

## Minutes of the Offtake Arrangements Workgroup

Tuesday 03 May 2011

31 Homer Road, Solihull, B91 3LT

### Attendees

Bob Fletcher (Chair)	BF	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Alison Chamberlain	AC	National Grid Distribution
Ben Tuson	BT	Scotia Gas Networks
Bethan Winter	BW	Wales & West Utilities
Dave Adlam	DA	National Grid Distribution
Helga Clarke	HC	National Grid NTS
Mark Amos	MA	National Grid NTS
Mark Lyndon	ML	National Grid NTS
Mark Freeman	MF	National Grid Distribution
Mike Wassell	MW	National Grid NTS
Rob Cameron-Higgs	RCH	Wales & West Utilities

### 1. Introduction

BF welcomed all to the meeting.

### 2. Review of Minutes and Actions

#### 2.1 Minutes from previous meeting (04 April 2011)

The minutes were accepted.

#### 2.2 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**

**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**

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

**Update:** Item deferred. **Carried forward**

***Actions specifically relating to Modification 0316:***

**OF0401:** National Grid NTS to provide a scenario on multiple flow swaps.

**Update:** Provided by ML (see 4.0 below). **Closed**

**OF0402:** National Grid NTS to consider the use of aggregate offtake positions to ascertain overruns.

**Update:** The position was not much changed since the last meeting. **Closed**

**OF0403:** National Grid NTS to provide some analysis to support the draft low demand day modification.

**Update:** Work is continuing. **Carried forward**

**OF0404:** Transporters to provide a view to Wales & West Utilities on whether section I2.3 could be removed from the UNC.

**Update:** Under consideration. **Carried forward**

**OF0405:** Transporters to compile a list of designated (critical) offtakes in time for the May Panel meeting.

**Update:** Will be completed. **Closed**

**OF0406:** National Grid NTS to consider the modification and the implications on other processes and timescales before 06 May 2011.

**Update:** MW reported that consideration was being given to withdrawing the modification depending on agreements between NTS and the DNOs today. Gemini Phase 3 was being designed and the specifications of some flow swaps were being mapped out and considered. It was suggested that the action be truncated to read: "National Grid NTS to further consider Modification 0365", the reworded action to be carried forward. **Carried forward**

**OF0407:** Transporters to consider systems, obligations and contractual routes, processes and interaction with the OCS.

**Update:** Ongoing. **Carried forward**

**3. UNC0316: “Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows” - Consider Draft Modification Proposals**

**3.1 Draft Modification Proposal - OAD Section I Pressure Requests**

AC introduced the draft modification regarding pressure requests, adding that some comments had been received from National Grid NTS. The modification was briefly discussed and AC noted further suggestions and comments.

It was suggested that the purpose of the modification be summarised; AC responded that it was seeking to avoid any adverse impacts following receipt of a request from National Grid NTS.

Solution (Page 4) - The items listed were discussed and it was suggested more detail might be required to support these items. It was observed that this was really trying look at all interactions in a holistic fashion and narrow down what was actually required and try to capture and avoid any unintended consequences.

AC added that the link into the main Code was at TPD J4.6.2.

MW suggested that I might be worthwhile providing supporting evidence regarding any problems that may have been caused in the past and which this modification was trying to address and mitigate. MF believed that asking the question ‘Does the principle make sense?’ might be a better test.

It was questioned whether this should be a self-governance modification and BF explained the process for arriving at such a decision.

MW stated that National Grid NTS would review this modification internally, and comment further if necessary.

MA questioned if it covered enduring and transitional arrangements, and suggested splitting it into two sections.

BF suggested that how the modification was meeting the relevant objectives might require clarification, and the indication of specific advantages/benefits would also aid the consultation phase.

AC will revise the draft to add clarity and take account of suggestions and comments received, and MF will arrange for legal text to be produced for review and discussion at the next meeting.

**Action OF0501:** Draft Modification Proposal - OAD Section I Pressure Requests - Revise the draft to add clarity and take account of suggestions and comments received, and arrange for legal text to be produced for review and discussion at the next meeting.

**3.2 Draft Modification Proposal – Amendments to Section I of the OAD to reflect Offtake Profile Notice rules and recognition of different offtake sensitivities**

RCH had provided for discussion:

- a draft Offtake Communications Document (OCD) Appendix 5 – categorised list of offtakes
- a draft modification proposal
- suggested legal text (Offtake Arrangements Document, Section I NTS Operational Flows)

#### *Offtake Communications Document (OCD) Appendix 5*

The list of categorised offtakes had been produced following last month's discussions. RCH suggested that the list might also be used for the Pressure Requests modification. However, MA thought that separate lists were more appropriate.

RCH also suggested that it should be enshrined in the OCD and referenced in UNC; this would give more flexibility in respect of making any necessary revisions, additions or general updating, rather than having to raise a modification each time.

It was suggested that the Transporters review the list and confirm if happy with the attributed designations.

**Action OF0502:** Offtake Communications Document Appendix 5 - Review the list/categorisations and confirm to RCH if happy with the attributed designations.

#### *Draft Modification Proposal*

RCH had included some suggested legal text relating to UNC TPD B within the modification (under Section 3 Solution), but stressed that Wales & West's lawyers had not confirmed this yet. BF summarised that the modification was putting in a reference to a list and how the list will be used, revised and updated, giving visibility to appropriate processes.

It was noted that the new offtake tolerances would be live on 01 October. It was hoped to get it in before 2011/12, with implementation around September (assuming it was designated self-governance and directed to be issued immediately to consultation).

MW questioned why it needed to be linked/referenced to the OCS process and asked if there might be an easier way to achieve this. AC referred to UNC TPD V and changes made through the UNC. DA offered some suggestions to alter the suggested text relating to linking to flex, which RCH noted for further consideration. AC agreed that it was appropriate to formalise governance, but to try and keep it as simple as possible.

The suggested changes to the text at UNC TPD B were then reviewed and discussed, with RCH explaining the additions/removals. Comments and suggestions were noted for further consideration.

1.1.1 – RCH noted further amendments suggested by MW.

1.1.7 - Reviewing this RCH believed there was some pragmatic housekeeping to do and questioned was there a cleaner way to do this? MA questioned if this was part of a manual process but separated out for agreement by all parties – subject to change. MW commented that he was struggling to

try and formalise the intent sensibly, so it was not onerous. Did this depend on the linkage to MDQ, asked MF, and gave some examples – what would be the trigger(s) throughout the year?

*Suggested Legal text (Offtake Arrangements Document, Section I NT Operational Flows)*

Amendments had been made to this Section with a view to ‘tidying up’ elements, and RCH talked through the proposed changes.

2.3.1 – Should this be removed ? or linked to Designated Offtakes (DOs)?

2.3.3 – RCH commented that this was under further consideration by Wales & West’s lawyers. BW added that 2.2.3(b) needs to be agreed.

2.3.4 – It was agreed that it was difficult to word this. BW said that the inclusions were trying to make this clearer and asked for any further suggestions.

2.4.4 – MW did not think this worked because it still allowed for retrospective OPNs. RCH noted MW’s suggested rewording.

3 – RCH explained the intent of changes in this section, and initial suggestions made for improvements were noted by RCH. Further suggestions would be welcomed.

RCH will revise the draft modification and the associated legal text to reflect comments and suggestions from today’s discussions.

**Action OF0503:** Draft Modification Proposal – Amendments to Section I of the OAD to reflect Offtake Profile Notice rules and recognition of different offtake sensitivities - Revise the draft modification and associated legal text for review at the next meeting.

It was suggested that it would be good for both the OPNs proposal and the Pressure Requests proposal to be submitted to the UNC Modification Panel at the same time, together with any other appropriate modifications if possible. The deadline for submission to the June Panel was Friday 03 June 2011.

#### 4. Consider Flow Swap Scenarios

The scenarios discussed at the previous meeting were displayed. MW stated that following the debate at the previous meeting he believed that all were correct apart from example 3, ie could remove 5 and leave 1 out at Increasing Offtake B; making capacity adjustment did not seem right to worsen the position at A, the decreasing offtake.

Example 4 was briefly reviewed and DA commented that it was not an efficient way to book capacity.

MW then indicated that the new slide provided in responses to **Action OF0401** was now incorrect. B and C should be 1 and 1 using the same logic as example 3, referred to above. Timing seems to make no difference to the outcome. ML explained the logic, whereby the A to B swap was looked at first, then the second flow swap. This was briefly discussed. Where it was felt there might be an overrun issue the quantity may have to be defined. It needs to be very clear,

and designed to promote the assurance that you will never be in a worse position.

MW suggested that it might be appropriate to include the examples and logic within the Review Group's Report to inform and maintain visibility to the Panel.

**Action OF0504:** Flow Swap Scenarios - Provide revised examples and statements of logic applied.

**5. Any Other Business**

*Forecast Accuracy and Overbooking of Flex*

MA advised that it had come to light that Day Ahead OPNs have a storage risk added on and he wondered what the logic behind this might be, bearing in mind it was important to get the D-1 OPNs as accurate as possible. BW responded and explained how the DNs' systems were set up and operated. The issue may be one of timing? MA was looking at removing the worst case inflated position, and separating the 2 data items out would assist greatly with the modelling.

**6. Diary Planning for Workstream**

It was agreed to meet again on Wednesday 25 May 2011 at 10:30 at 31 Homer Road, Solihull B91 3LT.

Date	Place	Time	Purpose
25 May 2011	Conference Room 5 – 31 Homer Road, Solihull B91 3LT	10:30	Review 0316: “Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows”  Review revised draft modification proposals and associated legal text, etc.

### 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
OF0401	04/04/11	2.0	National Grid NTS to provide a scenario on multiple flow swaps and the use of aggregate flow swaps.	National Grid NTS (MW)	<b>Closed</b>
OF0402	04/04/11	2.0	National Grid NTS to consider the use of aggregate offtake position to ascertain overruns.	National Grid NTS (MW)	<b>Closed</b>
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)	<b>Carried forward</b>
OF0404	04/04/11	2.2	Transporters to provide a view to Wales & West Utilities on whether section I2.3 could be removed from the UNC.	Transporters	<b>Carried forward</b>
OF0405	04/04/11	2.2	Transporters to compile a list of designated (critical) offtakes in time for the May Panel meeting.	Transporters	<b>Closed</b>
OF0406	04/04/11	2.2	National Grid NTS to further consider <del>the m-Modification 0365. and the implications on other processes and timescales</del>	National Grid NTS (MW)	<b>Carried forward</b>
OF0407	04/04/11	2.2	Transporters to consider systems, obligations and contractual routes, processes and interaction with the OCS.	Transporters	<b>Carried forward</b>
OF0501	03/05/11	3.1	Draft Modification Proposal - OAD Section I Pressure Requests - Revise the draft to add clarity and take account of suggestions and comments received, and arrange for legal text to be produced for review and discussion at the next meeting (25 May 2011).	National Grid Distribution (AC/MF)	By 17 May 2011



Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF0502	03/05/11	3.2	Offtake Communications Document Appendix 5 - Review the list/categorisations and confirm to RCH if happy with the attributed designations.	Transporters	Before 17 May 2011
OF0503	03/05/11	3.2	Draft Modification Proposal – Amendments to Section I of the OAD to reflect Offtake Profile Notice rules and recognition of different offtake sensitivities - Revise the draft modification and associated legal text for review at the next meeting (25 May 2011).	Wales & West Utilities (RCH)	By 17 May 2011
OF0504	03/05/11	4.0	Flow Swap Scenarios - Provide revised examples and statements of logic applied.	National Grid NTS (MW)	