



Making a positive difference
for energy consumers

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Email: david.oneill@ofgem.gov.uk

Date: 4 October 2018

Dear Steve,

Consent to change charges

Thank you for your letter of 30 July 2018 and related correspondence asking to be released from your licence requirement not to make changes to your charges more than once in a formula year.¹

You requested consent to change your charges for a second time in the 2018/19 formula year. The table below sets out the current and proposed charges.

Exit Capacity Unit Rates (by Exit Zone)	Pence per peak day kWh per day	
	Current charges (effective 1 April 2018 to 3 December 2018)	Amended charges (effective 4 December 2018 to 31 March 2019)
SW1	0.0213	0.0017501
SW2	0.0341	0.0075609
SW3	0.0512	0.0093288
WA1	0.0333	0.0106914
WA2	0.0100	0.0000456

You want to lower your charges in response to a reduction in National Transmission System exit charges which took effect on 1 October 2018. If you did not make this reduction in your charges, you would over-recover during the period up to 31 March 2019 as the next scheduled change in Gas Distribution Network charges is on 1 April 2019. Under the price control, you would be required to carry this over-recovery for 2 years.

We think that any reduction in charges should be passed onto consumers as quickly as possible. We have therefore decided in this instance to grant you consent to make changes to your charges for a second time in a formula year. Our decision takes into account that you are proposing to reduce charges and have provided evidence that shippers will pass this reduction on. This decision does not relinquish you of any other obligations, for example under the Uniform Network Code.

This letter constitutes notice under section 38A of the Gas Act 1986. The letter and the consent have been placed on our website.

¹ Paragraph 1(b)(a) of Standard Special Condition D11 of Wales & West Utilities Limited's (WWU) gas transporter licence.

Yours sincerely,

Andrew Burgess
Deputy Director, Charging and Access