

February 22, 2013

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

Via email: scoleman@cer.ie

Re: Consultation on Interim Review of BGN Allowed Revenues and Gas Transmission Tariffs for 2012/13 (CER/13/034)

Dear Mr Coleman,

On behalf of PSE Kinsale Energy Limited (KEL), I would like to thank the Commission for Energy Regulation (CER) for the opportunity to respond to the above referenced decision paper. Please see below KEL's response to the above referenced consultation paper.

In its letter to the CER, BGN cites the reduced summer multipliers as a reason for the reduction in capacity bookings on the gas transmission system. KEL is surprised that BGN can make such a statement at this time given that the new multiplier is not yet available and will not become so until 1st May.

Also, in its letter to the CER, BGN points out that, had the most up to date profiles been used when calculating the Inch tariff for 2012/13, the Inch tariff would have been approximately 35% lower than it is currently and, although BGN may be under-recovering revenues at on the interconnectors and onshore, it is over-recovering revenues at Inch by about 50%. Hence, since the CER is proposing to correct for the under recovery occurring at the Moffat entry point and at the onshore exit points, KEL requests that the CER also corrects for the over-recovery that is occurring at Inch by reducing the Inch tariff for the remainder of the 2012/13 period.

KEL is a member of the Irish Offshore Operators Association and supports the letter that that association is submitting in response to this consultation.

On behalf of KEL, I take this opportunity to thank the CER for enabling us to partake in this consultation process. If required, KEL is available to meet with the CER to discuss our submission in more details. This response is non-confidential and can be published as part of the consultation process.

Yours sincerely,



Kieron M Carroll
Head of Commercial and Business Development