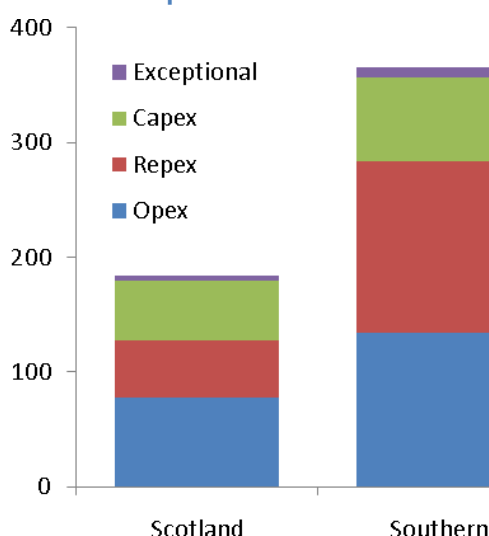


## Update: Price Control Review Forum

On 27 April 2012, Scotia Gas Networks (SGN) completed an update to its Business Plan for the RIIO-GD1 price control review. This was submitted to our industry regulator Ofgem and is published on our website: [www.sgn.co.uk](http://www.sgn.co.uk)

This note describes the key changes included in our April Business Plan update.

### Revised expenditure forecast†



SGN forecast an annual average expenditure of £549 million during the GD1 period - £184 million in Scotland and £365 million in Southern.

This is c.10% reduction on our November 2011 forecast due to, in particular, changes to our replacement expenditure (repex) programme, revisions to gas holder decommissioning and asset integrity investment.

Forecast expenditure is broadly consistent with current expenditure.

### Didcot bio-methane plant



### Additional incentives & outputs

We have been challenged by our stakeholders to:

- ü Address CO awareness – incentive proposed
- ü Think of the future – ‘green gas’ incentive proposed

We have revised our leakage reduction target from 3% to 14% and are forecasting a reduction in repairs during GD1 following our review of repex.

We have undertaken further analyses to optimise our emergency service plans and gas holder decommissioning programme.

### Impact on customers' bills

Our Business Plan will deliver significant benefit to customers for less than half a penny per day increase for a typical household.

For more information please contact Margaret Hunter on 0845 026 0014 or at [gdcpr.yourview@sgn.co.uk](mailto:gdcpr.yourview@sgn.co.uk)

