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Dear Richard

Third Party Access Regime for the proposed Islandmagee Storage Ltd facility

In response to the above consultation we would like to make the following observations:

(1) NIAUR minded to position that TPA does not apply

We support the "minded to" position that TPA should not apply to Islandmagee. The interconnectedness of GB and the Island of Ireland is such that it is competing in the combined markets where there exists a wide range of substitutes. Bearing in mind the precedents outlined in table 1 in your paper, and the increase in flexibility in the market since these assessments were made by OFGEM, the facility is neither technically nor economically necessary for the efficient supply of gas to consumers.

(2) NIAUR minded to position that UIOLI does not apply

As we have noted above, the facility will serve the interconnected markets. As such it should be subject to the same conditions as similar independent facilities on the GB mainland, in order to avoid a distortion that would operate against an investment in Northern Ireland. We understand that similar facilities have not had UIOLI imposed

(3) Other considerations

The decisions reached by OFGEM to grant TPA exemptions in relation to storage at Avonmouth, Hatfield Moor, Humbly Grove, Hole House, Aldbrough, Holford, and Hill Top Farm in other parts of the UK are important to the potential economics of any Northern Ireland project. The imposition of TPA or UIOLI on Islandmagee would reduce its attractiveness as a potential investment, and may send a negative signal on other investment opportunities that they would be treated in a less favourable manner than in GB.

Yours sincerely,

Doug Wood

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