

# Notification of LDZ Transportation and SoLR Charges

To apply from  
1<sup>st</sup> April 2025 – 31<sup>st</sup> March 2026



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## Introduction

This publication sets out the Local Distribution Zone (LDZ) transportation charges which will apply from 1st April 2025 to 31st March 2026 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 1<sup>st</sup> April 2025, will be an average increase of 2.8% over 2024/25 prices. This comprises:

Total Revenue							
2.8 % (Indicative 4.9%)							
Transportation Income		Exit Capacity		SoLR			
0.4% (Indicative: 1.7%)		44.4% (Indicative: 56.4%)		-212.5% (Indicative: -175.0%)			
Capacity		Commodity				By Exit Zone	
System	Customer	-9.3% (Indicative: -7.0 %)	SW1			0.0233 / 45.6%	
			SW2			0.0388 / 43.7%	
0.2% (Indicative: 1.7%)	2.0% (Indicative: 3.1%)		SW3			0.0264 / 45.9%	
			WA1	0.0308 / 43.3%			
			WA2	0.0285 / 41.1%			

For more information about these changes, or our charges, please contact the pricing team at [pricing@wwutilities.co.uk](mailto:pricing@wwutilities.co.uk).

## Revenue

### Total revenue

RIIO-GD2 requires networks to set charges to collect the forecast allowed revenue calculated under the price control. These charges are split between:

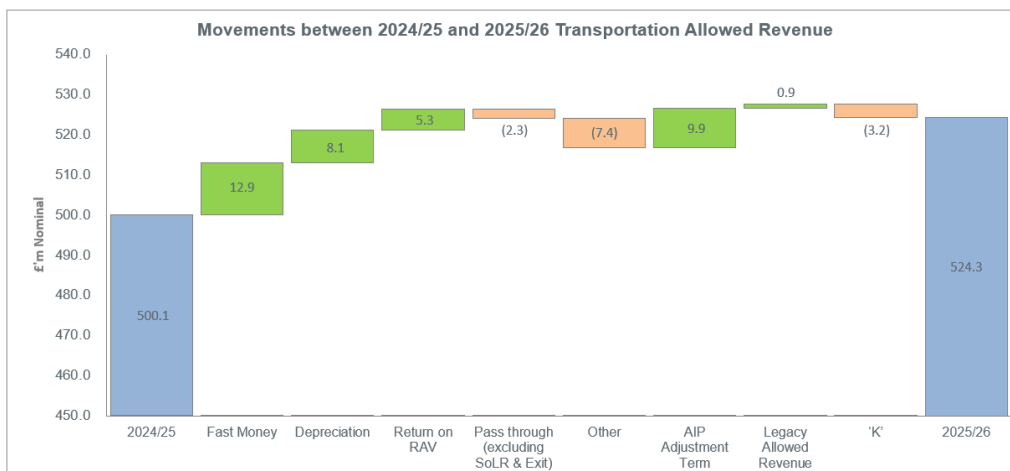
- 1) transportation allowed revenue (excluding exit capacity);
- 2) exit capacity revenue, which recovers the costs incurred from utilising the upstream network, the National Transmission System (NTS); and
- 3) SoLR revenue which a network is obligated to charge under its licence.

£'m Nominal	2024/25	2025/26	Movement	Movement (%)
Transportation Allowed Revenue	500.1	524.3	24.2	4.8%
Exit Capacity Allowed Revenue	31.0	51.4	20.4	65.8%
SoLR Revenue	0.8	-0.9	-1.7	-212.5%
<b>Total</b>	<b>531.9</b>	<b>574.8</b>	<b>42.9</b>	<b>8.1%</b>

The percentage movements shown above reflect movements in revenues between 2024/25 and 2025/26. These are different to the price change percentages shown on page 3, due to the application of the change in demand forecast between 2024/25 and 2025/26 to calculate the final price changes.

## Transportation Allowed Revenue

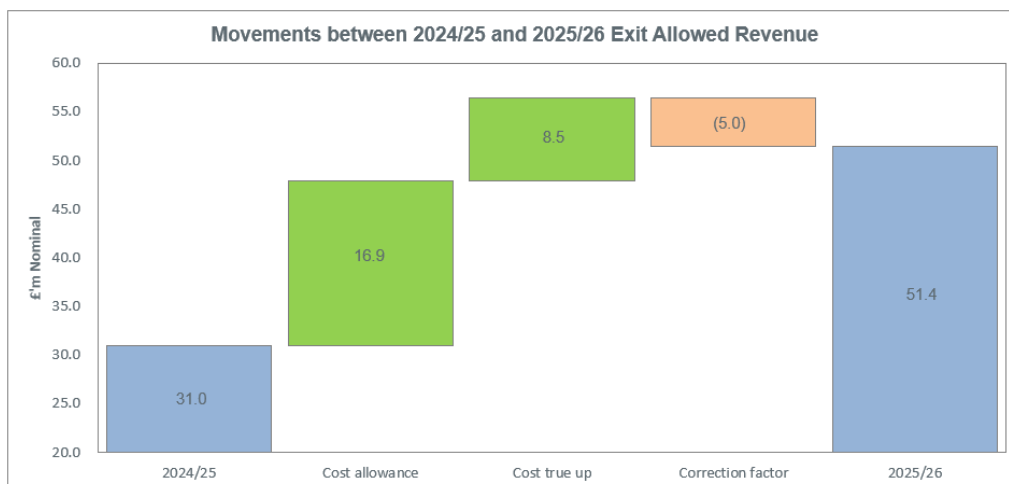
Our forecast transportation allowed revenue increases from £500.1m in 2024/25 by £24.2m to £524.3m in 2025/26. The most notable movements in the underlying drivers are:



- 1) Fast Money – the increase in fast money reflects the profile of Totex expenditure forecast year on year and the inclusion of agreed/forecast re-openers not included in 2024/25 revenues.
- 2) Depreciation - RAV depreciation increases each year as more Totex is capitalised.
- 3) Return on RAV – this increase in return on RAV is due to higher WACC (and on a higher RAV) in 2025/26 compared with 2024/25.
- 4) Pass through (excluding SoLR & Exit) – costs have decreased mainly as a result of a lower shrinkage gas prices expected in 2025/26 than in 2024/25.
- 5) Other – the variance comprises movements in other revenue allowances and inflation of -£1.5m and reductions to the tax allowance of -£5.9m as a result of higher opex -£1.3m, higher net interest in regulatory taxable profits -£1.1m, and higher totex leading to higher capital allowances and super deductions for eligible capital expenditure which were processed as a tax trigger event in the PCFM of -£1.8m and £1.7m respectively.
- 6) AIP Adjustment Term - in 2025/26 this reflects the difference in the latest forecast allowances and pass-through costs for 2024/25 and those used for price setting in January 2024 for the 2024/25 regulatory year. The increase in allowed revenue between years is due to the AIP adjustment still being negative however at a smaller value compared to the year previous with the 23/24 outturn being closer to what was forecast at price setting.
- 7) Legacy Allowed Revenue – inflationary increase in GD1 close out adjustments.
- 8) K - the decrease primarily relates to a small projected over recovery of allowed versus collected revenues in 2024/25 which feeds through into 2025/26 allowed revenue.

### Exit Capacity Allowed Revenue

Following the implementation of UNC Modification 0195AV, industry arrangements for the charging of NTS Exit Capacity costs changed on 1<sup>st</sup> 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 2025/26 our allowances increase by £21.4m from £31.0m to £51.4m:



- 1) Cost allowance 18/19 prices – the base allowance in 2025/26 is calculated using the latest published final and indicative price information from National Gas NTS and is significantly higher than in 2024/25.
- 2) Cost true up – the RIIO-GD2 cost true up reflects the difference between cost allowances and actuals in 2023/24 and latest forecasts for 2024/25. An increase in costs has caused a positive true up resulting in increased allowed revenue in respect of Exit Capacity for 2025/26.
- 3) Correction factor – an over recovery of allowed versus collected revenue in 2024/25 in respect of Exit Capacity which will be recovered in 2025/26 revenues explains £2.9m of this variance. The remaining £2.1m is explained by an under recovery projected in 23/24 at the time of 24/25 price setting which was recovered in 2024/25 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 regulatory year, Ofgem's position is a net 'negative' value for SoLR as the truing up process has identified the need for some Shippers 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 charge, this is more than offset by the payments received. The total value of claims received by WWU by 31 December 2024 is - £1.0m, a reduction of £1.8m compared to the 2023 valid claims of £0.8m reflected in 2024/25 revenues. For valid SoLR claims received by DN's by 31 December 2024, licensees are obliged to increase or decrease transportation charges to recover or pay the amounts in the valid claims in 2025/26.

## Transportation and SoLR Charges

### Charges to recover Transportation Allowed Revenue

	Current Price effective from 1 <sup>st</sup> April 2024	Final Price effective from 1 <sup>st</sup> April 2025
<b>LDZ SYSTEM COMMODITY CHARGES</b>	<b>Pence per kwh</b>	
UP TO 73,200 KWH PER ANNUM	0.0588	0.0533
73,200 KWH - 732,000 KWH PER ANNUM	0.0513	0.0465
732,000 KWH PER ANNUM AND ABOVE	0.5959	0.5405
	x SOQ ^	
	-0.2775	-0.2775
SUBJECT TO A MINIMUM RATE OF	0.0042	0.0038

	<b>Pence per peak day kwh per day</b>	
<b>LDZ SYSTEM CAPACITY CHARGES</b>		
UP TO 73,200 KWH PER ANNUM	0.2862	0.2868
73,200 KWH - 732,000 KWH PER ANNUM	0.2483	0.2488
732,000 KWH PER ANNUM AND ABOVE	2.2233	2.2277
	x SOQ ^	
	-0.2513	-0.2513
SUBJECT TO A MINIMUM RATE OF	0.0211	0.0211

	<b>Pence per peak day kwh per day</b>	
<b>LDZ CUSTOMER CAPACITY CHARGES</b>		
UP TO 73,200 KWH PER ANNUM	0.1519	0.1549
73,200 KWH - 732,000 KWH PER ANNUM	0.0059	0.0060
732,000 KWH PER ANNUM AND ABOVE	0.1199	0.1223
	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	47.4366	48.3853
73,200 KWH - 732,000 KWH PER ANNUM - MONTHLY READ SITES	50.5096	51.5198

### Charges to recover Exit Allowed Revenue

EXIT CAPACITY UNIT RATES BY EXIT ZONE	Current Price effective from 1 <sup>st</sup> April 2024	Final Price effective from 1 <sup>st</sup> April 2025
	Pence per peak day kwh per day	
SW1	0.0160	0.0233
SW2	0.0270	0.0388
SW3	0.0181	0.0264
WA1	0.0215	0.0308
WA2	0.0202	0.0285

### Charges to recover SoLR Allowed Revenue

SUPPLIER OF LAST RESORT CHARGES	Current price effective from 1 <sup>st</sup> April 2024	Final Price effective from 1 <sup>st</sup> April 2025
	Pence per peak day kwh per day	
LRSP Domestic Charge	0.0008	-0.0009
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 2025/26. Where additional sites are connected which are not currently planned to flow during 2025/26 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 2025
BROMHAM HOUSE FARM	BROMOS		-0.1681	-0.1606
CANNINGTON BIOMETHANE	CANNOS		-0.1814	-0.1742
BISHOPS CLEEVE BIOMETHANE	CLEEOS	Grundon Landfill / Wingmoor Farm	-0.1645	-0.1569
ENFIELD BIOMETHANE	ENFDOS		-0.0993	-0.0982
FIVE FORDS BIOMETHANE	FIVEOS		-0.0993	-0.0982
FRADDON	FRADOS	Penare Farm	-0.1645	-0.1569
FROGMARY BIOMETHANE	FROGOS		-0.1750	-0.1676
GREAT HELE BIOMETHANE	HELEOS	Nadder Lane	-0.1731	-0.1657
HELSCOTT FARM	HELLOS		-0.1731	-0.1657
ROTHERDALE	ROTHOS	Vale Green 2	-0.1126	-0.1118
SPITTLES FARM	SPITOS	Bearley Farm	-0.1043	-0.1033
SPRINGHILL BIOMETHANE	SPNGOS		-0.0957	-0.0945
PENNANS FARM	PENSOS		-0.1731	-0.1657
NORTHWICK	NOCKOS		-0.0993	-0.0982
AVONMOUTH WESSEX	WESXOS	Wessex Water	-0.1841	-0.1770
WILLAND	WILLOS	Lloyd Maunder	-0.0842	-0.0828
WYKE FARM	WYKEOS		-0.1789	-0.1716
EVERCREECH BIOMETHANE	EVEROS		-0.1429	-0.1349
TROWBRIDGE BIOMETHANE	TRWBOS		-0.0842	-0.0828
CHARLTON PARK	CPFAOS		-0.1645	-0.1569
GREAT PORTHAMEL FARM	GPBTOS	GP BIOTEC	-0.1021	-0.1011

## 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](mailto:capcom@xoserve.co.uk).

	Invoice Type	Charge Type
<b>LDZ Capacity</b>		
Supply Point LDZ Capacity	CAZ	ZCA
CSEP LDZ Capacity	CAZ	891
Unique Sites LDZ Capacity Charge	CAZ	871
Unique Sites Optional Tariff	CAZ	881
<b>Customer Capacity</b>		
Customer LDZ Capacity	CAZ	CCA
Customer Capacity fixed Charge	CAZ	CFI
Unique Sites Customer Capacity	CAZ	872
<b>Commodity</b>		
LDZ Commodity	COM	ZCO
CSEP Commodity	COM	893
Unique Sites Commodity	COM	878
LDZ System Entry Commodity Charge	COM	LEC
<b>Exit Capacity</b>		
LDZ Exit Capacity	CAZ	ECN
CSEP Exit Capacity	CAZ	C04
Unique Sites Exit Capacity	CAZ	901
<b>Supplier of Last Resort</b>		
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](mailto: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.