

Minutes of the Offtake Arrangements Workgroup Wednesday 25 May 2011

31 Homer Road, Solihull, B91 3LT

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Ben Tuson	(BT)	Scotia Gas Networks
Bethan Winter	(BW)	Wales & West Utilities
Mark Freeman	(MF)	National Grid Distribution
Mark Lyndon	(ML)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Phil Hobbins	(PH)	National Grid NTS
Rob Cameron-Higgs	(RCH)	Wales & West Utilities

Introduction and Status Review

TD welcomed all to the meeting.

1.1 Review of minutes

The minutes of the previous meeting were accepted.

1.2 Review of actions

Actions specifically relating to Modification 0316:

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

Update: Work is ongoing.

Carried forward

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

Update: MW believes the action relates to paragraph 2.3.1 only. Confirming that no responses had been received from Transporters, RCH indicated that the legal text would be considered later in the meeting.

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 withdrawal of Modification 0365 depended on agreement between NTS and the DNs. He expected to email interested parties relating to both this action and OF0504.

Closed

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

Update: RCH advised that the proposed modification had previously contained links to the OCS, but these had now been removed.

Closed

OF0501: National Grid Distribution (AC/MF) to draft Modification - 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).

Update: AC advised that work is ongoing, but tabled draft legal text at this meeting. Whilst National Grid Distribution and National Grid NTS had met to discuss principles, the modification is not ready to launch. **Closed**

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

Update: No responses had been received. MW believes that one of his colleagues had discussed the matter with National Grid Distribution. Asked for an appropriate date for the action, RCH suggested 01 June, to align with the submission of a Modification (to be discussed later in the meeting) by 03 June. **Closed**

OF0503: Wales & West Utilities to draft Modification – 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).

Update: RCH tabled a draft modification for discussion. **Closed**

OF0504: National Grid NTS to prepare some Flow Swap Scenarios - Provide revised examples and statements of logic applied.

Update: MW advised that these had been completed and would be emailed to interested parties shortly. **Closed**

2. Modification 0316: “Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows”

2.1 Consider draft modifications

Amendments to Section I of the OAD to reflect Offtake Profile Notice rules and recognition of different offtake sensitivities

RCH tabled the following for discussion:

a draft modification;

suggested legal text (Offtake Arrangements Document, Section I NTS Operational Flows), and

a draft Offtake Communications Document (OCD) Appendix 5 – categorised list of offtakes.

RCH advised that his intention is to submit the modification, including suggested legal text, to the June Modification Panel, with an intention to proceed directly to consultation. TD suggested, given expectations under the current modification process, it is highly likely that the modification will be directed to a Workgroup for assessment.

With regard to the suggested text, RCH advised that this had not been signed off internally by WWU lawyers. MW felt that, due to concerns over

ramp rates, paragraph 2.3.1 should remain as amended. However, he would need more time to consider the proposed changes to paragraph 2.3.3 suggesting that this may need subtle tweaking. When asked, MW indicated that whilst sympathetic to the intention of the changes proposed for 2.3.3(d) he would once again need more time to consider. TD suggested that there could be ‘knock on’ impacts upon TPD Section D to consider.

MW reiterated concerns surrounding retrospective OPNs in paragraph 2.4.4, suggesting these should always be forward looking. Following a brief discussion around offtakes and timings, agreement was reached that the timings should apply to designated offtakes only and that RCH would seek clarification of the actual timings– 30 minutes being one suggestion.

In considering paragraph 3.1.1, AC advised that governance of the Offtake Communications Document (OCD) needed clarification. TD suggested that this could fall under dual governance - the UNC provides for the Offtake Committee to approve changes, but the JGAA also requires the JGAC to approve all changes to joint Code Documents.

MW queried if this could lead to individual DN relationships with National Grid NTS to which RCH advised that whilst possible, it would not be the DN’s intention.

BW suggested adding % between ‘is’ and ‘the’ in paragraph 3.1.2.

OCD Appendix 5

Following a brief discussion on whether or not to reflect the removal of the references to percentages from within the UNC, it was suggested that the Transporters review the list of offtakes and the attributed designations. Thereafter, RCH will reflect their views accordingly.

It was noted that, should the modification be approved, this would not necessarily result in the list becoming part of the OCD, as this would need the approval of the Offtake/JGA Committee. However, TD suggested the wording of the modification could address this.

RCH indicated that he would revise the modification to include consideration of designated offtake timeframes, tolerances, and OCD governance.

Action OF0505: Wales & West Utilities (RCH) to amend draft modification and OCD

Draft Modification - OAD Section I Pressure Requests

AC introduced the draft modification regarding pressure requests, which seeks to introduce a list of significant Offtake sites to come into play a day ahead. In principle the modification should provide for the creation of a list of impacted sites, consider how the list comes into play and how the list may be amended over time and identify any suitable notification periods and mechanisms.

When asked, it was confirmed that any sites not identified in the list would default to Assured Pressure. It was suggested that perhaps all sites could move to an assured pressure basis although workload impacts may be a

concern especially as there is no current provision in Gemini to cater for these. It was noted that there may also be some day to day issues around flex that would need considering. AC indicated that both National Grid Distribution and NTS would need to examine appropriate tolerance levels.

MW felt that he would need to understand why the flow swap processes could not be utilised and the potential impact on overruns and ramp rates etc. When asked, MW confirmed that, under normal circumstances, a flow swap request would only be rejected on the grounds of safety and efficiency. AC suggested that a balance between utilising flow swaps and potential overrun issues is needed. MF enquired as to what would happen in the event that National Grid NTS were unable to deliver the agreed assured pressure and, as a consequence, flow swaps are invoked and overrun charges incurred. Furthermore, he wondered what would happen in instances where the delivery pressure is higher than the agreed level - who would cover any associated liability? MW agreed to consider these points.

Action OF0506: National Grid NTS (MW) to 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.

Review of Proposed Legal Text Changes for OAD Section I and TPD Section J

MW indicated that National Grid NTS is comfortable with the default being assured pressure.

Following a review of the draft text, in which it was pointed out that any flex issues maybe covered by flow swaps, resulting in OPN overrun impacts being negated, AC agreed to consider the points raised and make any appropriate changes. Once she has discussed the legal text with her lawyers she will provide a copy of the proposed drafting to MW for consideration.

Summing up, MF suggested that it is highly unlikely that this modification would be ready in time to proceed alongside the WWU modification and wondered if this causes any issues. TD advised that each modification should be capable of being implemented independent of the other such that they could proceed separately.

MW wondered if this modification would fit the User Pays criteria since there are potential system changes and charging impacts involved – if so, a ROM would be required with the associated lead-time issues to be taken into account.

When asked about the next steps, AC confirmed that she would review the modification before seeking a National Grid NTS view and, hopefully, submitting the modification to the July Panel for consideration.

New Action OF0507: National Grid Distribution (AC) to 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.

2.3 Consider flow swap scenarios

It was agreed that this had been covered during discussion of the draft modifications..

3. Any Other Business

Draft Low Demand Days modification

AC confirmed that development is awaiting the National Grid NTS position.

Tolerance Levels Associated to the Draft WWU modification (item 2.1 above)

PH suggested that the 6% level could result in a high threshold. However, BW suggested that, as the current level is 10%, the modification is seeking to lower the threshold. MW agreed to model the impact of the proposed 6% tolerance level and report the results.

Action OF0508: National Grid NTS (MW) to model the impact of the proposed 6% tolerance level.

Workgroup Report Update

TD reminded parties that they had previously been asked to provide suggesting wording for inclusion in the report, which would also substantially comprise of the recommended modifications. Production of the report awaited these inputs.

AC, MF and MW agreed to provide suggested wording around flow swaps and low demand days. MW added that he would circulate scenarios in the next few days as well as providing a summary for publication.

Action OF0509: National Grid (AC/MF/MW) to provide suggested wording around flow swaps and low demand days for inclusion within the Workgroup Report.

4. Diary Planning for Workgroup

It was agreed that the JO should produce a draft Report once the necessary inputs have been received. Information on the outstanding actions and a draft Workgroup Report would be circulated for comment and further meetings arranged only if necessary to finalise the Report.

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.
OF0404	04/04/11	2.2	Transporters to provide a view to Wales & West Utilities on whether section 12.3 could be removed from the UNC.	Transporters	Closed
OF0406	04/04/11	2.2	National Grid NTS to further consider the m-Modification 0365. and the implications on other processes and timescales	National Grid NTS (MW)	Closed
OF0407	04/04/11	2.2	Transporters to consider systems, obligations and contractual routes, processes and interaction with the OCS.	Transporters	Update provided. Closed
OF0501	03/05/11	3.1	Draft Modification - 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)	Update provided. Closed
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	Update provided. Closed
OF0503	03/05/11	3.2	Draft Modification – 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)	Update provided. Closed

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
OF0504	03/05/11	4.0	Flow Swap Scenarios - Provide revised examples and statements of logic applied.	National Grid NTS (MW)	Update provided. Closed
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.