

UNC Offtake Arrangements Workgroup Minutes
Wednesday 12 December 2012
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Andrew Finch	(AF)	National Grid Distribution
Bethan Winter	(BW)	Wales & West Utilities
Brian Kruger	(BK)	GL Noble Denton
Chris Shanley	(CS)	National Grid NTS
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Eddie Blackburn	(EB)	National Grid NTS
Emma Buckton*	(EB1)	Northern Gas Networks
Graham Wood*	(GW)	British Gas
Harvey Beck*	(HB)	Ofgem
Jakob Forman*	(JB)	DONG Energy
James Whiteford	(JW)	National Grid NTS
Keith Owen*	(KO)	Northern Gas Networks
Lewis Hodgart*	(LH)	Ofgem
Lorna Millington	(LM)	National Grid Distribution
Mark Jones*	(MJ)	SSE
Ritchard Hewitt	(RH)	National Grid NTS
Robert Cameron-Higgs	(RCH)	Wales & West Utilities
Tom Connolly*	(TC)	ScottishPower
Tony Perchard	(TP)	GL Noble Denton

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/OA/121212

1. Introduction and Status Review

1.1 Review of minutes

The minutes of the previous meeting were accepted.

1.2 Review of actions

OF0902: DNs to consider undertaking a review of all live errors twice a year and updating the guidelines to reflect the requirement.

Update: The DNs intended to review live errors on a regular basis and this will be reflected in the revised guidelines; ongoing consideration under item 5.1, below. **Carried Forward**

2. Significant Measurement Error Update

2.1 SC006 Aberdeen MTA

Noting that following the previous meeting, DM was to have circulated the key points from each ITE's update for closer consideration, and that this had not yet been accomplished, GW requested that a formal action be raised so that this was not lost sight of.

Action OF1201: SC006 Aberdeen MTA - DM to circulate the key points from each ITE's update (given at the meeting on 30/10/12).

DM read out an update. Further funds have been allocated to the ITEs to enable their investigations to continue, and it was expected to close it out by April. GW suggested that a high level timeline of what was intended to happen between now and April would be helpful to manage expectations, eg when a draft report might be due, etc.

Action OF1202: SC006 Aberdeen MTA - DM to provide a high level timeline for completion of key steps in SMER process.

3. Measurement Error Update

3.1 SC012 - Kinknockie MRA MRB

DM provided some details to aid perspective in relation to this error. It was noted that Kinknockie was a small site that provided 1.5% of the gas demand in Scotland (its relative significance was therefore not very great). It has turbine meters (non lubricating), which are inspected on site annually in accordance with ME2. External testing of calibration is carried out. DM believed it was not a significant error and it fell well within the threshold set out in the guidelines.

TC thanked DM for the additional information, but remained concerned that at this stage it still appears to be an estimate and following investigation may be upgraded and its level of significance may therefore increase. He also expressed concerns relating to the timescales of the error, as the investigation will only reach back to a certain point rather than as a whole period; more reassurance was required.

RCH suggested that it was appropriate to look at the whole date range for an error rather than a partial time period, irrespective of the invoicing period scoped for adjustment. AC also agreed with this view. AF asked if the 50GWh threshold related to the invoice period or the whole period. RCH and AC believed that it applied to the error rather than the billed portion.

RCH drew attention to Modifications 0395 and 0398 (shortening of the adjustment period) and potential impacts.

Referring to the guidelines and their interpretation, GW and TC believed this should be treated as a potentially significant error. TC indicated that part of the concern was that it was also a turbine meter and the start date of an error might not be readily identifiable; volume might be 'cut in half'; there may be a significant impact on what is invoiced out; there may be accuracy issues. TC referred to page 13 of the guidelines where it indicated that an error could be raised as a SME where deemed appropriate even if it was under the 50GWh threshold. DM reiterated that it was a minimal part of gas demand in Scotland. GW responded that 2 Shippers would prefer it to be looked at as a SME and investigated by an ITE. DM asked if Shippers would clarify why they believed this error required the appointment of ITEs. TC referred to the inferred start date – more clarity was required on when the period of investigation would run from/to; it appeared to be on the threshold of being a medium sized error so from a Shipper's view was worthy of investigation. Following a brief discussion, it was decided to reassess the position at the next meeting following circulation of further details by DM.

DM advised that he would provide a post meeting update to clarify the comments made during the meeting for publication along side the minutes.

Action OF1203: SC012 Kinknockie MRA MRB - Prior to the next meeting (29/01/13) DM to circulate further details relating to this error to enable reassessment of its potential level of significance.

Action OF1204: SC012 Kinknockie MRA MRB - Prior to the next meeting (29/01/13) all parties to review nominees on the current Register of Independent Technical Experts (at www.gasgovernance.co.uk/MER) in anticipation of a potential decision to appoint ITEs to investigate this error.

4. Workgroups

The following individual Workgroup meetings took place:

4.1 0407 - Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

(Report to Panel 21 February 2013) – Minutes are available at:
www.gasgovernance.co.uk/0407

4.2 0433 - Inclusion of the Transmission to Distribution "System Operator Agreement Guidelines" within the Offtake Arrangements Document

(Report to Panel on 17 January 2013) – Minutes are available at:
www.gasgovernance.co.uk/0433

5. Issues

5.1 ISS 0040 - Review of Measurement Error Notification Guidelines

5.1.1 Review of Process

5.1.2 Review of Register

AC reported that the process was continuing and there were no further developments. RH suggested taking into account some of the current modifications that are proposing changes to the billing periods. AC did not think that the outcomes would necessitate a change to the guidelines; though Modification 0429 may have consequences to consider.

5.2 ISS 0047 - Assured Offtake Pressures

Discussions were continuing. If Modification 0407 precipitated an SCR then this area would form a part. AF believed that discussions were required in the context of Supplemental Agreements and the implications/consequences for DNOs when considering compliance.

5.3 ISS 0051 - Annual Validations

AF referred to the stipulations under ME2 and OAD Section D, and noted that the rigidity of the wording was forcing parties to pull forward validation further and further in advance to complete by the date required. The introduction of a 'validation' season had been suggested previously, but this had not found universal acceptance.

It was now suggested that rewording to offer a 30 day window based on the anniversary date for carrying out the actions required, such as applied when renewing a motor vehicle's MOT Certificate, that would maintain and preserve a fixed anniversary date and might be more appropriate. It was agreed this would seem sensible from an administration and audit viewpoint. AF and AC will produce some alternative wording for review and approval.

Action OF1205: ISS 0051 Annual Validations - AF and AC to produce some alternative wording for review and approval.

5.4 New Issues

None raised.

6 Any Other Business

None raised.

7 Diary Planning for Workgroup

The next Offtake Arrangements Workgroup meeting will take place at 10:30 on Tuesday 29 January 2013 at 31 Homer Road, Solihull B91 3LT.

Date	Time	Venue
Tuesday 29 January 2013	10:30	31 Homer Road, Solihull B91 3LT
Tuesday 26 February 2013	10:30	31 Homer Road, Solihull B91 3LT
Tuesday 26 March 2013	10:30	31 Homer Road, Solihull B91 3LT

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF0902	25/09/12	1.2	The DNs to consider undertaking a review of all live errors twice a year and updating the guidelines to reflect the requirement.	All DNs	Carried Forward
OF1201	12/12/12	2.1	<i>SC006 Aberdeen MTA - DM</i> to circulate the key points from each ITE's update (given at the meeting on 30/10/12).	SGN (DM)	Pending
OF1202	12/12/12	2.1	<i>SC006 Aberdeen MTA - DM</i> to provide a high level timeline for completion of key steps in SMER process.	SGN (DM)	Pending
OF1203	12/12/12	2.2	<i>SC012 Kinknockie MRA MRB</i> – Prior to the next meeting (29/01/13) DM to circulate further details relating to this error to enable reassessment of its potential level of significance.	SGN (DM)	Pending
OF1204	12/12/12	2.2	<i>SC012 Kinknockie MRA MRB</i> - Prior to the next meeting (29/01/13) all parties to review nominees on the current Register of Independent Technical Experts (at www.gasgovernance.co.uk/MER) in anticipation of a potential decision to appoint ITEs to investigate this error.	ALL parties	Pending
OF1205	12/12/12	5.3	<i>ISS 0051 Annual Validations</i> - AF and AC to produce some alternative wording for review and approval.	NG UKD (AF and AC)	Pending

