

June 10<sup>th</sup> 2015

Mr. Barry Hussey  
The Commission for Energy Regulation  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 22

Dear Barry,

**Re: Enduring Access Charge arrangements for the Corrib Linkline**

Bord Gáis Energy (BGE) welcomes the opportunity to respond to the Commission's consultation on access charge arrangements for the Corrib Linkline.

On a principled level, BGE fully supports the Commission's proposal to incorporate the Corrib Linkline access charge into the Bellanaboy Entry tariff and to ensure that the cost of the Linkline is recovered over the useful life of the asset. The latter in BGE's view strikes a proportionate balance between ensuring that a fair price is paid for the asset while not burdening the customer with the cost at a point in time when the asset is no longer expected to be in use. With that in mind, BGE requests clarification as to whether Producers have given support to the 19-year economic life and depreciation profile recommended by the Commission and thus ensuring that Corrib Gas can supply gas for the 19 years suggested.

In terms of the incorporation of the Bellanaboy and Linkline tariffs such that there is essentially only one tariff employed for gas flowing from Corrib, this in BGE's view is sensible both from an operational and value perspective. Firstly, a single tariff is simpler both operationally and administratively, which are important in the interest of shippers using the Entry point. Secondly, and importantly from a cost perspective, it also ensures that shippers and customers pay a fair cost and do not over-pay for the use of the assets.

BGE believes that the Linkline access charge should be determined based on the expected gas flow profile rather than on maximum technical capacity. Such an arrangement would recover the capital costs of the Linkline at a quicker rate, thus reducing any risks of shortfall or of customers paying for an asset beyond its useful life.

I hope you find the above comments helpful and should you have any queries, please do not hesitate to contact me.

Sincere regards,

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Brian Larkin  
Regulatory Affairs – Commercial  
Bord Gáis Energy

{By email}