



## **SOUTHERN GAS NETWORKS plc**

### **Final Notice of Change to Transportation Charges on 1 April 2012**

**1. Southern Gas Networks – The accompanying document, which is based on Section 2 of the Charging Statement, details the Final LDZ Transportation Charges for Southern Gas Networks from 1<sup>st</sup> April 2012. On the basis of the latest available forecasts of Allowed and Collected revenue there is a requirement for a small overall increase in gas transportation charges of 1.0%.**

#### **2. Restructuring of Charges.**

On 1 April 2012 the revised structure of LDZ system charges as set out in DNPC08 comes into effect. This means different percent changes will apply to different load bands, but the restructuring in itself does not change the level of collected revenue.

In addition to the restructuring of the LDZ system charges it is necessary to restore the proportions of revenue recovery between the LDZ System charges and the Customer charges to align with DNPC05. The change is required mainly by the discontinuation of the interruptible status at Daily Metered Supply Points with an AQ >5,860,000kWh from the 1<sup>st</sup> October 2011 which has caused an increase in the proportion of revenue from the LDZ System charges.

#### **4. NTS Exit charges from 1<sup>st</sup> October 2012.**

The implementation of UNC Modification 195AV by Ofgem on the 1<sup>st</sup> April 2009 requires Southern Gas Networks, from the 1<sup>st</sup> October 2012, to charge gas Shippers for costs incurred by SGN as a result of National Grid Transmission exit capacity charges. SGN will provide indicative charges on the 1<sup>st</sup> May 2012 and final charges on the 1<sup>st</sup> August 2012 which will take effect from 1<sup>st</sup> October 2012.

Although the LDZ Exit Capacity (ECN) Charges do not come into effect until 1 October 2012 it was considered that it would be helpful to include Indicative Charges in this document. The charges shown in the table below are based on the assumption that Mod 356 is approved by Ofgem. Should this not be the case then the Indicative charges will be re-published.

**Table 4.1 LDZ ECN Indicative Charges**

<b>Zone</b>	<b>Pence/Peak day kWh per Day</b>
SE1	0.0131
SE2	0.0207
SO1	0.0155
SO2	0.0225

