

Abigail McEwan
Phoenix Natural Gas
197 Airport Road West
Belfast
BT3 9ED

26th September 2017

Dear Abigail

Conveyance Charge Statement for the period 1st January 2018 to 31st December 2018

Thank you for submitting the conveyance charge statement on 24th August 2017, as required under condition 2.3.3 of the Phoenix conveyance licence, as well as answering my subsequent follow up questions.

I note that the charges have been calculated based on allowed revenues for 2018, as contained in the GD17 Final Determination issued by our office on 15th September 2016, inflated using appropriate RPI assumptions. The proposed charges also include a reconciliation of the difference between allowed and actual revenues in 2015 and 2016 with an estimate for 2017. (For the avoidance of doubt, the allowed revenues used for the purposes of the reconciliations for 2015 and 2016 were those implied in the GD14 Final Determination as issued by our office on 20th December 2013).

I also note from our discussions with you that you are comfortable that your forecasts are prudent and the 2018 tariff rise is wholly necessary to ensure smooth future tariffs.

We note that you have engaged with FE and SGN on the cost apportionment across individual conveyance categories to ensure a consistent basis throughout Northern Ireland. We will be in touch in order to progress this area further to ensure future conveyance charges reflect this work fully.

Please accept this letter as approval of the conveyance charges submitted on 24th August 2017 and ensure that this conveyance charge statement is published on your website on or before the 1st October 2017.

I trust this is clear but please feel free to get in touch with the office if you have any queries.

Yours sincerely,



John Mills
Director of Finance and Network Assets