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Final Notice Southern Transportation Charges effective from 1st April 2017

Please find attached the notice of Southern Gas Networks transportation charges effective from 1st April 2017.

On the basis of the latest available forecasts of allowed and collected revenue there is a requirement for an overall **decrease of 1.6%** to average charge levels.

These charges reflect:

- The year on year 2017/18 Base Revenue as stated by Ofgem for the RIIO-GD1 Price Control;
- An adjustment to Base Revenue as directed by Ofgem's Annual Iteration Process;
- The 2015/16 actual pass through costs (compared to allowances) and incentives which are on a two year lag;
- The adjustment relating to 2015/16 over/under recovery (K) which is also on a two year lag;
- The impact of inflation;
- That there is not a requirement to incorporate a forecast position of supply point maximum capacity (SOQ). It has been assumed that fixed SOQ charging will be implemented under Nexus from the 1st June 2017.

For more information please contact via email: - pricingteam@sgn.co.uk