

Glossary

1-in-20 peak day security criterion	The requirement on Transco to plan its system to cope with an estimate of the highest demand that is likely to be exceeded (whether on one or more days) only in one year out of 20.
1-in-50 severe year demand	An estimate of the highest demand that can be expected in one single year in 50.
Accord	Accord Energy Limited, a wholly-owned subsidiary of Centrica .
Associated gas	Gas from a field producing predominantly oil and other liquids.
Bacton interconnector	The interconnector for the transportation of gas from Bacton in Norfolk to mainland Europe via Zeebrugge in Belgium, or vice versa.
Bar	The unit of pressure that is approximately equal to atmospheric pressure (0.987 standard atmospheres).
Beach gas	Gas delivered to terminals on the Great Britain coast by producers .
Beach swing	Variations in input from beach gas supplies.
Beach terminal	A reception point for beach gas , where gas can be processed if necessary and introduced into the NTS .
BG	BG plc. Company created, along with Centrica , in the 1997 demerger of British Gas plc .
BG Group	BG Group plc. In 1999 BG changed its name to BG Group plc, which demerged in 2000 when Transco became part of an independent group called Lattice Group plc. The remainder of the former BG Group retained that name. Lattice Group plc merged with National Grid Group plc in 2002 to form NGT .
BG Storage	BG Storage Limited. A subsidiary of BG Group which owned the Rough and Hornsea storage sites and related assets and was sold to Dynegy in 2001.
BGT	British Gas Trading Limited, a wholly-owned subsidiary of Centrica .
British Gas	The brand name used by Centrica in its UK retail gas supply operations.
British Gas plc	The former privatized gas utility which demerged in 1997 to form BG and Centrica .
Cash-out	Arrangements laid down in the Network Code under which individual shippers are charged for any imbalance between their supply of gas to, and demand for gas from, the transportation system on each gas day.
CCGT	Combined cycle gas turbine. A type of generating plant in which turbines, fuelled by natural gas (or an oil distillate) are used to drive generators and the exhaust gases are passed through a boiler to produce steam which drives an additional turbine coupled to a generator.
CEMG	Centrica Energy Management Group, a business unit within Centrica .
Centrica	Centrica plc or the whole Centrica group of companies, according to context.

Competition Act	Competition Act 1998.
Constrained storage facility	An LNG storage facility which provides support to the transportation system and has been designated as constrained in the Network Code , or subsequently in Transco 's annual Constrained Storage Statement. Transco has the right to nominate flows of gas held there by shippers ('constrain on') when forecast demand downstream of a specified constraint is higher than a declared trigger.
CSL	Centrica Storage Limited, a wholly-owned subsidiary of Centrica . See DSL .
Cushion gas	Gas that must remain in a storage facility to maintain sufficient pressure for it to operate.
DGFT	Director General of Fair Trading.
Diurnal storage	Storage that responds to variation in demand or supply within the day. Provided largely from gas holders and/or linepack .
DOPUL	Dynegy Onshore Processing UK Limited.
Dry field	A field producing predominantly gas (ie production of hydrocarbon liquids is low).
DSL	Dynegy Storage Limited, a subsidiary of Dynegy that owned the Rough and Hornsea storage facilities (prior to the sale of Hornsea to SSE). DSL was sold to Centrica and its name changed to CSL .
Dynegy	Dynegy Inc. A US company which acquired BG Storage in 2001.
Energywatch	The Gas and Electricity Consumer Council, established under the Utilities Act 2000.
FSA	Financial Services Authority.
FSMA	Financial Services and Markets Act 2000.
FTA	Fair Trading Act 1973.
Gas Act	Gas Act 1986.
Gas holder	A vessel used to store gas at low pressure for the purpose of providing diurnal storage within an LDZ .
GWh	Gigawatt hour. 1 GWh = 1,000 MWh .
HHI	Herfindahl-Hirschman Index. A measure of industry concentration calculated as the sum of the squares of the percentage market shares of all suppliers in a given market.
HSE	Health and Safety Executive.
I&C	Industrial and commercial.
Incumbent electricity supplier	The electricity supplier which prior to 1998 acted as a monopoly supplier of electricity to customers with a maximum demand of less than 100 kW.
Interconnector	A pipeline transporting gas from one transmission system to another.

Interruptible supply contract	A contract with an industrial or commercial customer that includes terms entitling a supplier to interrupt supply of gas to that customer either for its own purposes or in respect of Transco interruption rights under the Network Code , which entitle Transco to interrupt supply to a user of gas, for example where demand exceeds the capacity of any part of the transportation system or when demand exceeds 85 per cent of 1-in-20 peak day demand.
IPE	International Petroleum Exchange.
IUK	Interconnector (UK) Limited, the consortium of European energy companies that owns and operates the Bacton interconnector .
kWh	Kilowatt hour. A measure of an amount of energy.
LDS	Local distribution system. LDS mains operate at low pressures, receive gas from the LTS and deliver it to end-users.
LDZ	Local distribution zone. An area supplied by one or more NTS offtakes. Contains LTS and LDS pipelines.
Linepack	The volume of gas within the NTS and LTS at any time. It can be varied to provide diurnal storage .
LNG	Liquefied natural gas: gas stored or transported in liquid form.
LTi contract	Long-term interruptible supply contract .
LTS	Local transmission system. The pipeline systems operating at pressures about half those of the NTS that take gas from NTS offtakes and transport it to end-users/consumers via downstream LDSs , and direct to some larger users.
Morecambe	The North Morecambe and South Morecambe gas fields in Morecambe Bay owned by Centrica .
MWh	Megawatt hour. 1 MWh = 1,000 kWh.
MRS	Medium range storage.
NBP	National balancing point. A notional point on Transco's pipeline system where gas can be traded between counterparties and their daily imbalances are calculated.
Network Code	The document defining the rights, responsibilities and obligations for all users of Transco's gas transportation system. It provides all system users with equal access to transportation services. Other (much smaller) gas transporters have their own network codes.
NGT	National Grid Transco plc.
Nomination	Notification by a shipper of the amount of gas it wishes to flow into or out of the transportation system or other piece of gas infrastructure (for example, interconnector, storage facility) or the amount of gas a producer or shipper wishes to deliver/take under a contract.
NPV	Net present value. The discounted present value of future cash flows.
NTS	National transmission system. High-pressure system consisting of terminals, compressor stations, other pipeline systems and offtakes. Designed to operate at pressures up to 85 bar. NTS pipelines transport gas from terminals to NTS offtakes .

NTS offtake	An installation defining the boundary between the NTS and the LTS or a very large consumer. The offtake installation may include equipment for metering, pressure regulation etc.
OCM	On-the-day commodity market. A screen-based service enabling anonymous, financially cleared trading between market participants.
Ofgem	The Office of Gas and Electricity Markets.
OFT	The Office of Fair Trading.
Operating margins gas	Gas stored for use by Transco to maintain system pressures under circumstances, including periods immediately after a supply loss or sharp change in demand, before other measures become effective, and in the event of plant failure or the orderly rundown of the system.
OTO	The Oil Taxation Office of the Inland Revenue.
Petroleum Act	Petroleum Act 1998.
PPI	Producer Prices Index. An index that measures the prices of industrial products.
Producer	A company that extracts gas from an onshore or offshore field and delivers it to a terminal.
SAP	System average price. The price set by all Transco and shipper trades on the OCM on a given day.
SBU	Standard bundled unit of gas storage.
Shipper	A company holding a shipper's licence granted by Ofgem . Shippers may buy gas from producers , sell it to suppliers and employ Transco to transport it to suppliers' customers. A shipper may also be licensed as a supplier .
SME	Small and medium-size enterprise. Term used in this report to refer to a non-domestic gas customer using less than 732,678 kWh (25,000 therms) a year.
SSC	Storage services contract. A standard contract for the use of storage capacity at Rough.
SSE	Scottish and Southern Energy plc.
SSNIP	Small but significant non-transitory increase in price.
STORIT	CSL's web-based information service, through which CSL receives customer nominations, allocates capacity, supports secondary trading and publishes information on Rough operations.
Supplier	A company holding a supplier's licence granted by Ofgem . Suppliers contract with producers to buy gas that is then shipped through Transco's network (by a shipper) for supply to consumers. A supplier may also be licensed as a shipper .
Top-up gas	Gas which Transco has to put into store if it assesses that the amount of storage capacity booked by shippers is inadequate to meet aggregate demand under 1-in-20 peak day or 1-in-50 severe year conditions.
TPA	Third-party access.

Transco	Part of NGT . Owns and operates the primary natural gas transportation system in Great Britain.
TWh	Terawatt hour. 1 TWh = 1,000 GWh .
UKCS	UK continental shelf.