

13th November 2015

Jonny Millar
Tariffs & Finance Analyst
The Utility Regulator
14 Queens Street
Belfast
BT1 6ER

Dear Jonny,

Re: Notice to Extend the Conveyance Licence Area and Modification of the Conveyance Licence of Phoenix Natural Gas Limited – East Down

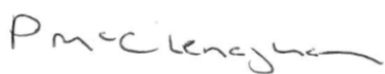
Thank you for the opportunity to respond to the Phoenix Natural Gas Limited Conveyance Licence Area Extension and Modification Consultation.

Firmus energy fully supports the principle of extending the availability of natural gas.

We note that PNGL is not asking for exclusivity in the new areas and that their exclusivity ends generally on 31st December 2016. A number of the wards in the proposed licence extension area are named in the firmus energy licence but as we did not request permission to begin development in those areas within the five year limit, firmus energy's exclusivity has lapsed. Therefore other operators can apply to undertake development in these areas.

As some of the rural wards are large our network is, or may in the future be, close to their boundaries. From the map showing the proposed mains, we do not believe there are areas at present where firmus energy and PNGL would both wish to lay mains. However, we do believe a process should be developed to allow wards to be subdivided easily with the gas distribution network being developed locally by the most suitable operator. Firmus energy would be happy to be involved in developing this process with the UR and the other Network Operators in Northern Ireland.

Yours sincerely,



Peter McClenaghan
Regulatory Affairs Manager