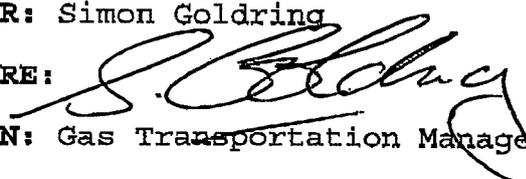


TRANSCO NETWORK CODE MODIFICATION PROPOSAL**SHORT TITLE:** Revision to the Demand Forecasting Process**DATE:** 25th August 1998**TARGET DATE FOR IMPLEMENTATION:** 1st October 1998**URGENCY:** Urgent: Failure to amend the rules on an urgent basis, would allow Transco to avoid updating and amending the Demand Estimation rules to allow changes that would better reflect true demand patterns.**JUSTIFICATION:** The Demand Estimation Sub-Committee is currently meeting infrequently and restricting discussion only to items defined in the Network Code. Section H needs to reflect the revision to DM thresholds implemented by Mod 133, and hence the sample sizes and robustness of the NDM process. This work must be completed by October to allow data to be capture this winter for updating the demand models next summer and revised details implemented in October 1999.

The rules controlling the operation of the Demand Estimation Sub-Committee must be amended to allow them to carry out this work, and a separate paper is being submitted to the NWC Committee in September for consideration.

CONSEQUENCE OF NOT MAKING THIS CHANGE: The industry will continue to operate with limited valid information and without clear consideration of the appropriateness of certain factors such as NDLF; scaling factors etc.**AREA OF NETWORK CODE CONCERNED:** Section H**NATURE OF PROPOSAL:** Section H1.6 is rewritten to increase the number of datapoints capture in each demand band; that the rules affecting NDMS above AQ level of 75000tpa are reconsidered; that the review of such datacapture should be subject to an annual review; that the timetable for developing the annual updated Demand Model is reduced, to allow the possibility of necessary changes to models and/or any consequential changes to pricing to be made as of 1st October in that year. DESC will need to be charged by the Network Code Committee to deliver proposals to meet the required dates specified.**PURPOSE OF PROPOSAL:** as above**IDENTITY OF PROPOSER'S REPRESENTATIVE****PROPOSER:** Simon Goldring**SIGNATURE:** **POSITION:** Gas Transportation Manager**COMPANY:** British Gas Trading Limited**MODIFICATION PANEL SECRETARY USE ONLY**

Reference No. 0262

Date received 26th August 1998.