

# 1. Review of Transco's Price Control from 2002 – Ofgem's Final proposals – Amendments to the NTS entry capacity and linepack outputs contained in Appendix 3

- 1.1 On 26 September 2001 Ofgem published Final Proposals<sup>1</sup> for Transco's price control from April 2002 to March 2007. In Appendix 3 of that document Ofgem set out a series of baseline output measures for the National Transmission System ('NTS'). These output measures were set for NTS entry capacity, exit capacity and linepack.<sup>2</sup>
- 1.2 Shortly after publication of Ofgem's Final Proposals document, Transco reported that the numbers provided in tables 1b, 2b (relating to entry capacity), and tables 4 and 5 (relating to linepack) were incorrect. Transco said that the first set of summer entry capacity and linepack figures it had provided to Ofgem applied to summer 2003 and not to summer 2002, as was shown in the original Appendix 3. As a result, Appendix 3 did not include summer capacity outputs for next summer (2002) – the first year of the new price control period.
- 1.3 Transco has now provided a revised set of summer entry capacity and linepack output measures that include the period April to September 2002. The revised output measures are attached to this addendum in an amended Appendix 3, with the summer 2002 measures clearly highlighted.
- 1.4 In addition, Transco has identified an error in the Teeside Maximum Physical Entry Capacity in the 2005/6 formula year with summer flexibility investment. A revised figure has now also been included in the amended Appendix 3.

---

<sup>1</sup> *Review of Transco's Price Control from 2002 – Final Proposals, Ofgem, September 2001.*

<sup>2</sup> These NTS output measures will also be the 'baseline' output measures used in setting Transco's NTS System Operator (SO) incentives from April 2002. Ofgem's initial proposals for these SO incentives were published on 10 September 2001.