

Notice of Revised NTS Transportation Charges to apply from 1 October 2005

In order to bring revenue recovery from transportation charges in line with the price control formulae for the NTS element of Transco's business, and as previously indicated, changes to both TO and SO charges will be required from 1 October 2005. Transco is therefore publishing this notice two months in advance of these changes, consistent with our Licence and Network Code obligations.

There are two changes:

1. The NTS TO commodity charge levied on entry flows will increase from zero to a rate of 0.0079p/kWh. The TO commodity charge is levied when there is an under-recovery from entry auctions, when compared to the target of 50% of Transco's NTS allowed revenue.
2. The NTS SO commodity charge, as applied to both entry and exit flows, will be levied at a rate of 0.0127p/kWh from 1 October. The increase in this charge has been caused by the significantly increased wholesale price of gas, which continued to increase to higher than anticipated levels following the indicative notice of this charge change. Gas prices impact on NTS SO allowed revenue through shrinkage costs.

If you have any questions about this notice, or NTS charges in general, please contact Andrew Truswell on 01926 656388.

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