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2<sup>nd</sup> May 2014

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## **Gas West Extensions in Northern Ireland Gas to the West**

### **BGE (UK) Limited Transmission Licence Application for High Pressure Assets**

#### **Connected Application**

Dear Sir/Madam,

Please find enclosed the BGE (UK) Limited application for the Transmission Licence for High Pressure assets for the extension of the Northern Ireland natural gas network to the towns of:-

- Dungannon including Coalisland;
- Cookstown including Magherafelt;
- Enniskillen including Derrylin;
- Omagh; and
- Strabane.

BGE (UK) Limited makes this Application in accordance with the terms of the Applicant Information Pack dated 6 February 2014 as subsequently clarified by the Utility Regulator in response to queries made by interested parties. BGE (UK) Limited notes in particular the process stated and clarified with respect to the ultimate grant of any Licence. BGE (UK) Limited will wish to discuss and clarify all aspects of the first price control in the context of any discussions leading to the granting of the above Licence.

BGE (UK) Limited is the holder of an existing Gas Conveyance Licence for the conveyance of gas in Northern Ireland on or over which the North West pipeline and South North pipeline

are situated. The present Application is entirely separate from the existing Licence in all respects.

This Application is made as on the basis that it is connected with the Distribution Licence application made by Firmus Energy (Distribution) Limited for the separate Low Pressure assets also detailed in the Applicant Information Pack. For the purpose of this connected Application, BGE (UK) Limited wishes to emphasise that the terms of its connected Application with respect to weighted average cost of capital are entirely separate from those of Firmus Energy (Distribution) Limited as set out in more detail in the enclosed explanatory note.


BGE (UK) Limited also makes a separate Application for the High Pressure Transmission Licence which is not connected with any other Applicant.

As requested in Section 4.41 of the Applicant Information Pack for the 'Gas to the West' project, BGE (UK) Limited is making its application for this licence on the basis of a 'Revenue Cap' model.

BGE (UK) Limited has considered carefully the notes to the High Pressure Workbook in all respects concerning the pricing of construction risk and intends to achieve solutions which deliver best value to Northern Ireland consumers. BGE (UK) Limited would wish to consult further with the Utility Regulator in this context in advance of the granting of the above Licence.

This Application contains information which is commercially sensitive to BGE (UK) Limited to an extensive degree. The issue of commercial sensitivity is of fundamental importance to BGE (UK) Limited. Should any circumstance arise where the Utility Regulator apprehends that it may wish to or be required to disclose this Application or any element of it to a third party or to place it in the public domain, BGE (UK) Limited requests that the Regulator consult with it in advance within the terms of Article 62(4) of the Energy (NI) Order 20013 so that commercially sensitive information can be redacted where permissible.

Yours sincerely,



*For and on behalf of BGE (UK) Limited*

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