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13/07/2007 15:24

Subject: MP/750/DJ - Change UKL13885 – Application of Interruptible Capacity Discount [Change Order 734].

Dear Colleagues

As a result of Pricing Discussion Paper PDDNO2 – "LDZ System Charges Capacity/Commodity Split and Interruptible Discounts", Transporters have indicated that they intend to increase the proportion of the capacity element in the capacity/commodity split for LDZ system charges.

Currently interruptible loads do not attract LDZ capacity charges as a 100% discount is applied to the ZCA charge rate. If there is a change in the capacity/commodity split interruptible loads would receive a disproportionately large discount on the LDZ transportation charges.

During consultation it was proposed to maintain the current level of LDZ system capacity charge discount for interruptible loads until the introduction of the new interruption regime in 2011 and this could be achieved by moving from 100% discount to a variable discount. It is proposed to implement a change to the LDZ system capacity charge (ZCA) rate applied for interruptible loads to make it variable..

It is proposed that these changes will be effective from the 1st April 2008. It is our intention that this is nominally a Class 1 UK Link Modification and as a result we do not anticipate any changes to Users Systems at this stage.

Please send your representation via comments to this e-mail box account by the 20th July 2007.

Kind regards

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