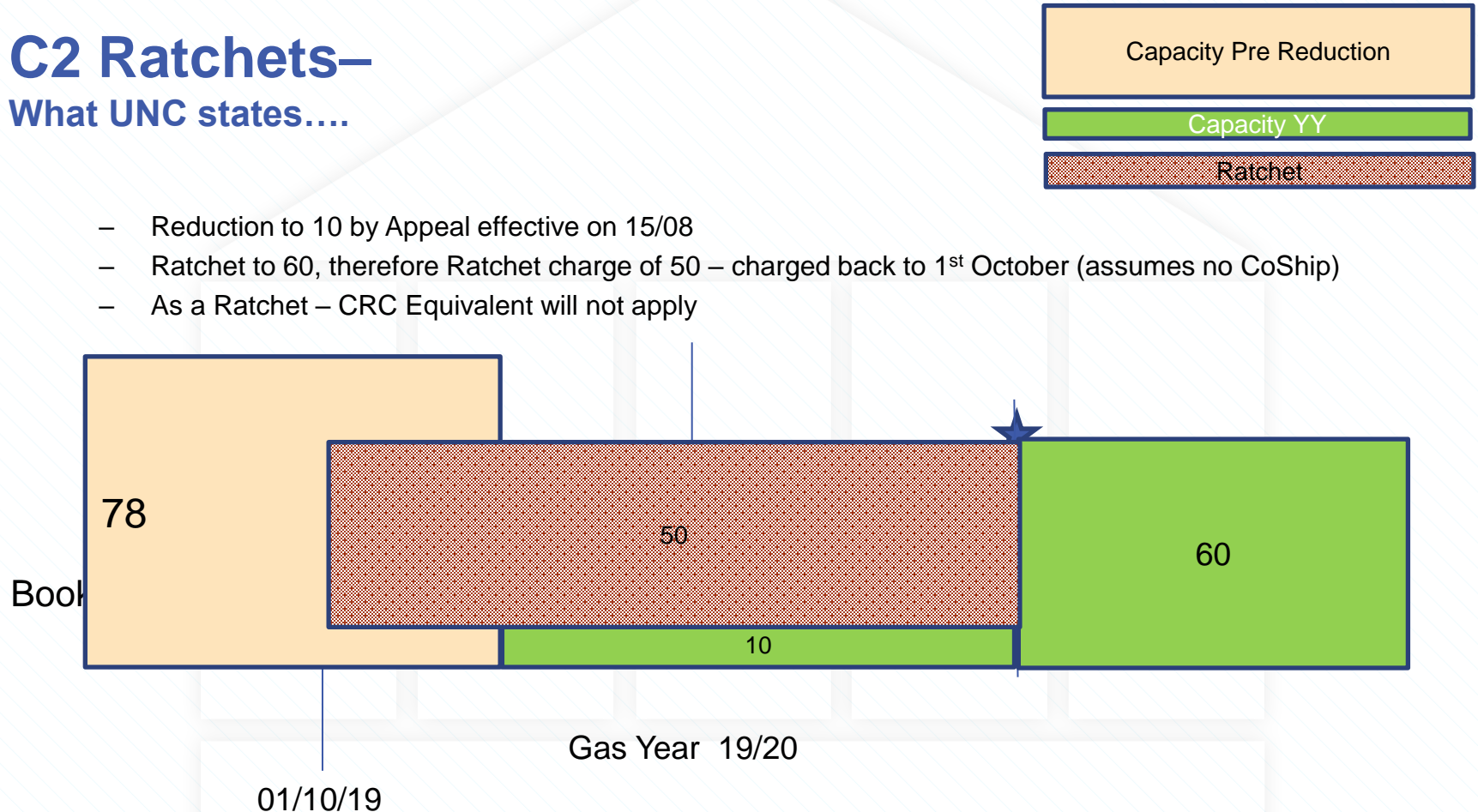


C2 Ratchets—

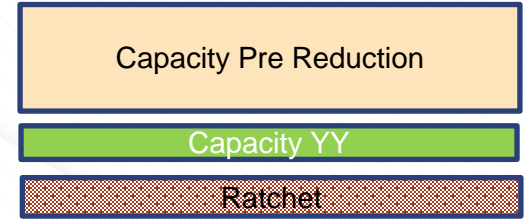
What UNC states....

- Reduction to 10 by Appeal effective on 15/08
- Ratchet to 60, therefore Ratchet charge of 50 – charged back to 1st October (assumes no CoShip)
- As a Ratchet – CRC Equivalent will not apply

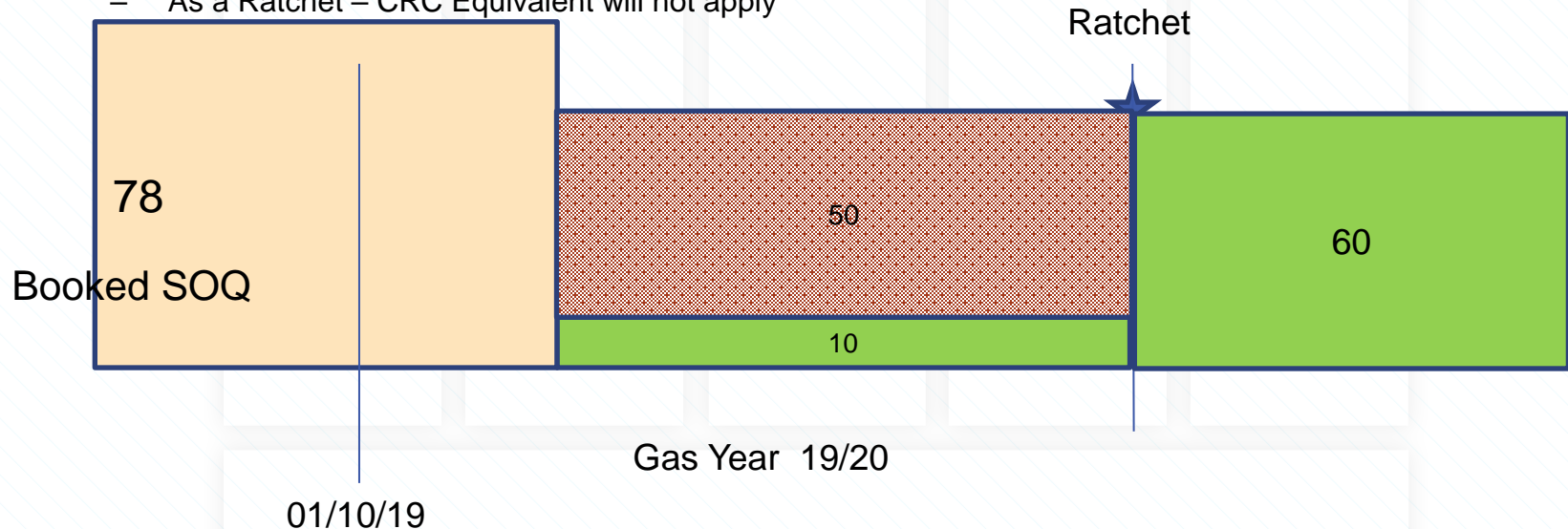


C2 Ratchets–

What we have asked the project to build ...



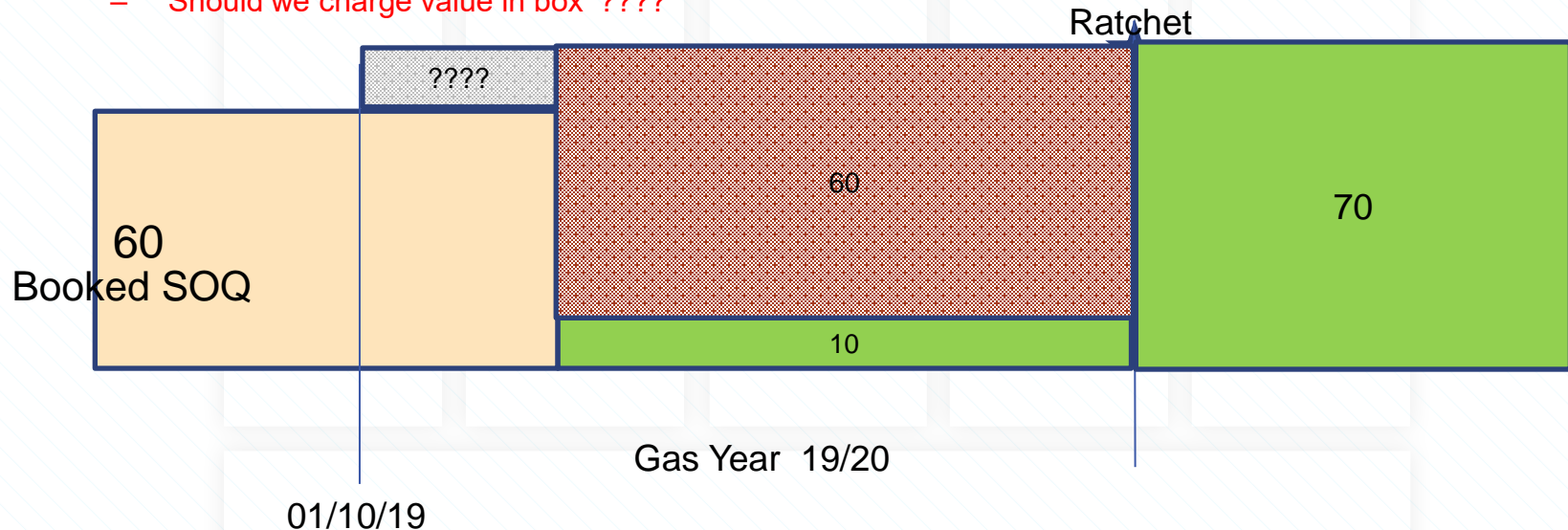
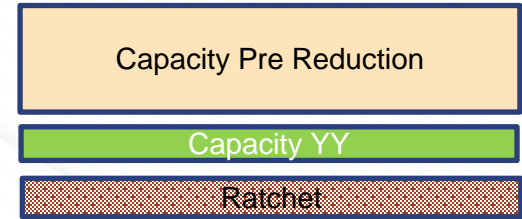
- Reduction to 10 by Cap Reduction
- Ratchet on 60, therefore Ratchet charge of 50 – **charged back to Capacity Reduction** (scenario assumes no Change of Shipper)
- As a Ratchet – CRC Equivalent will not apply



C2 Ratchets—

IF WE APPLY THIS APPROACH WHEN
RATCHET > ORIGINAL CAPACITY – **what is in scope NOW**

- Reduction to 10 by Cap Reduction
- Ratchet at 70, therefore Ratchet charge of 60 – **charged back to Capacity Reduction** (assumes no Change of Shipper)
- As a Ratchet – CRC Equivalent will not apply
- **Should we charge value in box '????'**

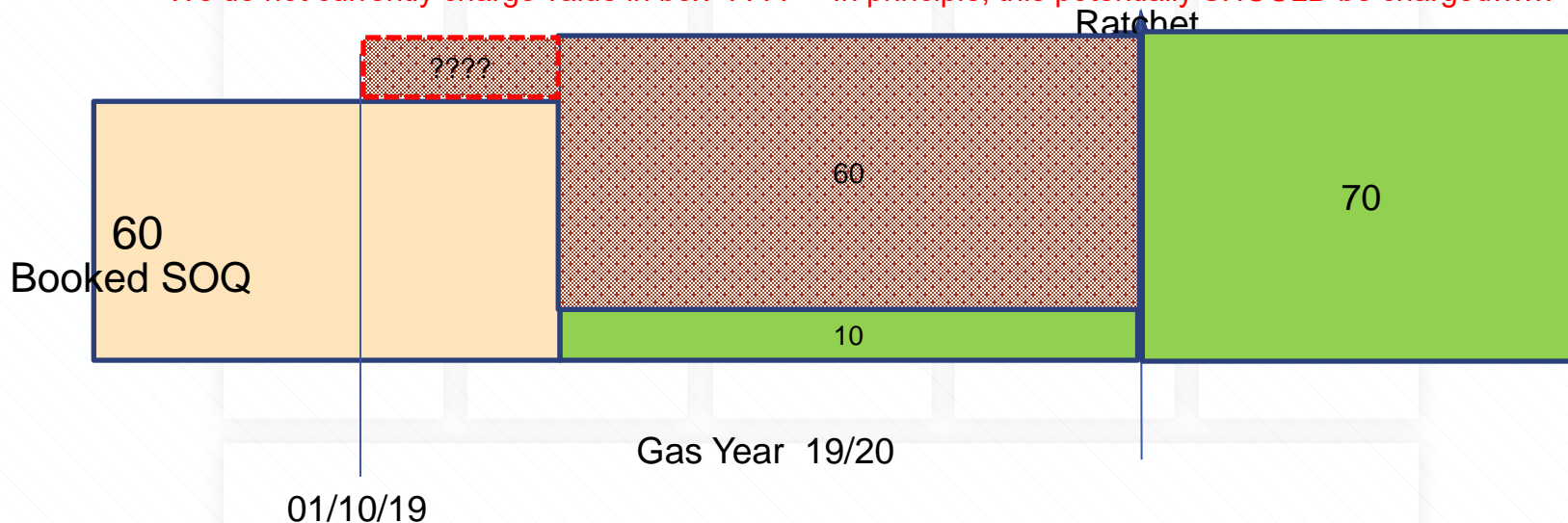
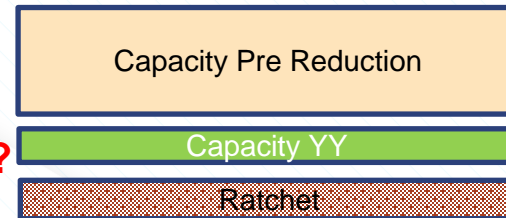


C2 Ratchets—

IF WE APPLY THIS APPROACH WHEN

RATCHET > ORIGINAL CAPACITY – **do we need to change?**

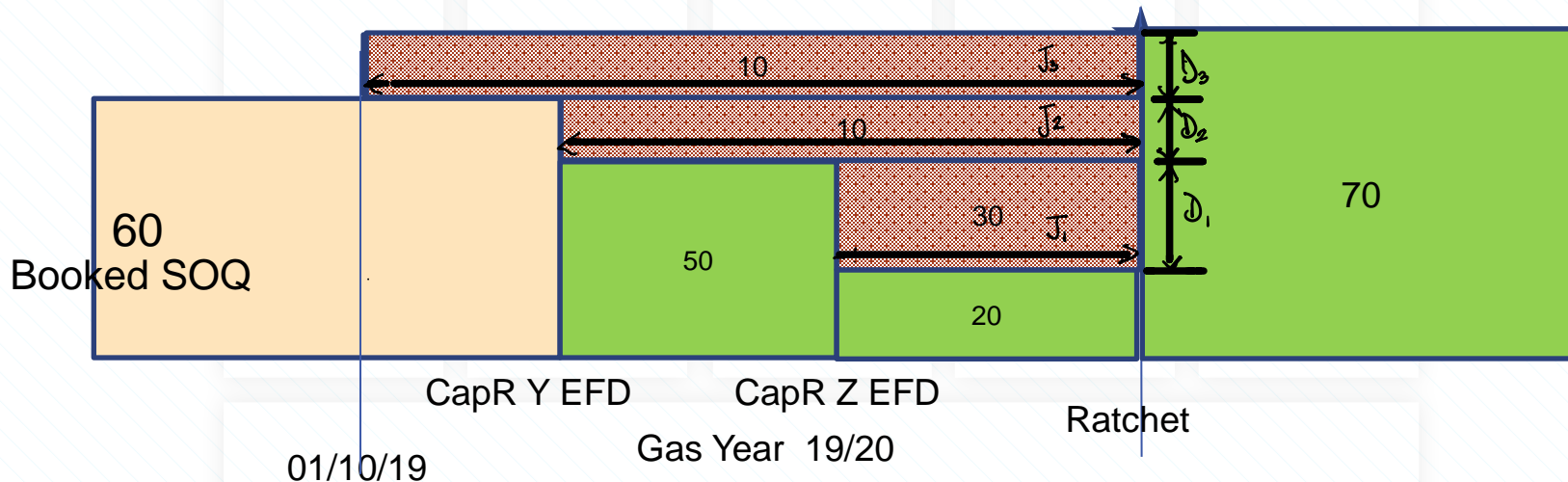
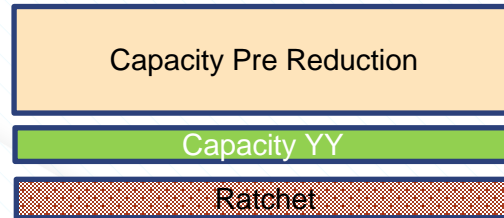
- Reduction to 10 by Cap Reduction
- Ratchet at 70, therefore Ratchet charge of 60 – **charged back to Capacity Reduction** (assumes no Change of Shipper)
- As a Ratchet – CRC Equivalent will not apply
- **We do not currently charge value in box '????' – In principle, this potentially SHOULD be charged.....**



C2 Ratchets – THIS COULD GET COMPLEX

IF WE APPLY THIS APPROACH WHEN
RATCHET > CAPACITY REDUCTION (& >1 Cap Redⁿ)

- Reduction to 10 by Cap Reduction Y (CapR Y)
- Further Reduction by 30 (Cap R Z)
- Ratchet at 70, therefore Ratchet charges will be for:
 - Ratchet to Cap R Z (value 30) and
 - Ratchet to Cap R Y (value 10) and
 - Ratchet to (in this instance 1/10/19 (as there is no intervening Change of Shipper EFD; or further Cap Reduction)



B4.7.8 (a) What UNC states....

(a)

in the case of a Supply Point:

- (i) for which the User was the Registered User prior to the start of the Gas Year in which the Supply Point Ratchet occurred, the preceding 1 October;
- (ii) for which the User was not the Registered User prior to the start of the Gas Year in which the Supply Point Ratchet occurred, the Supply Point Registration Date;
- (iii) which is a Seasonal Larger Supply Point, the first Day of the Restricted LDZ Capacity Period; and

4.7.7 A Class 1 Ratchet Charge shall be calculated as the Capacity Ratchet Amount multiplied by the sum of:

- (a) 2 times the Applicable Annual Rate (including where determined in accordance with paragraph 1.8.5(a)) of the LDZ Capacity Charge; and
- (b) where applicable, 2 times the Applicable Annual Rate of the Capacity Variable Component (if any) of the Customer Charge

the rate in each case being determined (where such rate is a function of LDZ Capacity or Supply Point Capacity) by reference to the sum of the Capacity Ratchet Amount and the User's Registered Supply Point Capacity at the DM and any NDM Supply Point on the Day of the Supply Point Ratchet.

- This is a complex part of Code
 - There are lots of elements that can be considered in Class 2 Ratchet Charge Calculation:
 - Registered User Start Date
 - *(not Confirmation Effective Date)*
 - Class Change
 - *(i.e. when the becomes DM)*
 - Capacity Reduction Effective Date
 - Soft Landing End Date
 - Start of Gas Year
- What level of clarification, if any, should be added to the UNC?