

Conveyance Charging Statement

1st January 2019 to 31st December 2019



SGN
Natural Gas

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1 Introduction

This document sets out the SGN Natural Gas Limited conveyance charges and refers to other terms for use of its Network, as required by Condition 2.2.2 of its Conveyance Licence. The charges described below are applicable for the period 1st January to 31st December 2019.

These conveyance charges have been approved by the Northern Ireland Authority for Utility Regulation (the Authority).

In this document charges are expressed in units of both kilowatt hours (kWh) and therms. The charges expressed in pence per kilowatt hour or pence per peak day kilowatt hour are the definitive charges for billing purposes.

The charges below should be read in conjunction with SGN Natural Gas' Distribution Network Code and SGN Natural Gas' Connection Policy.

- i. The Network Code defines the rights and responsibilities for all Users of SGN Natural Gas' gas transportation system. It provides all system Users with equal access to the transportation services.
- ii. The Connection Policy provides full details of how a consumer can obtain a connection to the natural gas network in the SGN Natural Gas Licenced Area for Gas to the West (GttW) including connection charges, terms for connection, maintaining, repairing, altering, renewing and removing connections. It sets out SGN Natural Gas' schedules of current charges, allowances, indicative costs, and technical requirements for property owners or Licensed Gas Suppliers.

Copies of the Network Code and the Connection Policy are available on SGN Natural Gas' website.

2 Details of Charges

Conveyance charges applicable from **1st January to 31st December 2019** are as follows:

Licence Category	Sub Category	Equivalent Network Code 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 day	pence per SMP Capacity therm per day	pence per SMP Capacity kWh per day
P1 Firm less than 2,500 therms (<73,200kWh)	Credit	EUC1	25.54	0.872	2.29	0.078	-		
	PAYG	EUC1	25.54	0.872	2.29	0.078	5.15		
P2 Firm 2,501 - 25,000 therms (73,200 - 731,999 kWh)	Smaller Non-DM	EUC2	24.23	0.827	2.88	0.098	-	-	-
P3 Firm 25,001 - 75,000 therms (732,000 - 2,196,000 kWh)	Larger Non-DM	EUC3	15.92	0.543	5.38	0.183	-	-	-
P4 Firm 75,001 – 10,000,000 therms (2,196,001 - 293,071,000 kWh)	CHP	DM Firm	8.83	0.301	5.74	0.196	-	-	-
P5 Firm 75,001 – 10,000,000 therms (2,196,001 - 293,071,000 kWh)	Non-CHP	DM Firm	9.01	0.307	5.85	0.200	-	-	-
P6 Interruptible above 75,000 therms (>2,196,000 kWh)	Non-CHP	DM Interruptible	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
P7 Firm over 10,000,000 therms (>293,071,000 kWh)	Non-CHP	Very Large DM Firm	6.82	0.233	5.45	0.186	-	-	-

A Supply Meter Point can only be categorised in the Interruptible sector if that Supply Meter Point meets all the requirements as detailed in Section L 13.1 (a) and (b) of the SGN Natural Gas Network Code.

3 Additional Network Code information

As a new network, which has been designed to be capable of meeting all identified potential peak demand on a 1 in 20 basis interruption is unlikely to be required in the short to medium term. Based on this SGN Natural Gas have not published conveyance charges for Interruption in 2019.

4 Other terms

SGN Natural Gas will require each User of its distribution system to enter into an agreement (The Framework Agreement), which will bind them to the terms and conditions detailed within SGN Natural Gas' Network Code.

In addition, each User, by becoming a User on SGN Natural Gas' Distribution Network, is agreeing to the following conditions:

The User must accept applicable connection charges as amended, and approved by the Authority, from time to time.

- The User must warrant to SGN Natural Gas that when delivering gas into its distribution network that it has at all times the necessary consents, approvals and documentation to exit gas lawfully from both the Premier Transmission Limited (PTL) network and the West Transmission Limited (WTL) network, and that it has made appropriate and proper nominations on the PTL network;
- The User must have sufficient financial strength to comply with its contractual obligations, or a guarantee from a body with such financial strength.

SGN Natural Gas will not provide gas conveyance services to a User if:

- Offering such services would prejudice the efficient and economic operation of the Network;
- Insufficient capacity remains or is expected to remain available in the Network to provide such services; or
- Providing such services would prejudice SGN Natural Gas' ability to comply with its obligations under its licence to convey gas.

5 Postalised Exit Capacity and Transmission Exit Ratchets

As per Section B7.4 of the SGN Natural Gas Distribution Network Code, SGN Natural Gas is also permitted to recover from Users all charges associated with the capacity it books and holds on behalf of Users on the Northern Ireland Transmission system. These include costs relating to Postalised Exit Capacity and Transmission Exit Ratchets.

The methodology for the recovery of these Northern Ireland transmission system costs is outlined in more detail in Appendix A - of this Statement.

6 Enquiries

Any queries concerning information contained within this Statement or requests for additional information on the conveyance services offered by SGN Natural Gas should be addressed to:

Transportation Services Manager
SGN Natural Gas,
14 Silverwood Industrial Estate,
Lurgan,
BT66 6LN

Telephone enquiries can be made to our Customer Service Centre on [0800 975 7774](tel:08009757774).

Appendix A - Postalised Exit Capacity and Transmission Exit Ratchets

Postalised Exit Capacity

Users delivering gas to SGN Natural Gas' distribution pipeline system are treated as utilising capacity in the Premier Transmission Ltd. (PTL) Scotland to Northern Ireland Pipeline (SNIP), the West Transmission Ltd. pipeline system and GNI (NI) transmission pipeline system. In relation to the utilisation by Users of capacity in these transmission pipeline systems, SGN Natural Gas is responsible for the payment of all Postalised Exit Capacity charges including costs associated with a Transmission Exit Ratchet which are levied by PTL for capacity utilised on all three Northern Ireland transmission pipeline systems.

For the purposes of recovering the Postalised Exit Capacity charge from Users, SGN Natural Gas makes a commodity charge on Users on a monthly basis. SGN Natural Gas forecasts that commodity charge at the start of the year using the volume forecasts as provided by Suppliers operating in the SGN Natural Gas Licence Area. This is charged to Users on the basis of their monthly distribution commodity and is subject to an annual reconciliation using actual Distribution volumes.

Transmission Exit Ratchets

For the purposes of recovering the Transmission Exit Ratchet penalties from Users, SGN Natural Gas will pass to Users charges levied by PTL in the month in which they are incurred by SGN Natural Gas. The amount owing by each User will be determined on their percentage of total distribution throughput for the number of months for which the penalty associated with the Transmission Exit Ratchet amount applies.

SGN Natural Gas will also pay PTL each month for the Transmission Exit Capacity booking increased by the Transmission Exit Ratchet amount for the remaining months of the Gas Year. Users will continue to pay SGN Natural Gas for the Transmission Exit Capacity using the Postalised Exit Capacity charge as published prior to the start of the Gas Year. Any additional monies paid by SGN Natural Gas for the Transmission Exit Capacity will be recovered from Users as part of the annual reconciliation process.

Further Information

Details of applicable Postalised Exit Capacity charges payable by SGN are available on the PTL website.

Details of applicable Postalised Exit capacity charges recoverable from Users by SGN Natural Gas and further information on the methodology for the recovery of a Transmission Exit Ratchet are set out in the SGN Natural Gas Postalised Exit Capacity Charge Statement. A copy of this statement is available on SGN Natural Gas' website.

SGN Natural Gas Ltd. website address: www.SGNnaturalgas.co.uk

Premier Transmission Ltd. website address: www.premier-transmission.com