

Graham Craig
Utility Regulator
14 Queen Street
Belfast
BT1 6ED

A4-A5 Fergusons Way
Kilbegs Road
Antrim
BT41 4LZ

31 October 2017

Dear Graham,

RE: Proposed Modification of Gas Conveyance Licences – Postalised Transmission Tariff Published Prior to 31 May

Firmus energy welcomes the opportunity to respond to the consultation on proposed changes to gas conveyance licences to facilitate the earlier annual publication of the Postalised Transmission Tariff.

Understanding the need to ensure compliance with the EU Tariff Network Code and the requirement to align the timing of the tariff setting process across the licence holders, firmus energy are supportive of the proposal and welcome the earlier annual publication of the transmission tariff.

However, whilst understanding the requirement for the changes proposed, firmus energy would highlight that the requirement to book Exit Capacity for the subsequent Gas Year a month earlier may result in less accurate forecast capacity requirements. Furthermore, firmus energy will be required, under the respective Transmission Network Codes, to provide earlier forecast volume and capacity forecasts to the Transmission System Operators which will feed into the determination of the forecast transmission tariff. Again, the earlier this information is provided, the less actual data there will be available the therefore more assumptions will be incorporated in the forecasts. Less accurate capacity and volumes forecasts will potentially result in further inaccuracies in the forecast transmission tariff.

In recent years the variance between the forecast and actual transmission has been significant and resulted in large reconciliations and bullet payments to Shippers. Firmus energy has raised concerns on a number of occasions regarding these inaccuracies and the lack of transparency throughout the Gas Year. Greater transparency throughout the Gas Year would allow Shippers to forecast and budget for potential year end reconciliation payments more effectively. Firmus energy therefore request that the Transmission System Operators and the Utility Regulator give consideration as to how achieve greater transparency regarding the forecast transmission tariff throughout the Gas Year.

Firmus energy would also highlight that the proposed change to the timelines will result in a greater overlap in regulatory reporting requirements; firmus energy request that the Utility Regulator gives

consideration to the scheduling of annual regulatory requirements to ensure licence holders can resource appropriately.

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We look forward to further engagement with the Utility Regulator and other stakeholders as part of this consultation process.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'P. McClenaghan', with a stylized flourish at the end.

Peter McClenaghan

Regulatory Affairs Manager