

**Transmission Exit Capacity Charge for the 10 Towns Area
 1 October 2017 to 30 September 2018**

In respect of the period from 1 October 2017 to 30 September 2018, the Transmission Exit Capacity Charge payable by gas suppliers operating in the 10 Towns licence area is as follows:

	Pence per kWh	Pence per therm
Transmission Exit Capacity Charge	0.1075	3.151

Any gas supplier delivering gas via firmus energy Distribution Limited's (feDL) distribution pipeline system will utilise capacity in the Northern Ireland transmission pipeline system. Gas suppliers are responsible for booking and paying for capacity at the Northern Ireland Entry Point, however, feDL has an obligation to book and hold capacity at the Exit Point on behalf of gas suppliers and is responsible for the payment of the Exit Capacity to GNI (UK) for the use of these pipelines in accordance with the terms of the operator's Transportation Code.

In order to recover the Exit Capacity charge from gas suppliers, feDL levies a commodity charge on gas suppliers on a monthly basis. feDL forecasts this charge at the start of the gas year using volume forecasts for the feDL licence area. This is then charged to gas suppliers on the basis of their monthly distribution commodity volume and is subject to an annual reconciliation using actual distribution volumes.

Transmission Exit Capacity Ratchet Charges

If it is determined that the sum of the allocations for gas suppliers exiting the transmission system into the firmus distribution network exceeds the capacity held by feDL, then the feDL capacity booking will be increased by the largest capacity overrun determined for any day in the month. feDL will also be expected to pay GNI (UK) the associated ratchet charge for that month. As permitted under Section B7.4 of the feDL Distribution Network Code, feDL will recover the associated ratchet charges from gas suppliers. The charges will be passed on to gas suppliers in the month in which it is incurred. The amount owing by each gas supplier will be determined based on their percentage of throughput for the number of months for which the penalty associated with the ratchet amount applies.

Following any month in which an Exit Capacity Ratchet has occurred, feDL will continue to pay GNI (UK) for the Exit Capacity booking (including the additional ratchet amount) for the remainder of the gas year. Gas suppliers will continue to pay feDL for transmission Exit Capacity using the Transmission Exit Capacity charge published at the start of the gas year. The increased charge for Exit Capacity levied to feDL by GNI(UK) will be recovered from gas suppliers as part of the normal year end reconciliation process. However, should it be determined that the costs associated with an increase in the Exit Capacity booking following a ratchet occurring results in a negative impact on its cashflow of greater than £80k, then feDL reserves the right at the mid-year point to adjust and re-publish the Exit Capacity tariff it uses to recover costs from gas suppliers. Firmus energy will only undertake such a review of the Exit Capacity tariff following consultation with the Utility Regulator.