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31 January 2023

Final Notice Scotland Gas Networks Transportation Charges effective from 1 April 2023

Please find attached the notice of Scotland Gas Networks transportation charges effective from 1 April 2023.

Based on the latest available forecasts of allowed and collected revenue there is a requirement for an overall decrease of -4.8% to average charge levels.

The key components of this increase are:

- An increase of 8.9% due to increases in inflation effecting components of allowance revenue;
- A 4.8% increase in 'base' revenues, primarily due to reprofiled Totex spend and updated corporation tax;
- A 4.3% increase in rates due to a drop off in aggregate demand seen through the second half of 2022;
- A 11.6% reduction in pass-through costs, mainly due to a fall in Supplier of Last Resort levy recovery of 10.9% as a result of reduction of supplier failures during 2022;
- A reduction of 4.4% in GD1 Legacy adjustments, primarily due to under-collection of NTS costs from 2020/21 impacting 2022/23 rates;
- Adjustments relating to prior years allowances, impacting 2023/24 rates see a reduction of 6.6%.