



# MANX ELECTRICITY AUTHORITY

*Lucht-reill Lectraghys manninagh*

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Commission for Energy Regulation

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## **The Regulatory Treatment of the BGÉ Interconnectors, Proposed Decision Paper CER/12/013**

### **Manx Electricity Authority ("MEA") Response**

MEA is grateful for the opportunity to comment on the proposed decision in respect of the regulatory treatment of the BGÉ Interconnectors. As noted previously, this is a matter of considerable importance to the MEA, with considerable potential consequences for our electricity and natural gas customers and to the economy of the Isle of Man as a whole.

In consultation, we tentatively suggested that tariffs based on long-run marginal costs (LRMC) might create a stable and properly cost-reflective regime for all entry points, while protecting customers from paying unnecessary premiums.

Inevitably, we are therefore pleased to offer our broad support in principle for the proposed solution, and note with approval the explicit recognition in the paper that "the planned changes to the IC tariff structure will ensure that the position of the Isle of Man is not unduly affected".

Of course, we recognise that there is still considerable work to undertake before implementation of any solution in 2014, and that much of 'the devil may well be in the detail'. We therefore look forward to engaging constructively in the consultation process and detailed discussions to come.

**Paul Barnett**  
Gas Markets Manager  
March 2012