

**UNC 0619 Workgroup Minutes**  
**0619 - Application of proportionate ratchet charges to daily read sites;**  
**0619A - Protection from ratchet charges for daily read customers with an**  
**AQ of 732,000kWh and below;**  
**0619B - Application of proportionate ratchet charges to daily read**  
**sites.**

**Friday 05 January 2018**

**at Energy UK, Charles House 5-11 Regent Street, London SW1Y 4LR**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(HCu)	Joint Office
Andrew Margan	(AM)	Centrica
Andy Clasper	(AC)	Cadent
Chris Warner	(Cwa)	Cadent
Claire Towler	(CT)	SSE
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Debbie Brace	(DB)	National Grid NTS
Gareth Evans	(GE)	WatersWye
Jeremy Guard	(JG)	First Utility
John Welch*	(JW)	npower
Kirsty Dudley*	(KD)	(E.ON)
Lorna Lewin	(LL)	Orsted
Mark Jones	(MJ)	SSE
Nicky Rozier*	(NR)	BUUK
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales and West Utilities
Roger Somoo	(RS)	Utility Warehouse
Rowan Hazell*	(RH)	Cornwall Insight
Sean Hayward	(SH)	Ofgem
Shardul Pandit*	(SP)	Wales and West Utilities
Steve Mulinganie*	(SM)	Gazprom
Tahera Choudhury*	(TC)	Xoserve

\* via teleconference

Copies of all papers are available at <https://www.gasgovernance.co.uk/0640/050118>

The Workgroup Report is due to be presented at the UNC Modification Panel at 18 January 2018 meeting.

## 1. Introduction and Status Review

### 1.1. Approval of Minutes (23 November 2017)

The minutes from the previous meeting were accepted.

## 2. Review of Modification 0619

BF stated that the purpose of the meeting was to conclude the Workgroup report and suggested the Workgroup review the ROMs and legal text first.

## 3. Review of Alternate Modification 0619A

Not discussed.

## 4. Review of Alternate Modification 0619B

Not discussed.

## 5. Review of ROMs

DA provided a brief summary confirming that the costs for UNC Modifications 0619 and 0619B were broadly similar but the costs of 0619A had increased due to the inclusion of an additional report and also because it is based on peak day values between the top and bottom ranges. It is assumed that both suppressing Ratchet Charges and suppressing Ratchet Capping will apply to all LDZ SMPs (including those on IGT and CSO networks) below the relevant AQ Threshold.

Modification 0619A was more expensive because of the complexity of the Modification. The additional charges were due to functional changes:

- Explicit provision of ECN charge type
- Equitable recovery of capacity charges
- Capacity ratchet capping.

There would also be on-going change costs in relation to ratchet query management. This would depend on ratchet frequencies. An estimate is provided based on historic ratchet query and resolution rates for managing queries resulting from 100 ratchets.

## 6. Consideration of legal text

AM reported that the legal text provided for UNC Modification 0619B was not the most current version. RP clarified that there was a slight omission in the text in terms of a report which was being addressed and revised text would be available next week.

In relation to UNC Modification 0619, SM reported that there was no material change. A minor change had been made to remove a set of brackets.

BF asked Workgroup members if they had read and understood the legal text and invited any questions.

DA commented that he had expected to see a ratchet charge based on actual peak use but the legal text references ratcheted supply point capacity?

RP confirmed the correct context had been used based on the difference in booked SOQ compared to actual SOQ.

## 7. Development and Completion of Workgroup Report

BF confirmed that no comments had been received on the draft Workgroup report prior to the meeting. He then took Workgroup participants through the report section by section and invited comments. The Workgroup report was amended at the meeting.

## 8. Review of outstanding actions

**1101:** Joint Office to request a ROM for Modification 0619B following confirmation the modification has been amended.

**Update:** This action was closed as the ROMs had been received and published. **Closed**

**9. Next Steps**

BF confirmed the Workgroup report would be presented at the 18 January 2018 Modification Panel meeting with the recommendation that the modification proposals should then be issued for consultation. He reiterated that as a material impact to consumers had been identified the modifications did not fit the Self-Governance criteria.

**10. Any Other Business**

None raised.

**11. Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

No further Workgroup meetings planned.

**Action Table (as at 05 January 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	23/11/17	4.0	Joint Office to request a ROM for Modification 0619B following confirmation the modification has been amended.	JO (BF)	Closed