

Representation - Draft Modification Report UNC 0665

Changes to Ratchet Regime

Responses invited by: **5pm on 14 March 2019**

To: enquiries@gasgovernance.co.uk

Representative:	Richard Pomroy
Organisation:	Wales & West Utilities Ltd
Date of Representation:	13 th March 2019
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We support this as it makes appropriate changes to the ratchet charging regime for Class 2 Supply Points. It will focus attention on the Supply Points that do pose a risk to network operation were they exceed the Shipper nominated daily offtake volume on a peak day. Those that do not pose a risk will benefit from a revised ratchet charging regime. It is reasonable to suppose that this change should encourage the take up of Class 2. This should improve settlement accuracy as long as Shippers submit daily reads for these Class 2 Supply Points.

We believe that it would therefore further both relevant objectives (a) and (d ii).

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We support implementation by 1st October 2019 if this is possible.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

WWU will bear its share of the cost of implementing the system changes which is currently estimated as between £125k and £196k.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation

WWU's initial analysis suggests that it is likely that we will propose that 6 Class 2, 0 Class 3 and 25 Class 4 Supply Points are moved into Class 1 should this proposal be implemented. Shippers should note the potential for a few Class 4 Supply Points to be moved into Class 1.

If this proposal is implemented WWU will expect Shippers to provide an explanation to WWU where a Class 1 Supply Point incurs ratchet charges in accordance with UNC TPD G 5.3 and in particular 5.3.4:

5.3.4 A User shall take all reasonable steps to secure that it becomes aware of any increase or decrease (whether by reason of a change in the size or nature of, or the nature of the use of, the Consumer's Plant or otherwise) in the maximum offtake rate before and (in any event) as soon as reasonably practicable after such increase or decrease occurs (without prejudice to paragraph 5.5.4(c) or Section J3.8).