



197 AIRPORT ROAD WEST
BELFAST BT3 9ED
TEL: 028 9055 5555
FAX: 028 9055 5500

Brian McHugh
Ofreg
Queen's House
14 Queen Street
BELFAST
BT1 6ED

30th May 2006

Dear Brian,

Phoenix Supply Response –NIAER Report on Regulation (EC) No 1775/2005

Phoenix Supply feel that it is too soon to assess whether the additional services detailed in the above document are currently required in the N.I. gas market. Therefore, we feel it would be detrimental to gas consumers to incur any additional costs associated with their implementation at this moment.

Until effective market opening is achieved, we believe it is difficult to properly assess the need to offer new capacity products or secondary capacity trading. Furthermore, any investment in I.T. designed to support these services should only be considered once this demand has been clearly demonstrated by the N.I. shipping community. The requirement for additional products and services should be more apparent in a well regulated competitive market.

Therefore, the introduction of these products would not benefit the gas industry or consumers at this point in time. We look forward to revisiting these ideas once the market has reached a more mature stage of its development.

Yours sincerely,

Michael Doherty
Gas Supply Manager