

Nationally Diversified Load Factors

Transco Network Code Modification 0236 /236a

Final Terms of Reference for Development Workgroup

BGT have raised modification 236 which seeks to remove the process of using Nationally Diversified Load Factors to scale the results of the load analysis which is carried out each year. It is argued that the continued use of the existing NDLFs discriminates against shippers with a mainly small NDM portfolio.

Transco has stated that the removal of NDLFs will not be possible in the timescale proposed. In addition, if the use of NDLFs is discontinued then there are issues to be addressed regarding volatility and uncertainty of prices.

Suggested Workgroup composition

Capacity Workstream

Proposed Workgroup Timetable

Modification Panel meeting	18th June
Capacity Workstream meeting	2nd July
Capacity Workstream meeting	6th August
Development workgroup report	10th August
Report considered by Mod. Panel	20th August
Draft Mod report circulated	31st August
Proposed implementation date	1st October

Final Terms of Reference for Development Workgroup

Nationally Diversified Load Factors - Mod 236/236a

Areas that the Development Workgroup will need to cover for its report

Evidence to support requirement for a change

- Data from previous years
- Data from 1997/98 winter
- Comparison with established NDLFs in Code
- Degree of any cross subsidy between load bands.

Options for change

- Modification proposal as circulated by BGT
- Define alternative solutions

Risks involved in making change

- Volatility of prices between years
- Uncertainty of prices within load bands
- Impact of making changes for 1st October 1998
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Implementation issues

- Requirement to define NDLFs
- Process to define relevant NDLFs
- Timescales for implementation.