

18 August 2005

Brian McHugh
Ofreg
Brookmount Buildings
42 Fountain Street
Belfast
BT1 5EE

Dear Brian

Re: Incorporating the South North Pipeline into the Northern Ireland Gas Transmission Regime. A Consultation Paper

The Consumer Council welcomes the opportunity to respond to this consultation on incorporating the South North Pipeline into the Northern Ireland Gas Transmission Regime.

At this time the Council has no comment to make on booking capacity of the Irish Interconnector or on Interconnector operations but trust that any agreements or new arrangements implemented will have no detrimental effect on consumers in terms of either security of supply or pricing.

The Consumer Council welcomes the Authority's statement that any operational regime should minimise costs to gas consumers by maximising the utilisation of the SNIP pipeline.

Regarding the Authority's proposals to establish a single NI Transmission System Operator (TSO) for operation of the gas transmission regime, the Consumer Council would, in principle, support such a move. This support would be dependent on the assumption that, as the Authority have suggested, a single TSO would allow reduced costs for the NI system and potentially encourage more new shippers to enter the market. We would expect these benefits to filter down to consumers in terms of competitive pricing.

Integral to this would be any governance and finance issues and the implications for consumers. The Council would expect full transparency in terms of governance arrangements and looks forward to the separate consultation paper that will address these issues.

Yours sincerely

SINEAD DYNAN

Senior Consumer Affairs Officer