

Guidance Document

Designation of Supply Meter Points into the Class 1 Ratchet Charging Arrangements by Distribution Network Operators

Draft

Introduction

This document sets out the circumstances whereby the Distribution Network Operator (DNO) may include a Supply Meter Point in the Supply Point Ratchet Charging arrangement to ensure the safe and efficient operation of the network. All Class 1 Daily Metered (DM) Supply Meter Points are eligible for Supply Point Ratchet Charges to be applied in accordance with UNC TPD Section B4.7.

These are the circumstances in which the relevant DNO may designate a Supply Point as Class 1:

- Class 2 Supply Meter Points where the DNO can demonstrate that an increase in its Annual Quantity (AQ) or Supply Point Daily Capacity (SOQ) is likely to have a material effect on the operation of the DNO's System under those conditions described in the DNO Gas Transportation Licence Condition A9 2 (b) (1 in 20 conditions).
- Where there are System capacity constraints, a Class 2 Supply Meter Point may be designated as Class 1 until relevant capacity is available (see Annex 1).
- Class 2 Supply Meter Points having a disproportionately high peak instantaneous demand which could cause pressure management problems.
- Class 2 Supply Meter Points which consistently exceed their pre-booked SOQ, if there is a potential impact to the safe operation of the System.
- Class 3 and Class 4 Supply Meter Points may be designated to Class 1, if:
 - the DNO can demonstrate that increases in consumption or usage over and above what may reasonably be expected under 1 in 20 conditions is likely to have a material effect on the operation of the DNO's System.

Disputes Process

- Shippers Users will have 20 Supply Point Business Days to dispute with the relevant DNO a Supply Meter Point which has been identified as being eligible for Supply Point Ratchet Charges but which the Shipper User believes should not be so eligible.
- If a Shipper User raises an objection to a Supply Meter Point being identified as subject to a Supply Point Ratchet Charge, then they will need to identify and notify the relevant DNO in writing with the reasons why they believe this should not be the case.
- The relevant DNO will consider the objection and respond to the Shipper User in [x] Supply Point Systems Business Days stating why the Supply Point has been so elected.
- The relevant DNO will either uphold or reject the appeal detailing the reason for their decision.
- If the dispute remains unresolved then the provisions within the Uniform Network Code, General Terms, Section A should be referred to.

Annex 1

Examples of System impacts and constraints:

- System pressures both transitory and enduring and the operation of DNO assets such as Pressure Reduction Installations.
- Parts of a System where a network reinforcement requirement (as determined by the DNO) has been identified to ensure maintenance of adequate pressures and the safe operation of the System.
- System maintenance programs which may result in a reduction in pressures for the duration of the works.
- Physical constraints such as limited capacity in the form of asset and offtake flow limitations.

The above is not an exhaustive list.