

**UNC Request Workgroup 0646R Minutes
Review of the Offtake Arrangements Document**

Friday 25 January 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Arran Poad*	(AP)	Northern Gas Networks
Ben Hanley*	(BH)	Northern Gas Networks
Chris Warner	(CW)	Cadent
Darren Dunkley	(DD)	Cadent
David Mitchell	(DM)	SGN
Eddie Blackburn	(EB)	National Grid NTS
Louise McGoldrick	(LM)	National Grid NTS
Shiv Singh	(SS)	Cadent
Stephen Ruane	(SR)	National Grid NTS
Stevie Docherty*	(SD)	Northern Gas Networks

**via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0646/250119>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1. Introduction and Status Review

1.1. Approval of Minutes (05 December 2018)

BF advised that an amended set of minutes had been provided, as displayed onscreen. When asked, those in attendance agreed that the proposed amendments were suitable for approval, including the additional post meeting notes.

Thereafter, the minutes from the previous meeting were approved.

2. Draft Modification

SS thanked Workgroup parties for their feedback to date before explaining that he is still working through the information provided and allied to the Workgroup discussions on agenda item 8. below, requested that further consideration of the (draft) UNC Modification is deferred until the February Workgroup meeting, when an amended version of the Modification (taking in the feedback from today's meeting) would be available for consideration.

When asked, SS confirmed that the aim would be to formally raise the new UNC Modification in time for consideration at the 21 March 2019 Panel meeting.

2.1. Bi-directional Site Definition

Please refer to discussions on item 2.5 below, and specifically the discussions on the National Grid 'Review Group 0646R: NTS/LDZ Shared Sites Draft Business Rules' presentation.

When LM explained that the presentation content had been updated (mostly bi-directional related aspects) following feedback at the previous Workgroup meeting, DD advised that these matters have been taken into consideration within the (draft) UNC Modification.

When EB pointed out that the Bi-directional is a characteristic that applies to all sites, LM explained that it involves a temporary connection style solution to aid online inspection services or similar and should not be considered a permanent option.

2.2. Electrical Site Service

Consideration deferred.

2.3. Material Impact Definition

Consideration deferred.

2.4. Removal of Assets

Please refer to discussions on action 1201 below.

2.5. Shared Sites

Whilst specific consideration of this item was deferred, the Workgroup noted that National Grid had provided the *'Review Group 0646R: NTS/LDZ Shared Sites Draft Business Rules'* presentation ahead of the meeting.

During a brief review of the presentation, EB focused attention on the bullet points on slide 5 which contain references to 'exceptional circumstances' stressing their importance and limitations.

2.6. Site Security (Outstanding Action 1204)

Please refer to discussions on action 1204 below.

2.7. Supplemental Agreements

DD provided an extensive overview of the *'Proposal for Updating Supplemental Agreements'* presentation, during which attention initially focused on the *'Objectives'* statements during which it was suggested that the tri-partite aspects (on the grounds that the Workgroup agreed the underlying business rules at a previous meeting) should be included within the new (draft) UNC Modification – it was noted that regardless of the tri-partite aspects, National Grid as upstream transporter have an obligation to amend the Supplemental Agreements when requested to do so.

Moving on to consider the *'Proposal'* statements, it was noted that how the Workgroup identifies the change process now that the basic principles have been agreed is important to the management of the change process going forward.

A brief debate was then undertaken around whether it is the 'downstream' or 'upstream' parties who should identify a change to the Supplemental Agreement(s) (SA) and thereafter prepare and provide, a draft (change marked) version of the SA for approval within the 10 day review window – when a clear consensus could not be reached, it was agreed that more clarification around the process, roles and relationships of each party (downstream and/or upstream) would be beneficial.

It was recognised that whilst the current view is that it 'defaults' to the upstream party making proposals to change, it could easily be amended to state 'any party' going forwards although there needed to be clarity on a backstop option.

When it was suggested that the process principles are basically crystalised, the Workgroup needs to look to agree the process mechanics. LM pointed out that it is not just the changes to the SAs that need consideration, but also the provision of supporting information and justification around why the changes are being proposed or needed.

It was suggested (and agreed) that further consideration of Offtakes Arrangements Document (OAD) Section D changes would be needed further down the line and it is how the Workgroup moves forward from the current position that needs to be understood and agreed.

In acknowledging that the basic principles are sound, EB suggested that additional clarity around the 'trigger' points for when the Distribution Network Operators (DNOs) are requesting amendments to the SAs would be beneficial.

In pointing out that National Grid are fundamentally in agreement with the proposed approach, EB questioned whether or not, the new (draft) UNC Modification would actually be required. BF wondered whether some form of a guidance document would be a more suitable option – this met with support of some of the parties in attendance, especially as it is felt that this would also support (educate) new recruits (resources) in understanding the processes involved.

Moving on to consider the '*Proposed Process Flow Diagram*' in Appendix 1.0, it was suggested that the 'trigger' for SA amendments should be before the '*Work completed at offtake site*' stage, as this would allow for an earlier start that could run in parallel and better reflect operational parameters (i.e. it should (also) be feasible in certain circumstances to sign off SA amendments prior to actual site work completion) – however, it was recognised that it would be difficult to get a 'one size' fits all process model.

It was noted that the underlying National Grid expectation is that process to establish a SA would be undertaken before site works are completed, in order to better understand and reflect operational requirements. When asked, EB confirmed that historically speaking, no SAs are updated after work is completed. He also believes that updating of SAs in-line with the commencement / completion of site works would be beneficial.

In considering the adoption of a guidance (supplemental) document that resides outside of the UNC OAD based approach (supported by approval of the UNCC or Offtake Committee), Workgroup discussions once again touched on whether a UNC Modification is needed at all.

When asked what his preference would be, DM explained that he would have to discuss the matter with his SGN colleagues as to whether they would prefer a Code referenced or guidance document (based) approach. It was noted that an OAD referenced document would require a UNCC Sub-Committee approval process in order to facilitate any changes to the document. The consensus amongst Workgroup parties present was to adopt a Code referenced document (based) solution. In noting that presently this proposal is simply an agreement within the Request Workgroup, BF pointed out that at some point, someone would need to create the document that could then be appended to the proposed draft UNC Modification.

Discussions once again focused on whether it is the 'upstream' or 'downstream' parties that can 'trigger' a SA amendment, during which it was suggested that it would be beneficial to look to keep matters simple from both a process and OAD Code change perspective, with special care being undertaken around the use of 'amending' versus 'affected party' definitions – in noting that OAD N3.3.1 legal text wording could be left 'as-is', it was suggested that perhaps provision of a supporting statement might suffice.

It was suggested that in ignoring the 'upstream' / 'downstream' party references, a simple reference to 'each party' might be more prudent on the grounds that the parties could be specified within the subsidiary document itself – it was noted that a view from the lawyers when drafting the legal text for the new UNC Modification would be beneficial.

Moving on, some parties questioned the value of having a definitive timeline included within OAD N3.3.1.

It was concluded that whilst effectively either party (upstream or downstream) could initiate an amendment to the Supplemental Agreement, it is the downstream party that would provide the information to the upstream party (unless the upstream party has clearly indicated that it does not need any) – in short, keep the process simple and refer to either party can initiate a change (Business Rule 1). The party which initiates the SA amendment work, will prepare a draft (change marked) version of the SA (Business Rule 2) unless otherwise agreed. In referring to Business Rule 3, EB noted that the initiating party would provide the (draft) SA to the ‘other’ parties for approval and where parties are unable to agree the changes, OAD N3.3.1(d) applies.

When asked, EB confirmed that as far as tri-partite requirements are concerned, the onus is on the initiating party to provide the information to the other two parties and to obtain their approval before requesting National Grid to execute – this would also need a suitable supporting audit trail mechanism to be developed.

LM reminded parties that they had previously discussed the tri-partite options relating to how the process might work and how it potentially ‘links in’ to the new SA processes – it was noted that this could potentially be ‘covered off’ by tweaking the current OAD N3.3.1 legal text.

When asked how the existing definition of a ‘DNO User’ potentially links in to this matter, EB responded by explaining that this was created in the first instance to simply allow them (the DNO User) to purchase capacity and is therefore a specified use and unrelated to the matter in question.

In considering how best to progress matters, the Workgroup debated whether (or not) the (tri-partite) proposals should be included within the initial (draft) UNC Modification or put to one side for inclusion in a follow up modification, subject to agreement on the four Business Rules – it was agreed to exclude these from the initial (draft) UNC Modification to allow more time to assess, revise and de-brand requirements. The Workgroup discussed that the draft modification being proposed may include a business rule regarding the Site Services Party being an additional Party to the Supplemental Agreement.

New Action 0101: Reference Supplemental Agreement Process Flow Diagram – Cadent (DD) to refine the process flow to better reflect proposed Business Rules and Workgroup feedback.

2.8. Tripartite Agreements

Please refer to discussions on item 2.7 above.

3. Point of Offtake

Consideration deferred.

4. Critical National Infrastructure (CNI) (Information Security Systems (ISS)/Physical Security Update Programme (PSUP)) Update

Consideration deferred.

5. Metering Section

Consideration deferred.

6. Maintenance

Consideration deferred.

7. OAD Notices

Consideration deferred.

8. Outstanding Actions

Action 0806: *Reference Issues Spreadsheet* – All parties to review the spreadsheet and provide suitable feedback for consideration at the next Workgroup meeting.

Update: When DD explained that NGN had kindly provided comments and would be providing a spreadsheet in due course which will be picked up as an agenda item at a forthcoming meeting, it was agreed the action could now be closed. **Closed**

Action 1104: Cadent (DD) to consider a process for suggested changes to Supplemental Agreements and the need to formulate a high-level process to outline the process steps for consistency.

Update: It was agreed that this action could now be closed. **Closed**

Action 1201: Northern Gas Networks (AP) to articulate concerns about changing Lease Agreements for Asset Removal.

Update: When AP advised that he had provided a view on changing lease agreements associated with asset removal, the Workgroup undertook a brief debate during which it was noted that even if the Workgroup proposes a 'do nothing' approach, it would still be a legitimate request for one party to ask another party to release land (and thereafter amend the lease agreement). NGN raised concerns regarding redundant assets and their leases.

Discussions then centred around redundant assets remaining in place and how this potentially impacts on site drawings. It was noted that electrical cable removal (for RTUs) etc needs further consideration as it potentially 'links in' to de-commissioning and maintenance aspects.

It was suggested that in order to successfully progress the forthcoming draft UNC Modification it might be prudent for the Proposer to consider removing (redundant asset) related aspects from this initial Modification and look to include them in a follow up Modification to be raised in due course – this point was acknowledged by the proposers representatives during which it was suggested that perhaps one option would be to consider redundant de-commissioned asset elements and timings and how these might 'trigger' the redundant asset processes in future.

Closed

New Action 0102: *Reference Redundant Asset Management - NGN (BH) to discuss what would be an acceptable option with his NGN colleagues and provide a view at the next Workgroup meeting.*

New Action 0103: *Reference Redundant Asset Management – Cadent (SS) to provide an amended version of the draft UNC Modification with asset removal aspects excluded.*

Action 1202: National Grid (EB) to consider what detail would be required in OAD for Asset Removal.

Update: It was noted that National Grid had provided draft business rules which would now be included within the (draft) UNC Modification, as required. **Closed**

Action 1203: National Grid (EB) to provide business rules for tri-partite agreements

Update: It was noted that National Grid had provided the tri-partite business rules, as requested. **Closed**

Action 1204: *Reference Current Draft Modification to include* – Cadent (CW/SS) to consider including an update to OAD to reflect that the default for site security is the site owner unless it is agreed otherwise.

Update: When DD suggested that this matter mostly relates to C&I sites, the Workgroup consensus was that this is potentially a 'quick win' item that could be included within the draft UNC Modification going forwards.

DD advised that at the previous weeks C&I meeting he had requested provision of suitable business rules for incorporation within the draft UNC Modification. DD also advised that he had asked the C&I Cyber Group to provide a similar provision.

It was noted that whilst the C&I Cyber Group are looking into the matter of ROVs (Remote Operated Valves) and whether these potentially pose a security risk, care would also be needed in considering telemetry related aspects and how information from sites is shared between parties.

EB agreed that another operator should not operate ROV's that they do not own. DD provided a brief explanation behind how data points utilise telemetry systems and ROVs.

In referencing the 'cyber table' it was suggested that this includes ROVs in the schedule that might need reviewing in due course – it was noted that 'normally' ROVs are set open as a default.

In recognising that there are two C&I related streams, the Workgroup debated whether or not it might be prudent to remove these elements from the draft UNC Modification – some parties believe that there is value in still looking for the 'quick wins' regardless of any potential (C&I) related impacts upon the Supplemental Agreements and/or OAD. The 'quick win' regarding the Site User providing the site security in agreement with the Site Owner is a no regrets decision. In relation to further changes in this area we may not need to put the detail into the OAD.

It was pointed out that C&I aspects are now required to align with the BEIS Standardisation Requirements (non-specific rules) going forwards. It was suggested that extreme care would be needed around releasing / identifying security sensitive information on the Joint Office (public) web site. **Closed**

New Action 0104: Reference C&I Group Update – Cadent (DD) to invite the C&I Forum Chairperson to provide an update at a future Workgroup meeting.

9. Next Steps

BF summarised the next steps as follows:

- Cadent to provide an amended version of the draft UNC Modification to be circulated for comment ahead of the 14 February 2019 Request Workgroup meeting.

10. Any Other Business

10.1. Drawing Workshop

SR advised that an invite would be issued later in the day and requested that NGN let him know who from their organisation might be attending.

10.2. Maintenance Workshop Update

DD advised that following the October 2018 workshop it has been decided that a second meeting would be needed.

When it was indicated that an update would be provided at the April 2019 0646R Workgroup meeting, CW suggested that if that is the case, an extension to the Panel reporting date would be appropriate.

11. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Thursday 14 February 2019	Radcliffe House, Blenheim Court	Standard Agenda plus <ul style="list-style-type: none"> • Consideration of amended (draft)

	Warwick Road Solihull B91 2AA	Modification
10:00 Thursday 14 March 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Workgroup 0646R

Action Table (as at 25 January 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0806	21/08/18	5.	<i>Reference Issues Spreadsheet</i> – All parties to review the spreadsheet and provide suitable feedback for consideration at the next Workgroup meeting.	All parties	Update provided. Closed
1104	22/11/18	5.0	To consider a process for suggested changes to Supplemental Agreements and the need to formulate a high-level process to outline the process steps for consistency.	Cadent (DD)	Update provided. Closed
1201	05/12/18	2.0	To articulate concerns about changing Lease Agreements for Asset Removal.	NGN (AP)	Update provided. Closed
1202	05/12/18	2.0	To consider what detail would be required in OAD for Asset Removal.	National Grid (EB)	Update provided. Closed
1203	05/12/18	5.0	To provide business rules for tri-partite agreements.	National Grid (EB)	Update provided. Closed
1204	05/12/18	6.0	<i>Reference Current Draft Modification to include</i> – Cadent (CW/SS) to consider including an update to OAD to reflect that the default for site security is the site owner unless it is agreed otherwise.	Cadent (CW/SS)	Update provided. Closed
0101	25/01/19	2.7	<i>Reference Supplemental Agreement Process Flow Diagram</i> – Cadent (DD) to refine the process flow to better reflect proposed Business Rules and Workgroup feedback.	Cadent (DD)	Pending
0102	25/01/19	8.	<i>Reference Redundant Asset Management</i> - NGN (BH) to discuss what would be an acceptable option with his NGN colleagues and provide a view at the next Workgroup meeting.	NGN (BH)	Pending
0103	25/01/19	8.	<i>Reference Redundant Asset Management</i> – Cadent (SS) to provide an amended version of the	Cadent (SS)	Pending

			draft UNC Modification with asset removal aspects excluded.		
0104	25/01/19	8.	<i>Reference C&I Group Update</i> – Cadent (DD) to invite the C&I Forum Chairperson to provide an update at a future Workgroup meeting.	Cadent (DD)	Pending