

## **UNC Workgroup Individual Terms of Reference**

### **0665 – Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)**

#### **Introduction**

This is an Individual Terms of Reference that includes matters referred from Panel or identified within any initial representations. It replaces the standard Terms of Reference.

#### **Purpose of the Modification and its Solution**

Please refer to: <https://www.gasgovernance.co.uk/0665>

It is proposed that the Relevant Transporters (for the avoidance of doubt NTS sites are excluded) will ahead of the relevant Gas Year Ratchet period identify Supply Points that will then be subject to Ratchet charges (Ratchetable Supply Points). In addition, a relevant non Ratchable Supply Point that exceeds its booked supply point offtake (SOQ) during the relevant Gas Year Ratchet period will incur the same transportation charges for that higher capacity without being unduly penalised.

Relevant Transporters (excluding NTS) will be required to identify relevant Supply Points, by Meter Point Reference Number (MPRN), which will then be subject to Ratchet charges (Ratchetable Supply Point).

#### **Topics for Discussion**

- Understanding the objective
- Develop guidance on how the '2a test' of 'Ratchetable' should be applied
- Develop an appeal process and secure Ofgem view on how appeal process should work
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text.

#### **Output**

To produce a Workgroup Report, for submission to the UNC Modification Panel containing the assessment and recommendation(s) of the Workgroup.

#### **Composition of Workgroup**

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two Shipper User representatives are present.

#### **Meeting Arrangements**

Meetings will be administered by the Joint Office of Gas Transporters and conducted in accordance with the Code Administration Code of Practice (<https://www.gasgovernance.co.uk/cacop>)