - OPN Options - DNs to put forward a combined DN preferred option to find some common ground on what is important from a practical standpoint rather than a theoretical one, and their view on an appropriate level of accuracy.	DNs	Carried forward
OF1206	08/12/10	3.0	<i>OAD Section I Review</i> - OPN Options - DNs to present a collective view on a zonal concept.	DNs	Carried forward