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DSC Change Proposal Document

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General Details

Change Reference:	XRN6161		
Change Title:	Refining the Ratchet Charge Soft Landing Period (Mod 0930S)		
Date Raised:	26/11/2026		
Sponsor Representative Details:	Organisation:	SGN	
	Name:	David Mitchell	
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Xoserve Representative Details:	Name:	Josie Lewis	
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	Business Owner:		
Change Status:	☒ Proposal	☐ With DSG	☐ Out for Review
	☐ Voting	☐ Approved	☐ Rejected

Impacted Parties

Change Reference:	☒ Shipper	☐ Distribution Network Operator
	☐ NG Transmission	☐ IGT
	☐ All	☐ Other <Please provide details here>
Justification for Customer Class(es) selection:	Modification 0930S will be changing the eligibility rules for 'Soft Landing' periods that a Supply Meter Point gains when it moves to DM from NDM, refining the current	

	arrangements to ensure that each Supply Meter Point can only benefit from a single 12 month 'Soft Landing' eligibility period throughout its lifecycle where the Supply Point would be exempt from Ratchet Charges. This change will ensure a greater level of transparency to Proposing and Registered Shippers to support their consumers and management of their Capacity use, Soft Landing eligibility and consequently Ratchet Charges. This change will also support Distribution Networks management of Supply Point Capacity.

Proposer Requirements / Final (redlined) Change

Problem Statement:	When a Supply Meter Point (SMP) moves from Non-Daily Metered (NDM) to Daily Metered (DM) it receives a 12 month 'Soft Landing' period where it is exempt from Ratchet Charges as defined in UNC TPD B 4.7.14 and 4.7.15. The intention of the rule was to support management of risk when moving from NDM to DM. However, due to the way the eligibility rules are currently defined and the way the rules were written the 'Soft Landing' period takes affect every time a site moves from NDM to DM rather than being limited to the first transition into a Daily Metered Class. This allows sites multiple Soft Landing periods and repeated exemptions from Ratchet charges even when there is minimal risk associated with the move to DM as it has already been set up and managed as a DM site in the past. As a result, the current arrangements can lead to 'Soft Landing' rules being applied beyond their original intent, creating inconsistencies in the application of Ratchet charges and eligibility rules following subsequent Meter Class changes.
Change Description:	Modification 0930S has been raised to clarify and refine the rules relating to 'Soft Landings' to ensure that each SMP receives a single 12 month Soft Landing eligibility period when first transitioning from an NDM Class to a DM Class preventing repeat application where the Soft Landing criteria no longer apply.

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	This change proposal has been raised to outline the clarifications that will be made to the rules to achieve this purpose and the associated changes required to Central Systems and processes to support the ongoing assessment of 'Soft Landing' eligibility. **The following changes are proposed:** <u>'Single Soft Landing entitlement'</u> • Each SMP shall only be eligible to receive one 12 month 'Soft Landing' Period throughout its lifecycle. • Where a 'Soft Landing' Period has previously applied to a SMP and the eligibility criteria no longer apply, no subsequent 'Soft Landing' entitlement shall be awarded irrespective of future Class changes, registration activity or other market events <u>SMP Eligibility</u> • 'Soft Landing' eligibility shall be established and maintained at SMP level • Eligibility shall not be determined by the current Shipper, current Meter Class or any subsequent registration arrangement applicable to the SMP • Where a new SMP is created directly as a DM SMP, the SMP will be eligible to receive a 'Soft Landing' Period from the date it first becomes live. <u>Fixed duration</u> • Where an eligible SMP first transitions from NDM to DM, the 'Soft Landing' Period shall commence from the first day that the SMP becomes DM. • Newly created SMPs that are DM from creation the 'Soft Landing' Period will commence from the date the SMP first comes live • The 'Soft Landing' Period will remain associated with the SMP for a maximum period of 12 months and will expire on the original anniversary date less 1day irrespective of any subsequent transitions between DM and NDM Classes provided the other eligibility criteria continue to apply (e.g. if the Soft Landing applies from 01/10/YY at 05:00 then it expires at 01/10/YY+1 at 04:59 (i.e. at the end of the preceding Gas Day)).

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	Qualifying Supply Point Capacity. • Subject to the above 12 month rule, the 'Soft Landing' Period will continue to apply for DM Supply Points provided that the DM Supply Point Capacity is not less than the Qualifying Supply Point Capacity. Mod 0930S describes how this is determined, but typically is the prevailing NDM SOQ determined at a key stage in the transition to DM in the Registration or Amendment lifecycle. <u>Change of Shipper (CoSh)</u> • A CoSh will not in of itself terminate an active 'Soft Landing' Period • Where a SMP is transferred as part of a CoSh process, the 'Soft Landing' Period will remain in place and will apply until the expiry date of original anniversary date less 1day, provided the other eligibility criteria continue to apply. <u>Soft Landing Status records</u> Records of 'Soft Landing' allocation will be maintained in order to determine: • Whether a 'Soft Landing' Period has previously applied to a SMP • Whether a 'Soft Landing' Period is currently active; • The commencement and expiry dates of any active 'Soft Landing' Period; and • Whether Soft Landing entitlement has expired or been permanently disapplied	
Proposed Release:	TBC	
Proposed Consultation Period:	☐ 10 Working Days	☐ 15 Working Days
	☐ 20 Working Days	☐ Other [specify here)

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Benefits and Justification

Benefit Description:	The tangible benefits of this change would be a more refined set of rules around 'Soft Landing' that would reduce SMPs receiving multiple 'Soft Landing' Periods which is not in line with the original intent of 'Soft Landing' Rules. This change supports the necessary transparency of this data to industry participants to manage their processes. Application of the correct Ratchet process will support Capacity management.
Benefit Realisation:	As soon as the change is implemented, the central system will apply the revised rules defined in 0930, including application of these to SMPs with previous DM Supply Point history after the introduction of Soft Landing via Modification 0445.
Benefit Dependencies:	Ofgem's approval of Modification Proposal 0930S to implement and Change Management Committee's (ChMC) approval of this change for delivery.

Service Lines and Funding

Service Line(s) Impacted - New or existing:	From an initial consideration of the DSC Service Line impact, the Service Area which the potentially impacted processes currently come under is: • Service Area 1 Manage Shipper Transfers We anticipate a new Service Line would need to be created to capture the Soft Landing Period within the DSC service lines, but this is yet to be confirmed and will be defined through the DSC change process The funding arrangements shown above are as per the Budget and Charging Methodology for the mentioned Service Area
Level of Impact:	TBC
If None please give justification:	N/A
Impacts on UK Link Manual/ Data Permissions Matrix:	TBC – to be considered as part of the change assessment

Level of Impact:	TBC		
If None please give justification:	N/A		
Funding Classes:	Customer Classes/ Funding	Delivery of Change	On-going Budget Amendment
	☒ Shipper	50 %	TBC %
	☐ National Gas Transmission	XX %	XX %
	☒ Distribution Network Operator	50%	TBC %
	☐ IGT	XX %	XX %
	☐ Other [please specify]	XX %	XX %
ROM or funding details:	A ROM has been completed estimating high level indicative delivery costs are anticipated to be between £180,000k and £307,000k There may be ongoing costs associated with this change estimated to be in the range of £6-£8k		
Funding Comments:	The current identified funding split was discussed in November 2026 Distribution Workgroup, and the proposer suggested the change be 50% Shipper and 50% Distribution Network funded. This was echoed by workgroup participants Agreement of the proposed funding arrangements will be sought from DSC Change Management Committee. It is recommended that a unanimous Committee decision is agreed on the funding arrangements before this Change Proposal is accepted into the DSC Change Process.		

Please send the completed forms to: pmo@xoserve.com

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Version Control

Document

Version	Status	Date	Author(s)	Remarks