Appendix 6

Comments on the 1998 Base Plan Assumptions

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A6.1 Introduction

The Transco's Base Plan Assumptions contains forecasts of supply and demand which are then updated for inclusion in this Ten Year Statement. The Base Plan Assumptions is sent to all shippers and producers, a number of major energy consumers and relevant government departments, who are asked to comment and provide additional information.

Feedback on the 1998 Base Plan Assumptions, which were published in December 1997, has seen a continuation of the high level of supply side data received by Transco. For the second consecutive year, Transco successfully persuaded producers to provide high quality supply information and the positive response reflects a high degree of trust and confidence in the process. Producers provided detailed supply information at a field specific level as requested, thus improving the accuracy of Transco's supply forecasts.

In contrast, many shippers have again not provided information in the level of detail that Transco would have hoped to receive, and especially little or no information on demand. To improve this position Transco extended its policy of meeting to discuss the Base Plan to include a number of the major shippers, particularly those with power generation interests. In these cases Transco was able to obtain much more detailed information concerning large loads.

Only one written response included detailed comments on Transco's stated assumptions in the 1998 Base Plan. However, Transco met with 16 of the major producers and shippers and discussed the assumptions at those meetings; the feedback from these meetings has been included here for completeness.

Transco's responses to the comments are shown in italics.

A6.2 Demand

The base case demand assumptions were broadly considered realistic, although most participants felt unable to comment on the levels of growth in the traditional markets. The levels of power generation and the impact of the moratorium and exports to Ireland and Europe were commented on.

A limited amount of demand data has been provided; with very little detail of loads within the LDZ, mainly because of the respondents' uncertainties in their analysis of customers and markets. Information about gas fired power generation was provided in some detail and concerned speculative loads as well as those which were definitely going ahead. *The majority of these stations had already been considered for the Base Plan forecasts. However the forecasts presented in Chapter 2 include four additional stations.*

A6.3 Supply

As stated above, the level of response on supplies was of a similar high level as that provided the previous year during the consultation on the 1997 Base Plan Assumptions and almost all the responses from producers were at a field specific level enabling Transco to avoid double counting.

Transco's supply assumptions and the use of a "rollover" methodology, which takes into account the proportion of gas in a field, were generally accepted. One producer suggested that a further development would be to take account of the potential for re-injection of the gas. *This will be considered for future forecasts.*

Given the re-negotiation of the Frigg treaty, several respondents thought that Transco had not included new Norwegian imports early enough, however a number of producers provided updated information about likely dates and volumes. *This information has been used in the supply forecasts for the 1998 Ten Year Statement.*

The requested gas quality information has not been provided in many of the supply data submissions, on the basis that gas from each field is delivered as a commingled stream so the Terminal Operator is best placed to supply this information. *The unavailability of this could lead to less efficient design of Transco's network and to increased unbilled energy through less efficient system operation.*

Several shippers and producers believed that the proposed new storage facilities should be included in Transco's peak supply forecasts. *Transco agrees that these should be included once their development timescales have been confirmed and there is a proper understanding of how they will operate.*