

# **TRANSCO PRICING DISCUSSION DOCUMENT PD5**

## **TRANSPORTATION CHARGES FOR THE INDEPENDENT SYSTEMS**

### **BACKGROUND**

Transco published a Pricing consultation paper (PC7) in December 1996 which proposed the introduction of cost-reflective transportation charges for the independent systems. The proposal was vetoed by Ofgas in December 1998. The paper had proposed the introduction of a two-tier transportation charging structure as permitted under Licence Condition 3(4) and Special Condition 18, with newly connected non-statutory loads paying a higher transportation charge than those already connected. Historically new loads have been discouraged to some extent by the implementation of rules commonly referred to as “Booth of Wick” policy, whereby consistent transportation charges for new and existing loads are applied but the additional costs relating to any non-statutory new load are reflected in the level of connection charge.

Transco has separately indicated that it is ending the Booth of Wick policy, thereby introducing a consistent connection policy throughout Great Britain - see Condition 5 statement and related consultation document issued by Transco’s Connection Policy department.

Transco now proposes that any new connections to the independent systems will face the same policy as elsewhere in Great Britain. At the same time, Transco proposes to retain the present approach to transportation charges. This means that charges will be the same for new and existing loads within the independent systems.

### **QUESTION FOR DISCUSSION**

**Transco welcomes respondents comments on this proposal to make charges within the independent systems consistent with the remainder of Great Britain.**

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