

Indicative Notice of Revised NTS TO Commodity Charge to apply from 1 April 2006

The NTS TO Commodity Charge is levied on entry flows to recover any shortfall in revenue from entry auctions, when compared to the target of 50% of Transco's NTS TO allowed revenue. When required, the charge is positive between October and March of each year, and it will be levied at a rate of 0.0079 p/kWh from 1 October 2005.

The charge is usually zero between April and September, due to the Annual Monthly System Entry Capacity (AMSEC) auctions being held in February of each year. This does not give sufficient time to calculate and provide notice of the charge by 1 April. Transco is required to give 150 days' indicative notice to Ofgem of any charge changes, and, in order to give clarity to the industry, Transco is giving early notice that the TO Commodity Charge will be zero with effect from 1 April 2006.

150 days' notice of other changes to NTS Transportation Charges will be given at the start of November, as usual.

If you have any questions about this Indicative Notice, or NTS charges in general, please contact Toby Thornton on 01926 656384.

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