

From: [REDACTED]
Subject: RE: PNGL licence application for the high pressure and low pressure Gas to the West licences
Date: 12 May 2014 10:43:46
Attachments: image001.jpg

Please see below our responses to the two questions you raise in your e-mail of 9 May 2014:

1. Details of Phoenix's proposed structure for the high pressure licence is provided in section 2.1 and chapter 10 of the "Phoenix High Pressure Operational Business Plan". In accordance with paragraph 4.41 of the Applicant Information Pack, Phoenix states that its application for the high pressure licence has been prepared on a cost pass through model.
2. Details of Phoenix's "adequate resources" information is provided in the covering letter provided with the applications. We note from your email that it is unclear on what information we wish to rely for the purpose of demonstrating that this criterion is met. Specifically, in addition to paragraphs 18 to 19 of Schedule 2 Part 1 of each application, the parts of our application the information on which we wish to rely for the purpose of paragraph 2.8 of the DETI Published Criteria has already been set out are:

The Connected Phoenix Low Pressure Application

2.8 An Applicant must demonstrate to the satisfaction of the Authority that it has in place at the time of the Application, or is making appropriate arrangements to ensure that it would have in place by such time as it would commence regulated activities under the licence:

- (a) the systems and apparatus; **this is set out in the "Phoenix Low Pressure Operational Business Plan", specifically:**
- sections 2.4 and 8.3 (the provision of business premises); and
 - sections 3.1, 3.5, 3.7, 4.5, 8.4, 9.3 and chapter 5 (systems i.e. information/asset management/network code/cost management systems).
- (b) the human and other resources;
- human resources are set out in the "Phoenix Low Pressure Operational Business Plan", specifically sections 2.1, 2.2, 2.3, 3.1, 3.2, 3.7 and 5.8;
 - other resources are set out in the "Phoenix Low Pressure Operational Business Plan", specifically:
 - sections 2.4 and 8.3 (the provision of business premises); and
 - sections 2.1, 2.2, 3.1, 3.2, 3.6 and chapter 6 (materials/contract operations) and
- (c) the financial resources and facilities, **this is set out in "LP Connected - Schedule 2 Part 1" (paragraph 5) and specifically Document S2.8 attached thereto.**

that are likely to be sufficient for it to be able to comply with the Standard Licence Conditions applicable to that licence, together with such other conditions as the Authority indicates that it would propose to include in the licence if it (or the extension of it) were granted.

The Connected Phoenix High Pressure Application

2.8 An Applicant must demonstrate to the satisfaction of the Authority that it has in place at the time of the Application, or is making appropriate arrangements to ensure that it would have in place by such time as it would commence regulated activities under the licence:

- (a) the systems and apparatus; **this is set out in the "Phoenix High Pressure Operational Business Plan", specifically:**
- sections 2.4 and 8.2 (the provision of business premises); and
 - sections 3.2, 3.5, 3.7, 4.5, 8.3, 9.3 and chapter 5 (systems i.e. information/asset management/network code/cost management systems).
- (b) the human and other resources;
- human resources are set out in the "Phoenix High Pressure Operational Business Plan", specifically sections 2.1, 2.2, 2.3, 3.1, 3.2, 3.7 and 5.8;
 - other resources are set out in the "Phoenix High Pressure Operational Business Plan", specifically:
 - sections 2.4 and 8.2 (the provision of business premises); and
 - sections 2.1, 2.2, 3.1, 3.2, 3.6, 3.7 and chapter 6 (materials/contract operations) and
- (c) the financial resources and facilities, **this is set out in "HP Connected - Schedule 2 Part 1" (paragraph 5) and specifically Document S2.8 attached thereto.**

that are likely to be sufficient for it to be able to comply with the Standard Licence Conditions applicable to that licence, together with such other conditions as the Authority indicates that it would propose to include in the licence if it (or the extension of it) were granted.

We trust this response satisfies the DETI Published Criteria, however if you require any further information in relation to the above before noon on Wednesday please let me know.

I would be grateful if you would acknowledge receipt of this response.

Kind regards

[REDACTED]

Phoenix Natural Gas Ltd.

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Please consider the environment before printing this e-mail.

From: [REDACTED]
Sent: 09 May 2014 11:58
To: [REDACTED]
Subject: PNGL licence application for the high pressure and low pressure Gas to the West licences

Dear [REDACTED]

Please see below in relation to your recent licence applications.

1. In accordance with paragraph 3.14(b)(i) and 3.14(b)(ii) of the DETI Published Criteria, we must allocate a number of marks to applications in respect of Applicant Determined Costs and the Operational Business Plan (as more fully described at paragraphs 3.15 and 3.17 of the Criteria). In accordance with paragraph 4.41 of the Applicant Information Pack, each applicant is required to state for this purpose the basis on which its application has been prepared, i.e. a cost pass through model or a revenue cap model. That statement does not appear to be made in your application.

Please therefore confirm on which basis your application for the high pressure licence has been prepared.

Your reply should be received by no later than noon on Wednesday 14th May.

2. In accordance with paragraph 2.8 of the DETI Published Criteria each applicant must demonstrate to our satisfaction that it has, or will have, in place adequate resources (as more fully described in that paragraph). As indicated at paragraph 4.8 of the Applicant Information Pack, this is a general criterion that each applicant must meet. It is unclear from your applications on what information you wish to rely for the purpose of demonstrating that this criterion is met.

Please provide a statement of the information on which you wish to rely in relation to the criterion at paragraph 2.8 of the DETI Published Criteria, or indicate clearly in what parts of your licence applications the information on which you wish to rely for this purpose has already been set out.

Your reply should be received by no later than noon on Wednesday 14th May.

Our completeness check of your application is ongoing; if any further issues are identified as a consequence we will contact you again to seek any further information that may be necessary.

Kind regards

[REDACTED]

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