



Irish Offshore
Operators'
Association

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Mr. John Melvin
The Commission for Energy Regulation
Gas Division
The Exchange
Belgard Square North
Tallaght
Dublin 24

Via email

January 27th 2012

Re: Mitigation Measures to address Potential Capacity Constraints at the Moffat Entry Point in 2013/14

Dear Mr. Melvin,

Thank you for the invitation to attend the industry meeting on Friday January 20th 2012 regarding the potential of a capacity constraint at Moffat.

Further to our response to consultation paper CER/11/206 submitted on December 16th 2011, and in light of the information presented by Bord Gáis Networks (BGN) at the industry meeting, I would like to confirm that IOOA's views have not changed.

IOOA does not believe that Reinforcement of the Onshore Scotland Network, as proposed by BGN, is necessary or justifiable at this point in time for the following reasons:

- Inch supply is anticipated to continue to be available into gas year 2015/16;
- Corrib is estimated to start producing early in gas year 2014/2015;
- More cost effective mitigation and market based mechanisms are available (e.g., fuel switching). These should be first fully explored before underwriting any new capital investment in the Onshore Scotland Network;
- Increasing the size of the interconnector Regulatory Asset Base (RAB) will increase gas transportation tariffs and ultimately market prices for gas consumers. This would work against efforts to improve economic competitiveness;

IOOA encourages a policy trajectory that seeks diversity of supply so as to decrease dependence on a particular single entry point.

This response is non-confidential and may be placed on the CER's website.

Yours sincerely,

Simon Stanton

IOOA Gas Sub-Committee

Cc: Fergus Cahill. Chairman IOOA, IOOA Management Committee
