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**xserve**



respect > commitment > teamwork

# Modification 0619

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# Definitions

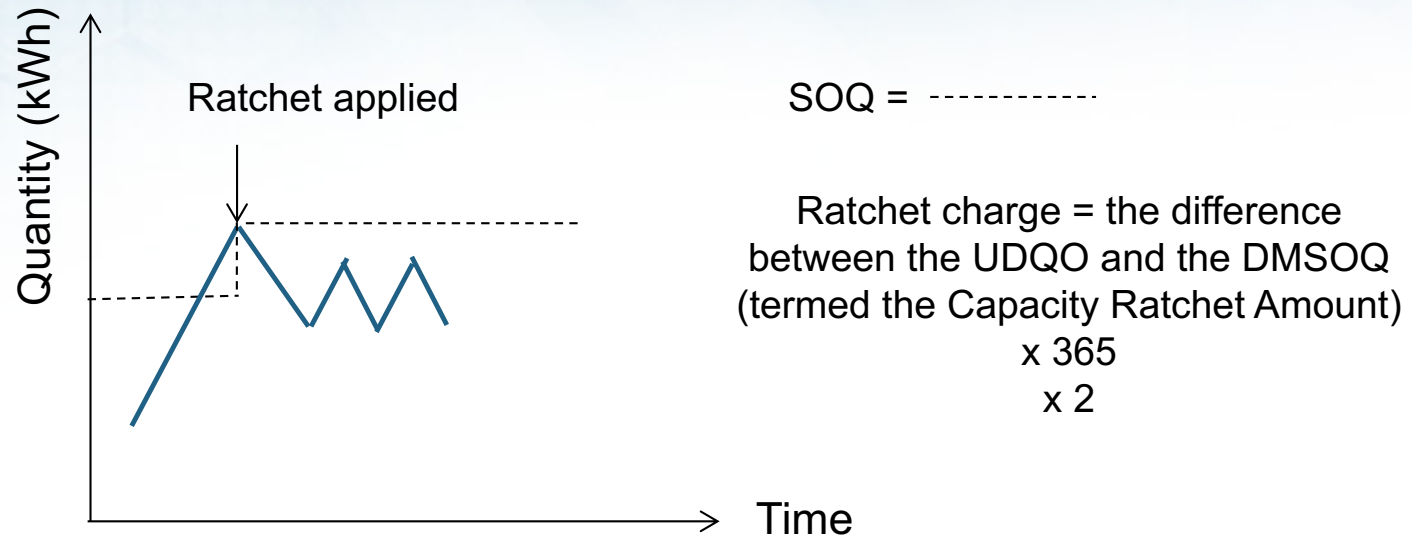
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- **SOQ – Supply Point Capacity.** In respect of DM Supply Point shall not be greater than 24 times or less than 4 times the “Supply Point Offtake Rate”.
- The **Supply Point Offtake Rate (SHQ)** is the maximum instantaneous rate (in kWh/hour) at which a User is permitted to offtake gas from the Total System at that Supply Meter Point.

UNC TPD Section G - Supply Points: Points 5.3 and 5.4

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# The Current Ratchet Process



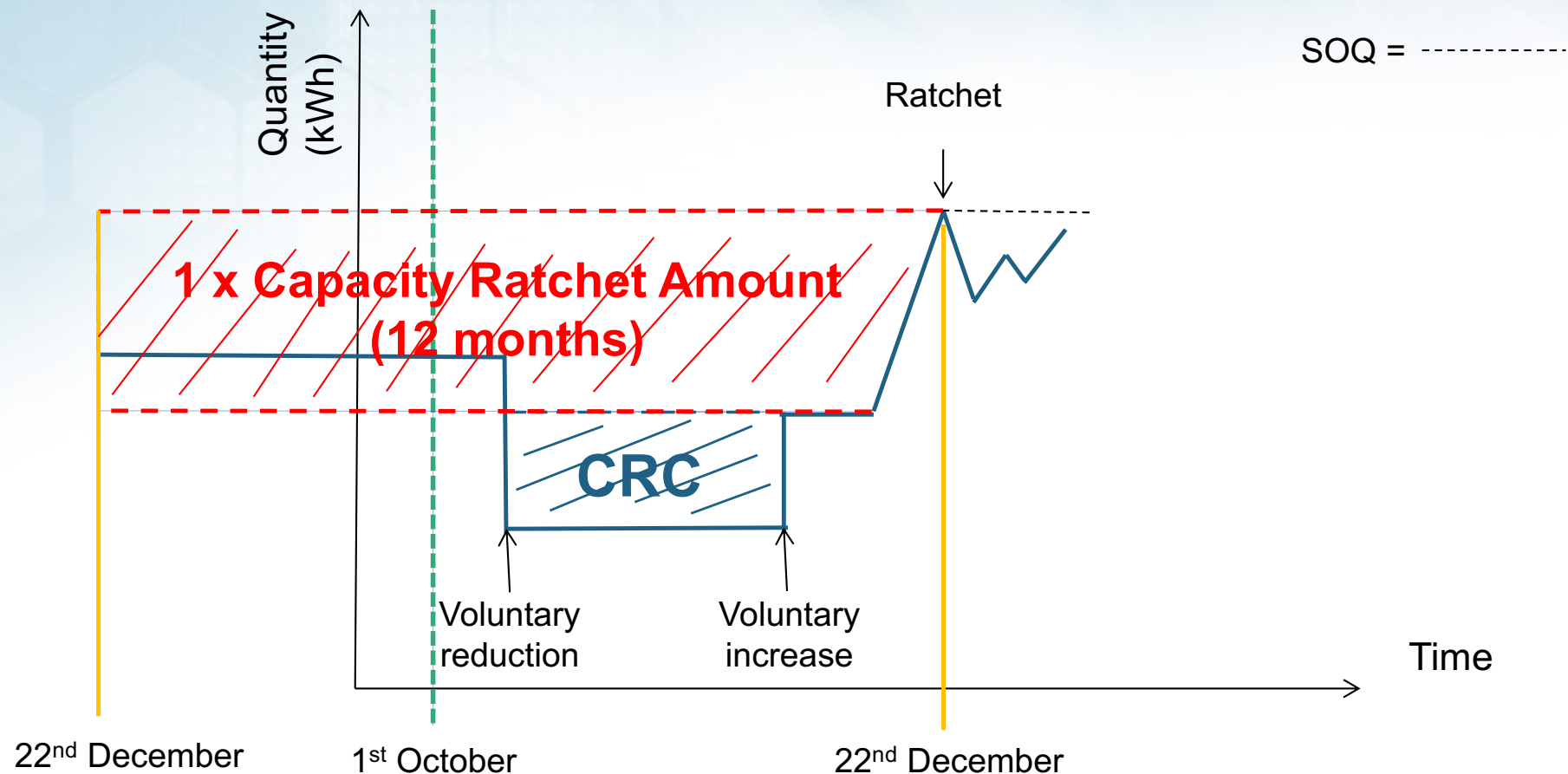
- The daily SOQ is determined by the shipper as the highest expected peak consumption.
- Where this customer exceed their own capacity requirement (excluding seasonal sites) between 1<sup>st</sup> Oct – 31<sup>st</sup> May the customer is subject to a ratchet and charge.
- The SOQ is automatically recalculated and **applied on the system** from the following day.
- **The new SOQ is charged from the 1<sup>st</sup> of the following month following D+5 closeout.** The charge cannot be applied from the date of the SOQ increase on the system due to the 5 day close out window.

# Ratchet Charges

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- When the User Daily Quantity Off-taken (UDQO) exceeds the registered DMSOQ the difference between the UDQO and the DMSOQ (termed the Capacity Ratchet Amount) is used as the quantity to calculate the ratchet charges.
  - There are two ratchet charge types, Customer Capacity Ratchet (ZRA) and LDZ Capacity Ratchet (SRA).
  - The rates for these charges are calculated as per the formulae for Customer Capacity Charges and LDZ Capacity Charges.
  - The charges are derived by multiplying the ratchet amount by twice the applicable annual rates for the LDZ Capacity Charge and the Customer Charge. These charges are then invoiced to the Shipper.
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# Option 1



Within this option there is a multiplier of 1 for the Ratchet charge. The ratchet charge is applicable for the difference between booked and actual SOQ. This most reflects the current regime – except that the Ratchet Value =  $2 * \text{Cap}$