

Indicative Gas Transportation Charges from 1 October 2012 for East of England, London, North West and West Midlands Distribution Networks

1. Introduction

Following changes to the National Transmission System (NTS) exit capacity regime from 1 October 2012, the Distribution Network (DN) charging methodology will change so as to introduce a new DN transportation charge, the Exit Capacity NTS (ECN) charge. This notice provides indicative ECN charges effective from 1 October 2012. No other changes to the DN transportation charges are expected at that time.

The definitive notice of distribution transportation charges effective from 1 October 2012 will be published by 1 August 2012, in line with the two months' notice requirement within the Uniform Network Code.

It is expected that the ECN charges, along with other DN transportation charges, will be revised from 1 April 2013.

2. Indicative ECN Charges

Indicative DN ECN Charges from 1st October 2012

| Exit Zone | p/pdkWh/d |
|-----------|-----------|
| EA1 | 0.0071 |
| EA2 | 0.0096 |
| EA3 | 0.0029 |
| EA4 | 0.0142 |
| EM1 | 0.0011 |
| EM2 | 0.0065 |
| EM3 | 0.0163 |
| EM4 | 0.0233 |
| NT1 | 0.0120 |
| NT2 | 0.0066 |
| NT3 | 0.0241 |
| NW1 | 0.0144 |
| NW2 | 0.0336 |
| WM1 | 0.0192 |
| WM2 | 0.0152 |
| WM3 | 0.0171 |

3. Uncertainties around Indicative ECN Changes

The indicative ECN charges have been based on the forecast cost of NTS Offtake (Exit) capacity for the period 1st October 2012 to 31st March 2013 and the forecast DN Supply Offtake Quantity (SOQ) for each Exit Zone. The main uncertainty around the level of the ECN charges is the expected SOQ level. The indicative charges have been based on an assumed 2% reduction to the current SOQ level. The portfolio SOQ level and the 2% SOQ reduction assumption will be reviewed prior to calculation of the definitive ECN charges.

If you have any questions about this notice please contact me.

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