

Our PTL (and therefore BGTL) response is below, by e-mail to expedite. We have no objection to these views being made available to the CAG forum.

PTL welcome the opportunity to comment on the recommendations. Being a ROI gas quality issue this might be viewed a subject with which our views (as NI Gas Transporter) might not seem relevant. However, our belief is that to deliver the most efficient transportation system, to address the objectives of the Common Arrangements, as many barriers to the physical flow of gas throughout the Island should be reduced. We anticipate that during the time horizon being contemplated, gas could be (physically) transported into NI via other sources than Moffat, in which case the specification of ROI gas will become an issue impacting our own system.

In this context, PTL would support the harmonisation of gas quality entering the common transportation system to one standard. Being inextricably connected to UK system we see it as logical that the common specification should be GSMR.

We believe that the downstream markets in GB and ROI are so similar, that we can accept that the findings of the 2003 DTI Report will be relevant to any changes of quality arrangements in ROI. We can further accept the reports findings that the Upstream Option is "the most cost effective by a considerable amount". Regardless of the cost to implement the downstream option, we agree that there would too many risks, spread across too many parties for this option to ever be practically implemented.

PTL therefore support the BGN Report recommendation that a single specification be adopted, that this should be GSMR, and that the only feasible means of delivering this is the Upstream Option.

However, we would also comment that some, if not all, of the costs of gas quality harmonisation will ultimately be borne by the gas consumer. We therefore believe that any further work on the gas quality issue should focus on the most efficient way of delivering the Upstream Option. Perhaps further detail on alternative ways of addressing Wobbe might support the view that ballasting with nitrogen is the best technical option? Further, PTL would also question that duplication of measurement equipment by the upstream Operator and Transporter is the most efficient means of ensuring gas quality?

PTL's understanding from the Gas Industry meeting of 9<sup>th</sup> July is that a "Task Group" is to be established to review certain recommendations of the report. Our only request would be that TOR of this group includes a focus on the most efficient means of delivering what we see as the obvious solution to benefit the Common Arrangements.

Regards  
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