

Representation - Draft Modification Report UNC 0665

Changes to Ratchet Regime

Responses invited by: **5pm on 14 March 2019**

To: enquiries@gasgovernance.co.uk

Representative:	Andrew Green
Organisation:	Total Gas & Power Ltd
Date of Representation:	12 th March 2019
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

This modification will remove a barrier to the migration of meters onto voluntary DM class 2 product class. AMR and Smart meters should enable more accurate settlement and this modification is required to encourage shippers to submit more meter readings more often which improves settlement accuracy and reduces the need for estimation and associated error, a primary cause of unidentified gas. Ratchet charges were designed under a pre-Nexus regime and reform is required to compliment the new meter reading and settlement rules.

We think that the current ratchet rules for the largest mandatory DM sites should continue and this modification allows for any sites identified by the GDNs as representing a significant risk to the network to be included under a penal ratchet incentive scheme.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

As soon as possible but certainly before October 2019 winter period begins.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Any marginal costs are outweighed by the benefits of removing ratchet penalties from Class 2 meters.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We have no comments on the Legal Text

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None identified

Please provide below any additional analysis or information to support your representation

None provided