

29 July 2005

Dear Colleague

Notice of Change in LDZ Transportation Charges for the North of England Distribution Network

Please find attached a copy of our document 'Notice of LDZ Transportation Charges for North of England Distribution Network to apply from 1 October 2005'. This document gives two months notice of the new charges effective 1 October 2005 as required by the Network Code.

There are no changes to the charging methodology. There are, however, changes to the actual value of the charges, which are increasing by 8.5% as previously communicated by Transco and Ofgem on 4 May, 2005. As also indicated by Transco and Ofgem on the same date, our current projections indicate that there will be a small decrease in charges on 1 October, 2006, contingent on actual collected revenue.

This document will also be available on our website - www.northerngas.co.uk - under 'Publications'.

If you have any questions regarding the distribution charges, please contact Cecilia Bjorkegren, Northern Gas Networks Limited, 1200 Century Way, Thorpe Business Park, Colton, Leeds LS15 8ZA. E-mail: cbjorkegren@northerngas.co.uk

Yours sincerely

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