firmus energy Distribution Limited

Final Forecast Network Capacity Statement for Gas Year 2024 / 2025

16th February 2024

1. Licence Obligation to publish a Forecast Network Capacity Statement

As per licence condition 2.12 of the firmus energy conveyance licence, firmus energy (Distribution) Limited (feDL) book and hold Exit Capacity on the Postalised Transmission Network for all shippers who operate within the feDL licence area. As per this licence condition, feDL book this Exit Capacity to ensure that sufficient gas can be conveyed to meet daily firm demand which is likely to be exceeded in 1 year out of 20 years.

feDL are further required under this licence condition to carry out a consultation process with gas suppliers acceded to the feDL Distribution Network Code and to then produce and publish a Forecast Network Capacity Statement. feDL issued the Draft Forecast Network Capacity Statement to gas suppliers on 19th January 2024 with a deadline for responses of 5.00pm on Friday 9th February 2024. feDL received no responses to this Draft Forecast Network Capacity Statement.

2. Determining the forecast daily firm Capacity for Gas Year 2024 / 2025

In calculating the Postalised Exit Capacity, feDL has considered the relationship between consumption, temperature and forecast load growth. Consideration has also been given to the total firm SMP Capacity requirement for the feDL network.

Regression analysis was carried out on historical volume data and the corresponding temperature data, considering the impact of the temperature on the coldest day in the last 20 years (which was -10.1 Degrees Celsius on 21st December 2010) and the corresponding firm consumption. We applied the relationship between temperature and volume to estimate the peak day for the current firm customer base for a 1-in-20 year's peak demand. Load growth is also considered in determining the requirements.

3. Impact on Postalised Exit Capacity Charges

The analysis of the Postalised Exit Capacity requirements has indicated that the current capacity booking should be increased to 12,204 MWh (from the current 11,770 MWh) for the feDL network for Gas Year 2024 / 2025.

Using the published forecast capacity charge for Gas Year 2024/2025 and forecast volume demand, Tables 1 and 2 below demonstrate the forecast impact of the proposed capacity booking.

Table 1: Capacity booking for current Gas Year and forecast capacity booking for Gas Year 2024 / 2025 for firm distribution volumes

	Capacity Booking (000s therms)	**Capacity Booking (MWhs)**
Current Postalised Capacity Booking	401.6	11,770
Forecast Postalised Capacity Booking	416.41	12,204
Variance (therms)	14.80	433.65
Variance (%)		3.68%

Table 2: Forecast capacity charge expressed in commodity terms

	Pence per kWh	**Pence per therm**
Forecast Postalised capacity charge expressed in commodity terms based on current capacity booking	0.2561	7.505
Forecast Postalised capacity charge expressed in commodity terms based on **proposed** new capacity booking	0.2655	7.781
Percentage forecast change		4%

Please note that the forecast requirements and the forecast impact on Exit Capacity charges is based on the data available at the time of publication and will be subject to change.

4. Conclusions and recommendations

Using regression analysis, total firm SMP Capacity requirements, forecasted volumes and experience of a 1-in-20 winter, we believe the methodology used above is fit for purpose and propose that the current Exit Capacity booking of 11,770 MWh is increased to 12,204 MWh for Gas Year 2024 / 2025.

feDL are proposing that this Exit Capacity booking is made for Gas Year 2024 / 2025 only.

Given that no responses to the Draft Forecast Network Capacity Statement were received, feDL will now proceed to submit an application to the Gas

Market Operator Northern Ireland, requesting a increase in the current capacity booking to 12,204 MWh for Gas Year 2024/2025.