



Capacity Confirmation No.: SONI 091001-01

1. Sale and Purchase of the right to use Contracted Capacity

- (a) SONI Limited (the "**Capacity Holder**") offered to acquire the right to use certain capacity on the Moyle Interconnector (the "**Contracted Capacity**") pursuant to Relevant Access Arrangements established by Moyle Interconnector Limited ("**Moyle**").
- (b) Moyle agreed to grant the Capacity Holder the right to use the Contracted Capacity specified in this Capacity Confirmation.
- (c) This Capacity Confirmation evidences the terms and conditions of the Capacity Contract entered into between Moyle and the Capacity Holder in relation to the grant by Moyle of the right for the Capacity Holder to use such Contracted Capacity on the Moyle Interconnector.
- (d) The Moyle Interconnector Capacity Framework Agreement entered into between Moyle and the Capacity Holder is incorporated into this Capacity Confirmation as if it was set out in full and forms part of the terms and Conditions of the Capacity Contract.

2. Capacity Period

- (a) The Capacity Period shall commence at 06:00 hours on 1st October 2009.
- (b) The Capacity Period shall expire immediately before 06:00 hours on 1st October 2010 or at any such earlier date and time as determined by SONI and notified in writing to **Moyle** at least 4 weeks in advance (the "**Expiry Date**").

3. Capacity Charges

The Capacity Charge for each Payment Period in the Capacity Period will be calculated in accordance with paragraph 6(c) of this Capacity Confirmation.

4. Direction of Flow

The Contracted Capacity under this Capacity Confirmation shall be in respect of import to and export from Northern Ireland.

5. Profile of Contracted Capacity

The Contracted Capacity in respect of which the Capacity Holder has rights is as follows:

- Any capacity available on the Interconnector, provided that:

- (i) the physical flows remain within the limits specified in Moyle's Connection Agreements with NGC and SONI Limited; and
- (ii) the contractual rights of and the nominations made by other capacity holders in accordance with their respective Moyle Interconnector Capacity Framework Agreements are not in any way affected,

for use by the Capacity Holder in its capacity as the Transmission System Operator for Northern Ireland for the purposes of Emergency Assistance or SO-SO Trades as each term is defined in the Operating Protocol established between SONI and National Grid Electricity Transmission plc in its capacity as Great Britain System Operator in relation to the Moyle Interconnector (in either case, a "SONI Trade" for the purposes of this Capacity Confirmation).

6. Special Conditions

- (a) During each and any Trading Period in which Contracted Capacity is used for a SONI Trade, SONI shall record the Trading Period and determine the alternative cost ("AltC_t") relevant to that SONI Trade ("t") as defined below.
- (b) During each and any Trading Period in which Contracted Capacity is used for a SONI Trade, SONI shall determine the actual cost ("ActC_t") relevant to that SONI Trade ("t").
- (c) The Capacity Charges payable in respect of each SONI Trade ("CM_t")

$$CM_t = 50\% * (AltC_t - ActC_t)$$

Where

- CM_t = the Capacity Charges payable in respect of each SONI Trade "t". If CM_t is negative then no charges apply.
- AltC_t = the cost that would have been incurred to achieve supply demand balance if the trade of power across Moyle had not been made by SONI. SONI will ensure that any opportunity cost, such as carbon costs, will be included in the counterfactual case as well as fixed heating, start up or changeover costs as appropriate. In the event where no other alternative means would have been available (including NI operational reserve) to achieve supply demand balance (other than local shedding) then AltC_t shall equal SONI's maximum energy price authority limit as set from time to time by NIAUR times the number of MWh's for which an alternative means of achieving supply demand balance would not have been available. SONI's maximum energy price authority limit for the duration of these arrangements will be set at today's level of £843/MWh.
- ActC_t = the actual cost incurred to achieve supply demand balance which includes the cost of conducting the trade of power across Moyle.

- (d) No later than 5 Business Days after the end of each Payment Period, SONI shall send to Moyle a schedule of all SONI Trades together with the Trading Period and details of the Capacity Charges relevant to each and the Capacity Charges payable in respect of the Capacity Period ("**Schedule of SONI Trades**").

- (e) SONI shall keep supporting evidence of all information contained in the Schedule of SONI Trades and shall produce copies of such supporting documentation to Moyle upon request. Moyle shall have the right, at reasonable times and on reasonable notice to SONI, to carry out an audit on the Schedule of SONI Trades and shall be entitled, at SONI's cost to take copies of any supporting evidence of the matters set out in the Schedule of SONI Trades. If following an audit of the Schedule of SONI Trades, Moyle determines that there is any shortfall in the Capacity Charges payable to Moyle, such amounts shall be immediately payable and shall attract interest in accordance with clause 5.4 of this Agreement from the date that such payments should have been made had the Schedule of SONI Trades been accurate.
- (f) For the purposes of this Capacity Confirmation and the Agreement to the extent that it is incorporated into this Capacity Confirmation, the Agreement shall be deemed to be amended as follows:
- (i) The final sentence of Recital (A) is deleted.
 - (ii) References to "Units" shall be read as references to "capacity" and references to "Units of Contracted Capacity" shall be read as references to "Contracted Capacity";
 - (iii) SONI shall not be required to comply with clauses 4.1(a) and (e); and
 - (iv) Clauses 4.4 to 4.9 (inclusive), 6.1 and 16.2 of the Agreement shall not apply.
 - (v) For the purposes of Clause 5.2, Moyle shall invoice the Capacity Holder for Capacity Charges and other payments specified in Clause 5.1 within 5 Business Days of receipt of the Schedule of SONI Trades.



P.P. Paddy Larkin
Managing Director
for and on behalf of Moyle