

LIS.03.07

Mr Ian Davidson
Gas Transmission
Ofreg
Queens House
14 Queen Street
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Dear Ian

Inventory Product Consultation

Phoenix Natural Gas welcomes any initiative that may benefit the Postalised regime and lead to a reduction in tariffs. However we feel that to truly understand the proposed inventory product it is necessary for further modelling to be carried out to ascertain the impact across the Postalised Network and not purely the NW pipeline. In particular with regards the impact on the balancing regime and whether any additional balancing actions will be taken due to the inventory product. Any modelling should also take into account the findings of the recently published Northern Ireland Pressure Report.

We also feel that further analysis should be carried out to determine the maximum amount of inventory product that could eventually be made available to shippers across all three transportation networks as part of the trial being carried out by Firmus and BGE (NI).

We note from the consultation paper that the inventory product is for the benefit of the non-daily metered sector only. Is it Ofreg's intention to consider offering this product on this basis going forward? As new market entrants in the Greater Belfast area are concentrating on the development of their portfolio in the daily metered sector would this be viewed by Suppliers operating in Belfast as anti-competitive?

We hope you find these comments useful. Please contact me if you wish to discuss the contents of this letter further.

Yours sincerely



Ivan Bell
Commercial Operations Director