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Dear Robert

Notice of Revised Gas Transmission Transportation Charges from 1st February 2007

In order to bring revenue recovery from transportation charges in line with the SO price control formulae for the NTS, National Grid is publishing this notice of revised transmission charges two months in advance of the changes, consistent with our Licence and Uniform Network Code obligations.

From 1st February 2007 changes will be applied to **NTS SO Commodity** charges as follows;

The NTS SO Commodity charge as applied to both entry and exit flows, will be levied at a rate of 0.0034 p/kWh, a decrease of 70% from its present level, which was set on 1st October 2006. This reduction is now required for two reasons; to prevent over-recovery in 2006/07 due to revised forecasts of shrinkage costs and to take account of the impact of the reconciliation of the meter error at Farningham.

Please note that this reduction in charge will be for February and March 2007. The SO Commodity charges will be re-balanced in April 2007. The percentage changes in charges given in the indicative notice for April 2007 (published on 1st November 2006) are based on the October 2006 charges.

For the avoidance of doubt, all other charges will remain the same until 1st April 2007.

If you have any questions about this Notice, or NTS charges in general, please contact myself or Karin Elmhirst on 01926 655540.

Yours sincerely

Nigel Fox
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