

## Preliminary Safety Monitor Requirements 2005/06

31st May 2005

### Introduction

This document is published pursuant to Transco's obligations under the Uniform Network Code Section Q. It is consistent with, and should be read in conjunction with, "A Consultation on Winter 2005/06" (our 'consultation document'), also published today<sup>1</sup>. The safety monitor requirements set out here should be considered indicative only at this stage. They will be reconsidered in the light of feedback received, and kept under review prior to and throughout the winter period.

Our consultation document presented two supply scenarios for the coming winter. Given the significant uncertainty associated with the key input assumptions, we believe that it is most appropriate to publish initial monitor levels based on the more conservative of the two scenarios, i.e. Scenario 2. The consultation document seeks feedback on the key issues associated with the two scenarios and on the appropriate basis for setting the 2005/06 safety monitors.

We are currently preparing our 2005 supply and demand forecasts reflecting the latest information provided to us by market participants through our 2005 Transporting Britain's Energy consultation process. Consequently, we expect to update the safety monitor requirements taking into account our latest supply and demand forecasts in addition to any feedback that receive on our consultation document.

### Stored Safety Gas Requirement

**Table 1 – Space Analysis**

| <b>Storage type</b>           | <b>Assumed storage capacity (GWh)<sup>2</sup></b> | <b>Safety Monitor Requirement (GWh)</b> | <b>Safety Monitor Requirement</b> |
|-------------------------------|---|---|-----------------------------------|
| Long duration storage (Rough) | 34126   | 6059                                    | 17.8%                             |
| Medium duration storage (MRS) | 7322  | 954                                     | 13.0%                             |
| Short duration storage (LNG)  | 1817  | 988                                     | 54.4%                             |
| <b>Total</b>                  | <b>44051</b>                                      | <b>8001</b>                             | <b>18.2%</b>                      |

<sup>1</sup> [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11584\\_14405b.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11584_14405b.pdf)

<sup>2</sup> As detailed in Table 3 of our consultation document, excludes Operating Margins and Scottish Independent Undertakings. Also incorporates assumed reduction in new storage (-25%) consistent with Scenario 2 assumptions

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Storage Safety Deliverability Requirement

**Table 2 – Peak NDM & Priority Demand and Peak Day Supply**

| <b>Demand</b>                   | <b>GWh/d</b> |
|---------------------------------|--------------|
| Peak NDM & Priority Demand (A)  | 4539         |
|                                 |              |
| <b>Scenario 2 Peak Supplies</b> |              |
| Beach                           | 3273         |
| New Imports                     | 559          |
| Storage                         | 1280         |
| Total Supplies (B)              | 5112         |
|                                 |              |
| <b>Supply Surplus (B) – (A)</b> | <b>573</b>   |

Stored Firm Gas Requirement

**Table 3 – Space Analysis (GWh)**

| <b>Storage type</b>           | <b>Assumed storage capacity (GWh)<sup>2</sup></b> | <b>Firm Stored Gas Requirement (GWh)</b> | <b>Firm Stored Gas Requirement</b> |
|-------------------------------|---|--|------------------------------------|
| Long duration storage (Rough) | 34126   | 27059                                    | 79.3%                              |
| Medium duration storage (MRS) | 7322  | 10722                                    | 146.4%                             |
| Short duration storage (LNG)  | 1817  | 7461                                     | 410.6%                             |
| <b>Total</b>                  | <b>44051</b>                                      | <b>45242</b>                             | <b>102.7%</b>                      |

Storage Firm Deliverability Requirement

**Table 4 – Peak Firm Demand<sup>3</sup> and Peak Day Supply**

| <b>Firm Demand</b>                             | <b>GWh/d</b> |
|--|--------------|
| Diversified 1 in 20 Peak Day (C)               | 5392         |
|  |              |
| <b>Scenario 2 Peak Supplies</b>                |              |
| Beach  | 3273         |
| New Imports                                    | 559          |
| Storage  | 1280         |
| Total Supplies (D)                             | 5112         |
|  |              |
| <b>Firm Demand Response Required (C) – (D)</b> | <b>280</b>   |

<sup>3</sup> Diversified firm demand for a 1 in 20 peak day

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### **Changes to Storage Facility Designation**

1. Short duration storage facilities now exclude Grain which is included under new imports
2. Medium duration storage facilities now assumed to include Humbly Grove in addition to Hornsea, Hole House Farm and Hatfield Moor

### **Notes on demand assumptions**

Transco forecasts both diversified demand and undiversified demand. The diversified peak day is the peak day for the whole country, whilst the undiversified peak day is the peak day for each area of the country added together.

For planning and investing in the network, Transco uses 1 in 20 peak day undiversified demand conditions (in addition to analysing other less severe weather conditions). This allows for the fact that there is no single profile of demand across the country associated with a 1 in 20 peak day, and therefore ensures sufficient transportation capacity is available to meet 1 in 20 demand under a range of conditions.

For safety monitors, Transco uses diversified demand forecasts, which is the appropriate basis for assessing the balance between supply and demand on a National basis.