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Dear Paul

Thank you for the opportunity to respond to the proposed approach to GD17 and for the briefing which we attended in January. We are generally content with the proposed approach. For us, the priorities are to ensure that:

- The process is informed as best possible by deep and sustained engagement with gas users to ensure that there is a deep understanding of the impact of the Price Control on users of all scale.
- There is clarity on how the draft and final decisions will impact on the cost which users, particularly larger users, will pay. Falling commodity prices must be felt and not consumed by excessive network costs.
- That there is long term certainty on how costs are passed on to customers to enable prudent business planning. Our view is that, provided there is flexibility built in to deal with unforeseen circumstances, that a 6 year Price Control is acceptable.
- That there is a consistent approach across all elements of the gas network regardless of the location of manufacturing plants – some customers will have facilities on Belfast, Ballymena or indeed in the new Gas to the West area. This includes policy on how connections are made and supported.
- We would expect that any benchmarking with GB results in significant savings to consumers – the aim should be to not only meet, but beat other markets.

- The actions around 'under recovery' are looked at in the long-term cost of consumers – for instance, a larger cash sum achieved in the longer term can mean smaller bills for customers year on year.

Finally, whilst we understand that the principle objective of the Regulator is to grow and develop the gas network, there must be a focus on protecting customers also. Northern Ireland faces a competitiveness challenge which is largely impacted by the cost of energy. We would hope that GD17 recognises this challenge and ensures that gas remains a positive alternative against other fuels.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kelly', written in a cursive style.

Stephen Kelly
Chief Executive