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Final Notice Scotland Transportation Charges effective from 1st April 2018

Please find attached the notice of Scotland Gas Networks transportation charges effective from 1st April 2018.

Based on the latest available forecasts of allowed and collected revenue there is a requirement for an overall increase of 5.1% to average charge levels.

These charges reflect:

- An inflationary impact on 2018/19 revenue of 5.0%. The two components of this are, the forecast year on year RPI impact (3.4%) and the movement in the adjustment to reconcile 2016/17 RPI forecast to the actual position (1.6%), which is subject to a two-year lag;
- The year on year 2018/19 Base Revenue as stated by Ofgem for the RIIO-GD1 Price Control adjusted as directed by Ofgem's Annual Iteration Process;
- The 2016/17 actual pass through costs (compared to allowances) and incentives which are on a two-year lag;
- In 2018/19 an adjustment in allowed revenue relating to a Last Resort Supply Payment;
- The 2016/17 over/under recovery (K) position which is also on a two-year lag;
- A forecasted collected revenue position reflecting the latest view (December 2017) of SOQ's.

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