

OFFICE OF FAIR TRADING

2.6. Natural gas – Average price paid by Manx Gas

The Hon. Member for Onchan (Mr Callister) to ask the Chairman of the Office of Fair Trading:

What the average price paid for natural gas by Manx Gas was for each of the last five years?

The Chairman of the Office of Fair Trading (Mr Perkins): Manx Gas Ltd provides the Office of Fair Trading with considerable information, as is listed under Schedule 3 of the regulatory agreement, including details of committed forward-purchasing and prices. All the information the Office of Fair Trading receives under the regulatory agreement is scrutinised on a regular basis; however the detailed data itself is subject to commercial confidentiality and therefore cannot be released.

Manx Gas Ltd utilises the services of the Manx Utilities Authority to purchase gas on an 'execution only' basis. On behalf of Manx Gas Ltd, the Manx Utilities Authority also purchases on an 'execution only' basis capacity to deliver the gas to the Irish Sea Interconnector Offtake Point. Finally, the Manx Utilities Authority charges Manx Gas Ltd an agreed commodity charge for use of the infrastructure downstream of the Irish Sea Interconnector Offtake Point.

Although the Manx Utilities Authority is purchasing gas on the instructions of Manx Gas Ltd, the financial transactions pass through the Manx Utilities Authority accounts and are therefore declared in the Manx Utilities Authority Annual Reports. Based on the published data, the approximate costs for each financial year were:

Financial Year	Purchase of Gas (p per therm)	Capacity Cost (p per therm)	Commodity Cost (p per therm)	Total Cost (p per therm)
2012-13	68.7	3.5	9.8	82.0
2013-14	65.6	5.8	9.8	81.2
2014-15	64.5	6.3	10.6	81.4
2015-16	53.0	6.1	10.3	69.4

All of the data in the above table is based on publicly available information in the Manx Utility Authority's Annual Reports. Data for 2016-17 will become available in due course. The table is expressed on the basis of pence per therm because that is how natural gas is purchased. The conversion rate from therm to kWh (which is how gas is sold by retail) is 1 therm = 29.3 kWh.