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18th May 2012

## **Indicative Exit Capacity Charges (ECN) from 1 October 2012**

Dear Sirs

### **1. Introduction**

New Industry arrangements from October 12 state that Distribution Networks will charge Shippers directly for Exit Capacity. This was agreed following the consultation paper "Proposals for LDZ Charges to Recover NTS Exit Capacity Charges" (DNPC06).

Please note that whilst Exit Capacity charges will be levied by Gas Distribution networks there will be a compensating reduction in Exit Capacity charges from National Transmission (NTS) from the same date.

This Notice provides indicative levels of Exit Capacity charges that will apply from 1 October 2012. This notification complies with the obligation under our GT Licence to provide 150 day's notice of such proposals.

The final notice of Exit Capacity charges from 1 October 2012 will be published by 1 August 2012, in accordance with the two month's notice requirement specified in the Uniform Network Code.

We do not intend to change any other transportation charges from 1<sup>st</sup> October 2012.

### **2. Indicative Exit Capacity Charges**

Wales & West Utilities did publish initial estimates of Exit Capacity prices by Exit Zone on 2<sup>nd</sup> November 2011 using the latest offtake prices published by NTS at that time. This notice reflects the final Exit Capacity offtake prices, effective from 1<sup>st</sup> October 2012, published by NTS on 1<sup>st</sup> May 2012.

The table at Annex A gives the indicative Exit Capacity prices, aggregated by Exit Zone, to be charged to Shippers from 1<sup>st</sup> October 2012 and also the estimated level of Total Exit Capacity charges we will be recovering from Shippers, by Exit Zone, for the period: 1<sup>st</sup> October 2012 to 31<sup>st</sup> March 2013.

24 hour gas escape number  
Rhif 24 awr os bydd nwy yn gollwng

**0800 111 999\***

\*calls will be recorded and may be monitored  
caiff galwadau eu recordio a gellir eu monitro

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In line with our assumptions in calculating the LDZ Capacity charge from 1<sup>st</sup> April 2012, we have assumed that peak day capacity will fall by 3% following the AQ Review in October 2012.

If you have any queries regarding this document please would you contact me on 02920 278838 or by email: [john.edwards@wwutilities.co.uk](mailto:john.edwards@wwutilities.co.uk)

Yours sincerely,

John Edwards  
Pricing Manager

## **Annex A**

### **Indicative Exit Capacity Charges from 1 October 2012**

<b>Exit Zone</b>	<b>pence per pk day kWh per day</b>	<b>Total Charges From 1<sup>st</sup> Oct 2012 to 31<sup>st</sup> Mar 2013 (£m)</b>
SW1	0.0079	0.58
SW2	0.0212	4.62
SW3	0.0224	4.02
WA1	0.0240	2.11
WA2	0.0034	1.31
Total		12.64