

firmus energy (Distribution) Limited

Conveyance Charge Statement

1 January 2018 to 31 December 2018

CONVEYANCE CHARGES

As required under condition 2.2.2 of the conveyance licence, this document details the firmus energy (Distribution) Limited (firmus energy) conveyance charges for the use of its network.

The charges below are applicable from 1 January 2018 to 31 December 2018. All charges have been approved by the Utility Regulator.

Charges are expressed in units of kilowatt hours (kWh) and therms. 1 therm = 29.3071 kWh. The charges expressed in pence per kilowatt hour or pence per peak day kilowatt hour are the definitive charges for billing purposes.

Customer categories are defined in Condition 4.10 of the firmus energy Licence for the Conveyance of Gas in Northern Ireland.

Customer category	Commodity		Capacity		Customer charge		
	pence per therm	pence per kWh	pence per SMP capacity therm per day	pence per SMP capacity kWh per day	pence per SMP capacity therm per day	pence per SMP capacity kWh per day	pence per SMP per day
P1 - up to 2,500 therms per year - credit meter	40.11	1.368	3.68	0.126			
P1 - up to 2,500 therms per year - PAYG meter	40.11	1.368	3.68	0.126			5.023
P2 - 2,500 to 25,000 therms per year	42.28	1.443	4.64	0.158			
P3 - medium 25,000 therms to 75,000 therms per year	18.91	0.645	6.19	0.211			
P4 - large CHP - over 75,000 therms per year	18.74	0.639	8.68	0.296			
P5 - large firm non-CHP - over 75,000 therms per year	22.05	0.752	7.28	0.248			
P6 - large interruptible - over 75,000 therms per year	20.03	0.683			7.60	0.259	

TRANSMISSION EXIT CAPACITY

Any Users delivering gas via firmus energy's distribution pipeline system will utilise capacity in the Northern Ireland transmission pipeline system. Users are responsible for booking and paying for capacity at the Northern Ireland IP, however, firmus energy has an obligation to book and hold capacity at the relevant Exit Point on behalf of Users and is responsible for the payment of the Exit Capacity to the relevant Transmission System Operator (TSO), i.e. GNI (UK), for the use of these pipelines in accordance with the terms of the TSO's Transportation Code.

In order to recover the Exit Capacity charge from Users, firmus energy levies a commodity charge on Users on a monthly basis. Firmus energy forecasts this charge at the start of the gas year using volume forecasts for the firmus energy distribution licence area. This is then charged to Users 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 Users exiting the transmission system into the firmus distribution network exceeds the capacity held by firmus energy, then the firmus energy capacity booking will be increased by the largest capacity overrun determined for any day in the month. Firmus energy will also be expected to pay GNI (UK) the associated ratchet charge for that month. As permitted under Section B7.4 of the firmus energy Distribution Network Code, firmus energy will recover the associated ratchet charges from Users. The charges will be passed on to Users in the month in which it is incurred. The amount owing by each User 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, firmus energy will continue to pay GNI (UK) for the Exit Capacity booking (including the additional ratchet amount) for the remainder of the gas year. Users will continue to pay firmus energy 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 firmus energy by GNI (UK) will be recovered from Users 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 an unacceptable negative impact on its cashflow, then firmus energy 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.

Details of the Transmission Exit Capacity charges payable by firmus energy are available on the Gas Networks Ireland (NI) website (www.gasnetworks.ie/en-IE/Gas-Industry/Northern-Ireland/).

Details of the Exit Capacity Charge levied to Users by firmus energy are available on the firmus energy website (<http://www.firmusenergy.co.uk>).

INTERRUPTION ALLOWANCE

As per Section L 18.5 of the Network Code the Interruption Allowance for 2018 is **35 days**.

As per Section L 16 of the Network Code the Interruption Allowance for Operator Nominated Interruption sites is **5 days**; this is in addition to the 35 days Interruption Allowance.

Any queries concerning information contained within this statement or requests for additional information on the conveyance services offered by firmus energy should be addressed to the Transportation Services Manager, firmus energy, A4-A5 Fergusons Way, Kilbegs Road, Antrim BT41 4LZ. Telephone enquiries can be made to the Transportation Services Team on 0800 032 4567.