

POSTALISATION

GENERAL CONDITIONS FOR THE SUPPLY LICENCE OF GAS SUPPLIERS SHIPPING GAS ACROSS DESIGNATED NETWORKS

INTRODUCTORY NOTES:

- These postalisation provisions are intended to be inserted as General Conditions in the supply licence of gas suppliers on designated networks.
- Drafting and numbering will be standardised as far as possible to fit in with existing Licences.

PART 1

INTERPRETATION AND CONSTRUCTION

DEFINITIONS FOR SUPPLIER POSTALISATION LICENCE CONDITIONS

Interpretation and Construction

Definitions

In Parts 1 to 5 (inclusive) of this Licence, except where expressly stated to the contrary and unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

“Annual Exit Volume”	means the Exit Volume in a relevant Gas Year;
“Business Day”	means a day, other than a Saturday or Sunday, on which banks are open for ordinary banking business in Belfast;
“Designation Date”	means the date specified in a Designation Order on which any part of a DN Operator’s Network through which the Licensee is entitled to ship or Exit gas shall be designated as postalised;
“Designation Order”	means an order made pursuant to Article 59 of the Energy (Northern Ireland) Order 2003 designating gas plant comprised within the Network as being subject to a common tariff;
“DN Operator”	means a person licensed to convey gas under Article 8(1)(a) of the Order for a Gas Supplier through the Postalised System;
“DN Operator System”	means a part of the Postalised System owned or operated by a particular DN Operator;
“End Users”	means gas consumers for the benefit of which gas is Exited by the Licensee;
“Exit”, “Exiting”	or forms thereof, refers to the offtaking of gas at an Exit Point;
“Exit Point”	means a point on the Postalised System at the outlet of the final control valve prior to the inlet of the first metering installation for gas conveyed to premises at which gas is offtaken by a Gas Supplier for the purpose of supplying gas to premises;
“Exit Volume”	means the total volume of gas (in [units]) Exited by the Licensee within a certain period;
“Forecast Annual Volume”	means the total of all Forecast Supplier Volumes in a Gas Year;
“Forecast Supplier Volume”	means the volume of gas which the Licensee forecasts it will Exit from the Designated Network;

“Gas Year”	means the period of time beginning at 06:00 hours from 01 October in any calendar year to 06:00 hours on 01 October in the next succeeding calendar year;
“Licensee”	means any person authorised by licence under Article 8 of the Order or by exemption under Article 7 of the Order to supply gas, and who has acceded to and is for the time being bound by the relevant Network Code;
“Network”	means all gas plant owned, operated or utilised by a DN Operator through which that DN Operator is conveying gas for the Licensee;
“Postalised Charges”	means the Postalised Charges as defined in the Network Codes;
“Postalised System”	comprises all gas plant designated as being subject to a common tariff pursuant to all orders made pursuant to Article 59 of the Energy (Northern Ireland) Order 2003 in force at such time;
“Primary TO”	means a DN Operator holding a licence to convey gas in respect of a DN Operator System from which the Licensee is entitled to Exit gas; and
“Quarter”	means each successive three month period in a Gas Year, the first of which shall run from and including 01 October until and including 31 December in that Gas Year; and “Quarterly” shall be construed accordingly.

PART 2

**GENERAL CONDITIONS APPLICABLE TO THE LICENCE HOLDER
IN RELATION TO POSTALISATION CHARGES**

2. Conveyance Charges

2.1 Duty to provide forecasts and information relating to the calculation of Postalised Charges

In respect of the Gas Year commencing on or after the Designation Date and each Gas Year thereafter and to the extent that a Designation Order is and remains in force in respect of the Licensee's Primary TOs (in respect of all or part of the Network), the Licensee shall be subject to the provisions of this Condition 2.

2.1.1 Forecasts and information relating to following Gas Years

(A) The Licensee shall, each Gas Year, provide the following forecasts and information to the persons and in accordance with the timetable stipulated in Condition 2.1.1(C) below in respect of the next Gas Year and each of the following four Gas Years:

(1) the Forecast Supplier Volume;

A profile shall be provided in respect of each Forecast Supplier Volume which details in respect of each DN Operator System:

- (a) the proportions of such Forecast Supplier Volume relating to each Quarter for the next Gas Year;
- (b) the identity of End Users for whom such gas is forecast to be Exited; and
- (c) the volume of such gas forecast to be Exited in respect of each End User;

(2) the assumptions on which the figures provided pursuant to Condition 2.1.1(A)(1) are based. For power stations this shall include but not be limited to load factors, generation output and efficiency. For distribution consumers this shall include but not be limited to numbers of consumers and average forecast volume per consumer.

(B) The Licensee shall use its best endeavours to ensure that all forecasts supplied in accordance with Condition 2.1.1(A) are as accurate as possible having regard to the information and forecasts available to the Licensee and shall provide with such

forecasts a full breakdown and reasoning as to how it has calculated those forecasts.

(C) The forecasts and information referred to in Condition 2.1.1(A), shall be submitted by the Licensee before the start of any Gas Year commencing on or after the Designation Date, and no later than the dates set out below:

- (1) to each Primary TO, no later than the tenth Business Day in June, such forecasts and information which relate to gas that the Licensee anticipates Exiting from that Primary TO's DN Operator System; and
- (2) to the Authority no later than the tenth Business Day in June.

(Note to Licensee: Ofreg will compile and publish information and forecasts provided to it by the TOs. Such information and forecasts will be provided and published on a per Exit Point basis.)

(D) The Licensee shall promptly submit to the Authority such further information or explanation as the Authority reasonably requires in respect of the figures provided pursuant to this Condition 2.1.1.

If a component of a Forecast Supplier Volume figure provided by the Licensee under Condition 2.1.1(A)(1) relates to gas to be supplied under a ship-or-pay obligation and is lower than the volume of gas for the relevant year in respect of which that Licensee is under an obligation to pay under such obligation (the "Minimum Volume"), the Licensee shall use the Minimum Volume figure in calculating such Forecast Supplier Volume rather than the relevant lower forecast figure.

[Note to Licensee: The method of incorporating Ship-or-Pay and/or revenue guarantee obligations in these provisions is still subject to discussions.]

2.2 Duty to co-operate with the PSA and TOs

The Licensee shall co-operate with the relevant DN Operators with a view to facilitating each DN Operator's compliance with their obligations under their respective licence obligations.

2.3 Payment of Postalised Charges

The Licensee shall pay Postalised Charges in accordance with the Network Codes.