

1 February 2007

Dear Colleague

**Notice of Change to the Customer Charge for the North of England Distribution Network**

Please find attached a copy of our document "Notice of change to the Customer Charge for customers up to 73,200 kWh per annum for the North of England Distribution Network to apply from 1 April 2007". This document gives two months' notice of the new charges effective 1 April 2007 as required by the Network Code. This is a change to the charging methodology as directed by Ofgem on 16 January.

For supply points with an AQ of less than 73,200 kWh per annum, the customer charge has been a commodity charge. With effect from 1 April 2007, this will be converted into an equivalent capacity charge.

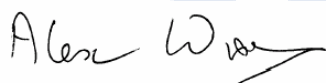
Initially this charge will be billed within the same charge code as the use of system capacity charge for domestic customers (ZCA) in order to provide time for the industry to develop a separate Customer Capacity charge and to update their computer systems accordingly.

This charge has been set at a level that aims to recover the same level of revenue that the previous commodity charge had been set to recover in October 2006.

This document will also be available on our website - [www.northerngas.co.uk](http://www.northerngas.co.uk) - under 'Publications'.

If you have any questions regarding the distribution charges, please contact Anna Taylor, Northern Gas Networks Limited, 1100 Century Way, Thorpe Business Park, Colton, Leeds LS15 8TU. E-mail: [ataylor@northerngas.co.uk](mailto:ataylor@northerngas.co.uk)

Yours sincerely



Alex Wiseman  
Regulation Director