



Appendix 15

Glossary

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Advanced Reservation of Capacity Agreement (ARCA)

A long term agreement between Transco and shippers for future NTS pipeline capacity for large sites. Allows shippers to reserve capacity well in advance of first gas flows.

Annual Quantity (AQ)

The AQ of a supply point is its annual consumption over a 365 day year, under conditions of average weather.

Bar

The unit of pressure that is approximately equal to atmospheric pressure (0.987 standard atmospheres). One millibar equals 0.001 bar.

Base Plan Assumptions (BPA)

A document produced by Transco on an annual basis that describes our supply and demand forecasts for the next ten years.

Calorific Value (CV)

The ratio of energy to volume measured in Megajoules per cubic metre (MJ/m³) which for a gas is measured and expressed under standard conditions of temperature and pressure.

Composite Weather Variable (CWV)

A single measure of weather for each LDZ, incorporating the effects of both temperature and windspeed. A separate composite weather variable is defined for each LDZ.

Combined Heat and Power (CHP)

The simultaneous generation of electricity and heat for use within buildings or processes, by recovery of the heat produced in the power generation process. As such, CHP represents the highest efficiency means of generating electricity.

Compressor Station

An installation that uses gas (or electrically) powered jet engines to boost pressures in the pipeline system. Used to increase transmission capacity and move gas through the network.

Connected System Exit Point (CSEP)

A connection to a more complex facility than a single supply point. For example a connection to a pipeline system operated by a Public Gas Transporter other than Transco.

Cost Reduction In the New Era (CRINE)

A Producer efficiency initiative that affects Transco's system through the consequential reduction in reliability of offshore supplies.

Cubic Metre (m³)

The unit of volume, approximately equal to 35.34 cubic feet. One million cubic metres (mcm) equals 10⁶ cubic metres, one billion cubic metres (bcm) equals 10⁹ cubic metres.

Daily Flow Notification (DFN)

A communication between a Delivery Facility Operator (DFO) and Transco, indicating hourly and end of day entry flows from that facility.

Daily Metered Supply Point

A supply point fitted with equipment (e.g. a datalogger) that enables meter readings to be taken on a daily basis. Further classified as SDMC, DMA, DMC or VLDMC according to annual consumption.

Datalogger

An electronic device that automatically records, stores and transmits meter readings (such transmission usually being via PSTN lines).

Delivery Facility Operator (DFO)

Operators of the reception terminals, which process and meter gas deliveries from offshore pipelines before transferring the gas to Transco's system.

Distribution System

A network of mains operating at three pressure tiers: intermediate (2 to 7 bar), medium (75 mbar to 2 bar) and low (less than 75 mbar).

Diurnal Storage

Gas stored for the purpose of meeting the variations in demand during the day. Gas can be stored in special installations (e.g. gasholders), or by linepack within the pipeline system.

Electronic Token Meter (ETM)

A prepayment meter which uses "smart card" technology to enable a gas supplier to recover gas charges and any outstanding debt as gas is consumed.

Exit Zone

A geographical area (within an LDZ) that consists of a group of supply points that, on a peak day, receive gas from the same NTS offtake.

FALCON

A computer program which simulates the operation of the transmission system. It is used to optimise future system expansion plans as supply and demand change over time.

Flexibility Mechanism

A way for shippers to bid to buy gas from, or sell gas to, Transco for system balancing purposes.

Gasholder

A vessel used to store gas for the purposes of providing diurnal storage.

Interconnector

A pipeline transporting gas to another country. The Irish interconnector transports gas to Ballylumford and Dublin. The European interconnector is under construction and will transport gas to Zeebrugge starting in October 1998.

Interruptible Service

A service that offers lower transportation charges but where, at times of high demand, Transco can shut off the gas to the supply point.

Kilowatt hour (kWh)

The unit of energy used by the gas industry. Approximately equal to 0.0341 therms. One Megawatt hour (MWh) equals 10^3 kWh, one Gigawatt hour (GWh) equals 10^6 kWh, and one Terawatt hour (TWh) equals 10^9 kWh.

Linepack

The volume of gas within the National or Local Transmission System at any time.

Liquefied Natural Gas (LNG)

Gas stored in liquid form. Can be firm or constrained (CLNG). Shippers who book a constrained service agree to allow Transco to use some of their gas to balance the system.

Local Distribution Zone (LDZ)

A geographic area supplied by one or more NTS offtakes. Consists of LTS and Distribution System pipelines.

Long Run Marginal Cost (LRMC)

The methodology used by Transco to determine NTS capacity charges, based on the cost of reinforcing the system to carry a 2.834 mcm per day increase in demand sustained over 10 years.

Local Transmission System (LTS)

The pipeline system that takes gas from NTS offtakes and transports it to the Distribution system and direct to some large users.

National Balancing Point (NBP)

A notional point which represents the NTS for balancing purposes.

National Transmission System (NTS)

High pressure system consisting of terminals, compressor stations, pipeline systems and offtakes. Operates at pressures up to 75 bar. NTS pipelines transport gas from terminals to NTS offtakes.

National Transmission System Offtake

An installation defining the boundary between the NTS and the LTS or a very large consumer. The offtake installation includes equipment for metering, pressure regulation, etc.

Network Code

A document that defines the contractual relationship between Transco and System Users.

Non-Daily Metered (NDM)

A meter that is read monthly or at longer intervals. For the purposes of daily balancing, the consumption is estimated, using an agreed formula, and for supply points consuming more than 73.2 MWh pa, reconciled individually when the meter is read.

Odourisation

The process by which the distinctive odour is added to gas supplies to make it easier to detect leaks. Transco plans to move from odourisation at terminals to local odourisation at NTS offtakes.

Office of Gas Supply (Ofgas)

A Government agency responsible for regulating the onshore gas industry in the UK .

Operating Margins

Gas used by Transco to maintain system pressures under circumstances including periods immediately after a supply loss or demand forecast change before other measures, such as the flexibility mechanism, become effective; and in the event of plant failure, such as pipe breaks and compressor trips.

Own Use Gas (OUG)

Gas used by Transco to operate the transportation system. Includes gas used for compressor fuel, heating and venting.

Peak Day Demand (1 in 20 Peak Demand)

The 1 in 20 peak day demand is the level of demand that, in a long series of winters, with connected load held at the levels appropriate to the winter in question, would be exceeded in one out of 20 winters, with each winter counted only once.

Public Gas Transporter (PGT)

A company licensed by Ofgas to transport gas to consumers. Transco is the largest PGT.

Seasonal Normal Composite Weather Variable (SNCWV)

The seasonal normal value of the CWV for a LDZ on a day is the smoothed average of the values of the applicable CWV for that day in a significant number of previous years (currently 65 such historical years of data).

Shipper or Network Code Registered User

A company with a Shipper Licence is able to buy gas from a producer, sell it to a supplier and employ a PGT to transport gas to consumers.

Shrinkage

Gas that is input to the system but is not delivered to consumers or injected into storage. It is either Own Use Gas or Unaccounted for Gas.

Supplier

A company with a Supplier's Licence contacts with a shipper to buy gas which is then sold to consumers. A supplier may also be licenced as a shipper.

Supply Hourly Quantity (SHQ)

The maximum hourly consumption at a supply point.

Supply Offtake Quantity (SOQ)

The maximum daily consumption at a supply point.

Supply Point

A group of one or more meters at a site.

System Average Price (SAP)

The weighted average price of accepted flexibility mechanism bids on a day.

System Marginal Price (SMP)

The highest flexibility mechanism system buy bid accepted on a day (SMP buy), or the lowest accepted system sell bid (SMP sell).

Take Or Pay

A sales contract common in the gas industry whereby the purchaser must pay for some or all of the volume contracted regardless of whether they actually take the gas.

Therm

The imperial unit of energy. Largely replaced by the metric equivalent: the kilowatt hour (kWh). 1 therm equals 29.3071 kWh.

Transcost

A pc-based network simulation model which can be used to examine the effect of supply/demand changes on required system reinforcements and thus determines the Long Run Marginal Cost. It is not a rigorous engineering planning tool, but it produces results which are comparable to FALCON. It gives rapid results by virtue of making a number of simplifying assumptions in the calculation process.

Unaccounted for Gas (UAG)

Gas lost during transportation. Includes leakage, theft and losses due to the method of calculating the Calorific Value.

UK-Link

A suite of computer systems that supports Network Code operations. Includes AT-Link for energy balancing; Supply Point Administration; Invoicing; and the Sites and Meters database.

Unbundled Service

An optional service, offered and priced separately from Transco's core transportation services. For example meter reading.