

Notification of LDZ Transportation and SoLR Charges

To apply from
1st April 2026 – 31st March 2027



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Introduction

This publication sets out the Local Distribution Zone (LDZ) transportation charges which will apply from 1st April 2026 to 31st March 2027 for the use of the Wales & West Utilities Ltd (WWU) Distribution Network (DN), as required by Uniform Network Code (UNC) TPD B 1.8.2a and Standard Special Condition A4 of the Gas Transporter Licence (GTL). This document does not override or vary any of the statutory, licence or UNC obligations upon WWU.

Our final price change on 1st April 2026, will be an average increase of 16.6% over 2025/26 prices. This comprises:

Total Revenue					
16.6 % (Indicative 14.4%)					
Transportation Income			Exit Capacity		SoLR
16.4% (Indicative: 13.9%)			25.7% (Indicative: 27.4%)		-422.2% (Indicative: -408.2%)
Capacity		Commodity	By Exit Zone		
System	Customer	22.1% (Indicative: 19.5%)	SW1	22.3% (Indicative: 26.2%)	
			SW2	25.5% (Indicative: 26.3%)	
SW3	27.3% (Indicative: 28.4%)				
WA1	24.7% (Indicative: 26.0%)				
WA2	26.0% (Indicative: 28.1%)				
16.7% (Indicative: 14.2%)	15.1% (Indicative: 12.6%)				

For more information about these changes, or our charges, please contact the pricing team at pricing@wwutilities.co.uk.

Revenue

Total revenue

RIIO-GD3 requires networks to set charges to collect the forecast allowed revenue calculated under the price control. These charges are split between:

- 1) transportation allowed revenue (excluding exit capacity);
- 2) exit capacity revenue, which recovers the costs incurred from utilising the upstream network, the National Transmission System (NTS); and
- 3) SoLR revenue which a network is obligated to charge under its licence.

£'m Nominal	2025/26	2026/27	Movement	Movement (%)
Transportation Allowed Revenue	524.3	606.5	82.2	15.7%
Exit Capacity Allowed Revenue	51.4	62.7	11.3	22.0%
SoLR Revenue	-0.9	-4.6	-3.7	408.2%
Total	574.8	664.6	89.8	15.6%

The percentage movements shown above reflect movements in revenues between 2025/26 and 2026/27. These are different to the price change percentages shown on page 3, due to the application of the change in demand forecast between 2025/26 and 2026/27 to calculate the final price changes.

Transportation Allowed Revenue

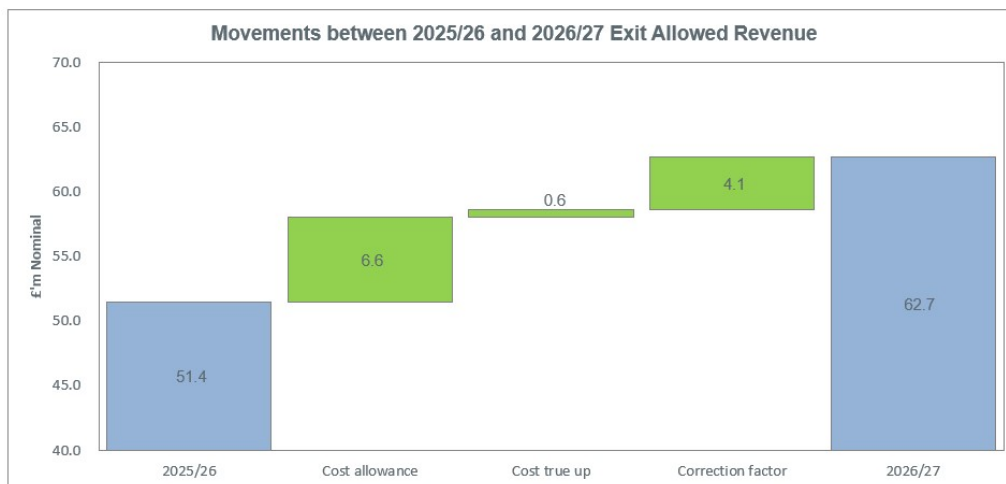
Our forecast transportation allowed revenue increases from £524.3m in 2025/26 by £82.2m to £606.5m in 2026/27. The most notable movements in the underlying drivers are:



- 1) Fast Money – reflects the profile of totex expenditure forecast year on year and the changes to totex allowances (offset by a higher ex-ante capitalisation rate 1) as a result of the Final Determinations (FDs) for RIIO-GD3.
- 2) Depreciation - RAV depreciation increases each year as more totex is capitalised, and from 2027/28 there will be further increases in depreciation as Ofgem's RIIO-GD3 policy in respect of accelerated depreciation flows through revenues.
- 3) Return on RAV - movement largely relates to the published methodological change to WACC at FD's and the approach of a semi-nominal return on debt and real return on equity for RIIO-GD3.
- 4) Pass through (excluding SoLR & Exit) – the increase is due to a significant rise in business rates in 2026/27 offset slightly by lower shrinkage costs in the year.
- 5) Other – variance is made up of smaller movements to the tax allowance, other revenue allowances and business plan incentive.
- 6) AIP Adjustment Term - the AIP adjustment in 2026/27 reflects the difference in the latest forecast allowances for 2025/26 and earlier years of RIIO-GD2 and those used for price setting in January 2025. Further adjustments in respect of RIIO-GD2 should be expected to reflect final outturn for 2025/26 and as the price control is closed out.
- 7) Legacy Allowed Revenue – movement relates to RIIO-GD1 close out. RIIO-GD2 close out is reflected in the AIP adjustment above due to Ofgem grouping all RIIO-GD2 close out items in one line item.
- 8) K – variance reflects a significantly smaller over recovery in 2025/26 compared with the year previous.

Exit Capacity Allowed Revenue

Following the implementation of UNC Modification 0195AV, industry arrangements for the charging of NTS Exit Capacity costs changed on 1st October 2012. National Gas invoices DNs based on their use of the NTS, and the Exit Point bookings made by the DNs. Ofgem provides an allowance to networks to recover the anticipated cost of Exit Capacity, and a mechanism to adjust where these costs fall outside those anticipated. For 2026/27 our allowances increase by £11.3m from £51.4m to £62.7m:



- 1) Cost allowance – the base allowance in 2026/27 is calculated using the latest published final and indicative price information from National Gas NTS and is significantly higher than in 2025/26.
- 2) Cost true up – the RIIO-GD2 cost true up reflects the difference between cost allowances and actuals in 2024/25 and latest forecasts for 2025/26. An increase in actual and forecast costs has caused a positive true up resulting in increased allowed revenue in respect of Exit Capacity for 2026/27.
- 3) Correction factor – an under recovery of allowed versus collected revenue in 2025/26 in respect of Exit Capacity which will be recovered in 2026/27 revenues explains £1.1m of this variance. The remaining £2.9m is explained by an over recovery projected in 2024/25 at the time of 2025/26 price setting which was recovered in 2025/26 revenues.

Supplier of Last Resort Allowed Revenue

When the Office of Gas and Electricity Markets (Ofgem) revokes a supply licence (usually because of insolvency), it can appoint a 'Supplier of Last Resort' (SoLR) on a case-by-case basis to take over the supply of gas and/or electricity to the insolvent supplier's customers. The aim is to provide seamless continuity of service for customers. The regulatory regime for this is primarily provided for in the Standard Conditions of the supply licences held by Great Britain's (GB's) electricity suppliers and gas suppliers.

The gas and electricity supply standard licence conditions allow a supplier acting as SoLR to make a claim for any reasonable additional, otherwise unrecoverable, costs they incur. Historically SoLRs have claimed for the following categories of costs:

- Customer credit balances;
- Working capital; and
- Operational costs (including customer service, IT, complaints/enquiries specific to the SoLR, onboarding costs, communication and wholesale energy purchase costs).

For the 2025/26 and 2026/27 regulatory years, Ofgem's position is a net 'negative' value for SoLR as the truing up process has identified the need for some Suppliers to refund over-payments. DNs are to receive SoLR payments which will lower the overall charge to domestic customers. Whilst some revenue is raised by DNs paying SoLR charges, this is more than offset by the payments received. The total value of claims received by WWU by 31 December 2025 is -£4.5m, a reduction of £3.5m compared to the 2024 valid claims of -£1.0m reflected in 2025/26 revenues. The total allowed revenue for 2026/27 including true-ups in respect of prior years is -£4.6m, compared to -£0.9m in 2025/26 resulting in an overall difference of -£3.7m. For valid SoLR claims received by DN's by 31 December 2025, licensees are obliged to increase or decrease transportation charges to recover or pay the amounts in the valid claims in 2026/27.

Transportation and SoLR Charges

Charges to recover Transportation Allowed Revenue

	Current Price effective from 1 st April 2025	Final Price effective from 1 st April 2026
LDZ SYSTEM COMMODITY CHARGES	Pence per kwh	
UP TO 73,200 KWH PER ANNUM	0.0533	0.0651
73,200 KWH - 732,000 KWH PER ANNUM	0.0465	0.0568
732,000 KWH PER ANNUM AND ABOVE	0.5405	0.6600
	x SOQ ^	
	-0.2775	-0.2775
SUBJECT TO A MINIMUM RATE OF	0.0038	0.0046

LDZ SYSTEM CAPACITY CHARGES	Pence per peak day kwh per day	
UP TO 73,200 KWH PER ANNUM	0.2868	0.3347
73,200 KWH - 732,000 KWH PER ANNUM	0.2488	0.2903
732,000 KWH PER ANNUM AND ABOVE	2.2277	2.5997
	x SOQ ^	
	-0.2513	-0.2513
SUBJECT TO A MINIMUM RATE OF	0.0211	0.0246

LDZ CUSTOMER CAPACITY CHARGES	Pence per peak day kwh per day	
UP TO 73,200 KWH PER ANNUM	0.1549	0.1784
73,200 KWH - 732,000 KWH PER ANNUM	0.0060	0.0069
732,000 KWH PER ANNUM AND ABOVE	0.1223	0.1409
	x SOQ ^	
	-0.2100	-0.2100

Transportation and SoLR Charges

LDZ CUSTOMER FIXED CHARGES	Pence per day	
73,200 KWH - 732,000 KWH PER ANNUM - BI-ANNUAL READ SITES	48.3853	55.7399
73,200 KWH - 732,000 KWH PER ANNUM - MONTHLY READ SITES	51.5198	59.3508

Charges to recover Exit Allowed Revenue

	Current Price effective from 1 st April 2025	Final Price effective from 1 st April 2026
EXIT CAPACITY UNIT RATES BY EXIT ZONE	Pence per peak day kwh per day	
SW1	0.0233	0.0285
SW2	0.0388	0.0487
SW3	0.0264	0.0336
WA1	0.0308	0.0384
WA2	0.0285	0.0359

Charges to recover SoLR Allowed Revenue

	Current price effective from 1 st April 2025	Final Price effective from 1 st April 2026
SUPPLIER OF LAST RESORT CHARGES	Pence per peak day kwh per day	
LRSP Domestic Charge	-0.0009	-0.0047
LRSP Industrial Charge	0.0000	0.0000

Optional LDZ Charge

The optional LDZ tariff is available, as a single charge, as an alternative to the standard LDZ system charges. This tariff may be attractive to large loads located close to the NTS. The rationale for the optional tariff is that, for large Network loads located close to the NTS or for potential new Network loads in a similar situation, the standard LDZ tariff can appear to give perverse economic incentives for the construction of new pipelines when Network connections are already available. This could result in an inefficient outcome for all system users. The optional LDZ charge aims to overcome this perverse situation.

The charge is calculated using the function below:

Pence per peak day kWh per day
$902 \times [(SOQ)^{-0.834}] \times D + 772 \times (SOQ)^{-0.717}$

Where:

(SOQ) = Registered Supply Point Capacity, or other appropriate measure, in kWh per day

D = Direct distance, in km, from the site boundary to the nearest point on the NTS.

Note that ^ means “to the power of.”

LDZ System Entry

DN Entry Commodity Charge/Credit

DN Entry Commodity charges reflect the costs of receiving gas from an entry point at a lower pressure tier than the NTS. The charge/credit will differ according to the amount of gas entering the network system, the pressure tier at which the gas enters the system and the operational costs resulting from the entry point.

The charge, which comprises the following three elements, is an adjustment to the full transportation charge:

- 1) Lower System Usage: For the gas received from this source the Shippers will get a credit in recognition that the gas has entered the network at a lower pressure tier, thus using less of the network system.
- 2) Avoidance of Exit Capacity: The Shipper will receive a credit for the avoidance of exit capacity charges as they have not taken gas which has entered the Wales & West network through the National Transmission offtake point.
- 3) Operational Costs: The Shipper will be charged an operational cost, principally maintenance, relating to the equipment owned and operated by the Gas Distribution Network.

The sum of the above three components may result in either a credit or a debit to the Shipper. The table below gives the entry commodity unit price for all known sites within the Wales & West Network set to operate during 2026/27. Where additional sites are connected which are not currently planned to flow during 2026/27 these will be published if and when information on pressure tier, specific opex costs and flows are available. Typically, this may not be until a Gemini site name is allocated to the connection.

LDZ System Entry Commodity Charge/Credit by DN Entry point

Site Name	GEMINI Name	Alias	LDZ System Entry Commodity Charge (p/kWh) Current Prices	LDZ System Entry Commodity Charge (p/kWh) Prices effective 1 April 2026
BROMHAM HOUSE FARM	BROMOS		-0.1606	-0.2020
CANNINGTON BIOMETHANE	CANNOS		-0.1742	-0.2161
BISHOPS CLEEVE BIOMETHANE	CLEEOS	Grundon Landfill / Wingmoor Farm	-0.1569	-0.1982
ENFIELD BIOMETHANE	ENFDOS	Gorst Energy	-0.0982	-0.1258
FIVE FORDS BIOMETHANE	FIVEOS		-0.0982	-0.1258
FRADDON	FRADOS	Penare Farm	-0.1569	-0.1982
FROGMARY BIOMETHANE	FROGOS	SEG	-0.1676	-0.2092
GREAT HELE BIOMETHANE	HELEOS	Condate	-0.1657	-0.2073
HELSCOTT FARM BIOMETHANE	HELSOS	East Helscott	-0.1657	-0.2073
ROTHERDALE	ROTHOS	Vale Green 2	-0.1118	-0.1399
SPITTLES FARM	SPITOS	Bearley Farm	-0.1033	-0.1311
SPRINGHILL BIOMETHANE	SPNGOS		-0.0945	-0.1220
PENNANS FARM	PENSOS		-0.1657	-0.2073
NORTHWICK BIOMETHANE	NOCKOS		-0.0982	-0.1258
AVONMOUTH WESSEX	WESXOS	Wessex Water	-0.1770	-0.2189
WILLAND BIOMETHANE	WILLOS	Lloyd Maunder	-0.0828	-0.1098
WYKE FARM	WYKEOS		-0.1716	-0.2134
EVERCREECH BIOMETHANE	EVEROS		-0.1349	-0.1754
TROWBRIDGE BIOMETHANE	TRWBOS		-0.0828	-0.1098
CHARLTON PARK BIOMETHANE	CPFAOS		-0.1569	-0.1982
GREAT PORTHAMEL FARM	GPBTOS	GP Biotec	-0.1011	-0.1287
BRAINS FARM	BRNFOS		-0.1657	-0.2073

Charge Types and Invoice Mapping

Xoserve Charge Mapping

The following list presents the core invoice and charge types reflected in this document, which are billed by Xoserve on our behalf. A full list of current invoice and charge types is available through the Xoserve Shared Area. For more information on invoicing, please contact Xoserve, the invoicing service provider, via e-mail at capcom@xoserve.co.uk.

	Invoice Type	Charge Type
LDZ Capacity		
Supply Point LDZ Capacity	CAZ	ZCA
CSEP LDZ Capacity	CAZ	891
Unique Sites LDZ Capacity Charge	CAZ	871
Unique Sites Optional Tariff	CAZ	881
Customer Capacity		
Customer LDZ Capacity	CAZ	CCA
Customer Capacity fixed Charge	CAZ	CFI
Unique Sites Customer Capacity	CAZ	872
Commodity		
LDZ Commodity	COM	ZCO
CSEP Commodity	COM	893
Unique Sites Commodity	COM	878
LDZ System Entry Commodity Charge	COM	LEC
Exit Capacity		
LDZ Exit Capacity	CAZ	ECN
CSEP Exit Capacity	CAZ	C04
Unique Sites Exit Capacity	CAZ	901
Supplier of Last Resort		
LRSP Domestic Charge	CAZ	LRD
LRSP Industrial Charge	CAZ	LRI

Contact Us

If you have any questions or queries relating to this document or transportation charges in general please do not hesitate to contact our Pricing Team via email to Pricing@wwutilities.co.uk or visit our website: <http://www.wwutilities.co.uk/>

Our ambition, priorities and values

Our new ambition

Trusted to expertly serve customers and communities with safe, reliable and affordable energy services today, whilst investing wisely to create a sustainable, greener future.



Our new priorities

Demanding SAFETY ALWAYS

We never compromise on the safety, wellbeing and health of our colleagues and customers, always raising the bar and improving standards.



Driving OUTSTANDING SERVICE

We strive to exceed customer expectations by offering fair, inclusive, quality services for all, whilst looking after those most in need.



Delivering VALUE FOR MONEY

We always spend and invest money wisely; working smarter to offer affordable, value for money services.



Doing all we can to provide SUSTAINABLE ENERGY

We're future proofing to deliver reliable, greener energy for heat, power and transport, and reducing our environmental impact to achieve net zero targets.



Designing OUR FUTURE

We're building a skilled, resilient, and diverse team to work in partnership with our stakeholders. Together, helping our communities and society thrive.



Our values

We put customers first

We build trust by giving excellent service, listening and taking action on what our customers tell us.



We take pride

We take ownership and are accountable for our work, going above and beyond to get great results.



We work as a team

We build relationships with colleagues and partners, share best practice and encourage honest, open conversations.



We bring energy

We approach all our work with enthusiasm, always challenging outcomes to do better by embracing new ideas and innovative solutions.

