



# Important terms for new natural gas customers

Whether you are considering becoming a natural gas customer, or have already decided to do so, there are some important terms you should understand, before you get connected as they could affect your Natural Gas bill.

This document, relates to new **Non Daily Metered (NDM)** customers only. **Non Daily Metered** customers have an annual energy consumption of less than 5,550,000 kWh and their meters are read monthly or bi-monthly. Large Daily Metered (LDM), Daily Metered (DM) and NDM customers can find detailed information on their network tariff breakdown at [gasnetworks.ie](http://gasnetworks.ie)



## Estimated Annual Consumption (EAC)

During the connection process you will be asked to provide your Estimated Annual Consumption (EAC). This figure will be in kilowatt hours (kWh) and is a best estimate of the amount of natural gas your business will consume in any given year. This estimate can be based on your previous fuel consumption (if you are switching from another fuel) or your predicted annual fuel consumption if the connection is for a new development. The annual consumption of natural gas for any business depends on the types and numbers of appliances burning natural gas (e.g. boilers, cookers, fryers, tumble dryers, air conditioning etc), and on the number of hours and days per year that these appliances are operating.

## Supply Point Capacity (SPC)

Gas Networks Ireland owns and operates the natural gas network in Ireland, transporting natural gas around the country on behalf of licenced natural gas suppliers. These licenced natural gas suppliers are required to reserve 'space' in the natural gas network to guarantee a secure supply to each of their customers. The amount of space reserved by gas suppliers for each customer is referred to as the Supply Point Capacity (SPC). Gas Networks Ireland charges all natural gas suppliers for reserving this capacity on the network and will guarantee gas supply to match the customers 'peak day' demand level.

The charge is agreed with the Commission for Energy Regulation (CER) and is reviewed annually.

For new connections, the Supply Point Capacity for a new customer is determined by Gas Networks Ireland from the Estimated Annual Consumption provided by the customer.

**It is therefore important to provide a realistic EAC to ensure that an appropriate Supply Point Capacity is set for your business, as this will ultimately affect the initial costs payable by you to your chosen gas supplier in monthly standing charges / supply charges.**

The SPC for each customer is reviewed and updated annually based on the customer's actual natural gas usage, measured in kilowatt hours. The natural gas year begins on October 1st and ends on September 30th. Thus, the revised SPC comes into effect on the first day of October every year.

## Tariffs

There are a number of tariffs which apply in the natural gas market, including (for NDM Customers) Small Business User, Medium Business User and Fuel Variation Tariff. Business customers are automatically allocated to the appropriate tariff by natural gas suppliers depending on SPC and annual gas usage levels, and customers are billed for gas usage on a monthly / bi-monthly basis. For a full list of the natural gas suppliers currently operating in Ireland please log onto: [www.cru.ie](http://www.cru.ie).

**For further information on Supply Point Capacity please contact your natural gas supplier. You can also view our Supply Point Capacity brochure at [gasnetworks.ie](http://gasnetworks.ie)**