

Mary O'Kane
SGN Natural Gas Limited
3rd Floor
83-85 Great Victoria Street
Belfast
BT2 7AF

26th September 2017

Dear Mary,

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

Thank you for submitting the conveyance charge statement in your email of 22nd August 2017, as required under licence condition 2.2.3 of the SGN natural gas conveyance licence, as well as the subsequent resubmission on 5th September 2017 reflecting our discussions.

I acknowledge that the proposed charges for 2018 have been presented in nominal 2018 prices using appropriate RPI assumptions.

I also note your intention to price up to the cap in 2018 in order to ensure significant 'Z' is not created, at this point this is seen as appropriate in the circumstances faced by SGN.

We note that you have engaged with PNGL and FE 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 resubmitted on 5th September 2017 and ensure that this conveyance charge statement is published on your website on or before the 1st October 2017.

Yours sincerely,



John Mills
Director of Finance and Network Assets