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### **Final Notice Southern Gas Networks Transportation Charges effective from 1 April 2023**

Please find attached the notice of Southern 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 increase of 1.0% to average charge levels.

The key components of this increase are:

- An increase of 9.0% due to increases in inflation effecting components of allowance revenue;
- A 6% increase in 'base' revenues, primarily due to reprofiled Totex spend and updated corporation tax;
- A 4.1% increase in rates due to a drop off in aggregate demand seen through the second half of 2022;
- A 13.7% reduction in pass-through costs, mainly due to a fall in Supplier of Last Resort levy recovery of 11.8% as a result of reduction of supplier failures during 2022;
- Adjustments relating to prior years allowances, impacting 2023/24 rates see a reduction of 4.1%.