

21st August 2015

Graham Craig
Gas Branch
The Utility Regulator
14 Queens Street
Belfast
BT1 6ER

Dear Graham,

Thank you for the opportunity to respond to the Consultation on the designation of a forecasting party within the Northern Ireland gas balancing regime.

The current arrangements for forecasting, as set out in the firmus energy (FE) Network Code, are consistent with the 'base case' information model as set out in Article 2 (19) of the Balancing Code. Given the current suitability of this forecasting methodology, FE is content that this model is adopted going forward to ensure compliance with the Balancing Code.

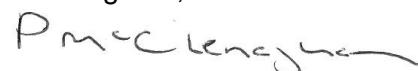
Firmus energy is content that the Utility Regulator has correctly identified all the realistic and most cost effective forecasting party options and agrees that an appropriate appraisal of these options has been conducted.

In addition, firmus energy believes that the assessment of each option by the Utility Regulator is accurate and concurs, in principle, that the preferred option 3 would be the most suitable solution. It is important to reiterate that the introduction of the forecasting party will in no way remove firmus energy's obligations under the Distribution Network Code in relation to demand forecasting and therefore any solution must support the existing processes.

Firmus energy would highlight that, although it supports the proposal to designate PTL as the forecasting party in principle, further engagement between the relevant parties will be required to establish an arrangement that firmus energy can fully support. If implemented, firmus energy would request that engagement with both PTL and Utility Regulator commences well in advance of any implementation date to ensure a smooth transition to the new forecasting procedures. Firmus energy would also highlight that any solution must be supported by appropriate IT solutions to ensure the effective and efficient exchange of information. Furthermore, any significant costs associated with implementing these IT solutions should be recoverable through price control allowances.

Firmus energy looks forward to its continued involvement in this process.

Kind regards,

A handwritten signature in black ink, appearing to read "P. McClenaghan".

Regulatory Affairs Manager