

Dear Sirs,

Having attended your public forum on 01/03/12, our views have been reinforced, that your aim, in the draft decision paper, is to protect 'Bord Gais' from competition and guarantee it an income of 50 million euro from the inter-connectors, per annum, regardless of whether there is gas flowing through them or not.

We raise the following points:

1. In your draft decision paper you state the following on page 37, "The CER would stress that it is not attempting to protect the state owned company in any way, it is simply implementing the regulatory framework in a manner that it sees as being most conducive to customer interests."

Whatever way any reasonable person reads this decision paper it is clear that its aim is to protect the state sector from competition. Even though cheaper supplies of gas could be obtained from different sources, you are insisting that BGE (Bord Gais Eireann) must be compensated for any loss of revenue from the inter-connectors, it is that simple.

It is 1984 all over again when the government was proposing to force Ryanair to compensate Aer Lingus for any loss of seat revenue.

Why are you protecting Bord Gais from competition? What about the rest of us, the poor consumer whom you are bound to protect.

2. We are trying to understand but without success how you can argue that competition will increase prices. You have a short memory, what about the 22% increase in gas prices last September and without any competition. Your argument is so absurd that it is not worth commenting on.

What is not absurd is the sight of our young people emigrating because of no jobs, they have no future here, they are heading to Australia and Canada seeking employment. Can you understand the effects this is having in our rural communities, the devastation, the heartbreak.

3. 95% of the gas coming into Ireland comes through the inter-connectors which in turn comes from the English Ring Main. The gas from the English Ring Main flows through a single pipe 40 miles to Moffett in Scotland where it meets the inter-connectors. If anything happened to this single pipe we would have no gas supply in Ireland; imagine the consequences.

4. Over 40% of gas supplied to the English Ring Main comes from LNG Terminals in Wales and we believe that there are plans to construct more LNG Terminals in England which will give a better security of supply.

Why are we not encouraging the same diversity of supply in Ireland?

What the CER appears to be saying to us is that it is good to build LNG Terminals provided they are built on the English mainland and the gas flows in through the inter-connectors.

5. Shannon LNG proposes to spend over one billion euro in Foreign Direct Investment in North Kerry. They have obtained planning permission and foreshore licences. They have spent almost 60 million euro's to date.

Can the CER understand the benefits this development will bring to North Kerry/West Limerick, to Ireland and the exchequer?

In the Irish Independent on 08/03/12, Dr. Vincent Cunnane, CEO of Shannon Development states "It's (LNG Terminal) a billion euro development with the potential for long term jobs as well as a major employer during construction, it would transform the economy of North Kerry."

"There is major concern in the Midwest, because the entire project has threatened to stall in recent weeks following a ruling from the CER in Dublin. The CER wants to charge all gas wholesalers for the cost of maintaining the pipes between the UK and Ireland. Shannon LNG the US company set up to build the Ballylongford Terminal says that makes no sense because it will not use the inter-connectors."

He continues "Bringing gas in through the Shannon Estuary is of national importance, freeing the country from its current dependence on natural gas piped via the UK."

He doesn't say what the implication is of another case of a body in Dublin failing to deliver for the Midwest.

6. Finally, you (CER) have been considering this particular issue since the 04/01/2011 and after 13 and a half months, you were only able to come up with a draft proposal. In fact, you have been dealing with Shannon LNG since 2006 and in 2011 you moved the 'goal posts' to favour Bord Gais. This rate of progress is so unreal, it is farcical. It will certainly make any foreign investor, who is considering this country as a place to set up business, think twice about coming here.

Is this process too complex for the CER, considering that the entire planning process only took 6 months?

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