



Richard Hume
Utility Regulator
Gas Branch
Queens House
14 Queens Street
Belfast
BT1 6ER

16th December 2011

Dear Richard

Mitigation Measures to address Potential Capacity Constraints at the Moffat Entry Point in 2013 /2014

Phoenix Natural Gas (PNG) welcomes the opportunity to respond to the Regulatory Authorities (RAs) consultation on the potential capacity constraints at the Moffat Entry Point. In considering its response PNG assumes that the RAs have considered the analysis undertaken on their behalf by BGN as robust in relation to the potential constraint identified in gas year 2013 / 2014. Assuming this to be the case PNG have made the following observations.

PNG strongly believe that any decision taken in this regard must be a cost effective one for Northern Ireland and proportionate to the size of the problem trying to be addressed. We believe that the BGN proposal to construct a further 50kms of transmission network seems extremely excessive to resolve an issue which is still only a potential one and which only arise if a number of factors happen simultaneously in the affected gas year.

PNG note that the consultation paper does not make it clear if one or both jurisdictions are contributing to this issue. We strongly believe that the Northern Ireland consumer should not be expected to pay for the reinforcement of asset not directly caused by its gas consumption.

The paper highlights several approaches that could be used as an alternative to the network reinforcement solution and PNG believe these lower cost options need to be explored by the RAs as possible solutions. For example PNG believe that discussions should be had with National Grid on available pressures with a view to requesting that the required 47 barg could be guaranteed. We also believe that the work to allow the Beattock Compressor Station to operate in series mode should continue and reconsideration of the use of Inch for this possible capacity shortfall period is given. Consideration

could also be given to extend the amount of alternative fuel held by power stations for use in any capacity constraint.

PNG further note that the regime in Northern Ireland already includes several of the approaches which could be used to deal with the potential capacity constraint, including interruptible capacity products, capacity shortfall processes and amendments to power station renominations which PTL currently use. PNG believe that consideration needs to be given to extend these Northern Ireland processes to the Republic of Ireland regime as a solution to this potential capacity constraint.

In summary PNG believe that given the short period in which the RA's network analysis has identified a potential capacity constraint could exist , any solution taken by them needs to be cost effective and that the Northern Ireland consumer should not be expected to pay for solutions which are not Northern Ireland related.

Please do not hesitate to contact me if you have any queries regarding this consultation response.

Yours sincerely

Joanne

Joanne Quinn
Transportation Services Manager
Phoenix Natural Gas Ltd.