

UNC Workgroup 0619 Minutes
Application of proportionate ratchet charges to daily read sites
Thursday 22 June 2017
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Andrew Margan	(AM)	British Gas
Andy Clasper	(ACI)	Cadent
Andy Smith*	(AS)	British Gas
Angela Love	(AL)	ScottishPower
Bob Fletcher (Chair)	(BF)	Joint Office
Carl Whitehouse*	(CW)	First Utility
Chris Warner	(CW)	Cadent
Colette Baldwin	(CB)	E.ON Energy
David Addison	(DA)	Xoserve
David Reilly	(DR)	Ofgem
Deborah Brace*	(DB)	National Grid NTS
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Gavin Anderson*	(GA)	EDF Energy
Gethyn Howard*	(GH)	Uniper
Hilary Chapman	(HC)	Scotia Gas Networks
John Welch	(JW)	npower
Jon Dixon	(JD)	Ofgem
Karen Visgarda (Secretary)	(KV)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Rob Johnson	(RJ)	ESP
Shanna Key	(SK)	Northern Gas Networks
Shiv Singh*	(SS)	Cadent
Tom Andrews*	(TA)	Cornwall Energy

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0619/220617>

The Workgroup Report is due to be presented at the UNC Modification Panel 17 August 2017.

1.0 Review of Minutes (25 May 2017)

The minutes of the previous meeting were discussed and RHi proposed a slight amendment in relation to a formula, that had been previously recorded incorrectly.

The minutes were then subsequently approved.

2.0 Review Amended Modification

GE overviewed the proposed amended sections of a draft modification provided for discussion purposes, specifically regarding the ratchet charging in relation to the 'Netting Of Charges Paid' section and the associated tables in particular the example table, of the East Anglian LDZ. A general discussion took place surrounding the process of the ratchet charge and when that would occur.

CW was concerned that there appeared to be very little justification to demonstrate the proposed ratchet multiplier would provide the right level of incentive or how it would be an improvement on the current regime.

DA overviewed a high-level schematic that also explained the current ratchet process, compared to the option set out in the modification and how the period of time the ratchet was applicable from was different in each. The applicable time being shorter in Modification 0619.

GE advised considered the comments made and with the exception minor corrections, he was unlikely to make any further material changes and that he would submit the modification for formal amendment and consideration at the next meeting.

3.0 Review Data Analysis

Not discussed in this meeting.

4.0 Consideration of Business Rules

Not discussed in this meeting.

5.0 Consideration of Legal Text

Not discussed at this meeting.

6.0 Review of Outstanding Actions

Action 0501: Waters Wye Associates (GE) to provide worked examples by EUC Band.

Update: GE confirmed these examples had now be included in the modification and so this action could now be closed. **Closed**

Action 0502: Xoserve (RH) to contact the Demand Estimation Sub-Committee (DESC) to gain example data of instances where recorded values would have meant individual sites have breached the derived SOQs and been ratcheted.

Update: FC explained these will be individually recorded values to create overall EUC profiles and that the information may not be specific enough to provide a view as to where ratchets might have been incurred due to incorrect SOQs and its likely risk. FC also advised that there were no recent cold weather events (the last being 2010/11) which could inform the Workgroup on potential likelihood and risk. **Closed**

Action 0503: Scotia Gas Networks (FM) to provide an update on any related Safety Case impacts of this modification.

Update: HC said that they did not think this was relevant directly to Scotia Gas Networks and that they believed this actioned had be closed previously as it was a Panel action. BF advised that the Panel action had been closed. This action was raised at the last meeting and concerned the issues and concerns raised by Panel and the workgroup was requested to report on. HC was concerned that the actions was specifically against SGN for this modification. BF advised that the action could be closed but this should be seen as the Transporters opportunity to raise Safety Case related issues, they should not be left until consultation.

JD suggested and the Workgroup agreed that this action is amended to: “Transporters to provide extracts from their respective safety case which are impacted by this modification”.

Carried Forward

Action 0504: Waters Wye Associates (GE) to provide a definition in relation to what ‘relevant period’ means in the context of the solution.

Update: GE said this action could be closed as this had been confirmed within the modification. **Closed**

7.0 Any Other Business

None.

8.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Thursday 27 July 2017	Elexon 350 Euston Road London Lon NW1 3AW	Detail planned agenda items. <ul style="list-style-type: none"> • Review Amended Modification • Review Data Analysis • Consideration of Business Rules • Review of Impacts and Costs • Review of Relevant Objectives • Consideration of Wider Industry Impacts • Consideration of Legal Text • Complete Workgroup Report

Action Table (as at 22 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	25/05/17	1.0	Waters Wye Associates (GE) to provide worked examples by EUC Band.	Waters Wye Associates (GE)	Closed
0502	25/05/17	1.0	Xoserve (RH) to contact the Demand Estimation Sub-Committee (DESC) to gain example data of instances where recorded values would have meant individual sites have breached the derived SOQs and been ratcheted.	Xoserve (RH)	Closed

Action Table (as at 22 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0503	25/05/17	2.1	<p>(Scotia Gas Networks (FM) to provide an update on any related Safety Case impacts of this modification.)</p> <p><u>New wording as agreed:</u> Transporters to provide extracts from their respective safety case which might be impacted by this modification.</p>	All Transporters	Carried forward
0504	25/05/17	2.1	Waters Wye Associates (GE) to provide a definition in relation to what 'relevant period' means in the context of the solution.	Waters Wye Associates (GE)	Closed