

Mr Brian McHugh,  
Gas Transmission Branch,  
Ofreg,  
Queen's House,  
14 Queen St,  
Belfast BT1 6ER  
Northern Ireland

Date; 24<sup>th</sup> January 2006

**Re: The Northern Ireland Gas Transmission Operational Regime  
(The Way Forward)**

Dear Brian,

Bord Gais Energy Supply (BGES) would like to thank you for giving us the opportunity to respond to this consultation process. We would also appreciate the opportunity to provide further input on these issues during the work-streams when they commence.

**Gas Flows South North or North South**

Our comments below reflect our position as a gas supplier in the UK and ROI. We believe that a suitable interaction needs to exist between ROI and NI to allow for users to avail of any potential price benefit that may exist, especially in the current climate of high prices and security of supply concerns.

With the potential development of the Corrib field, there is every possibility in particular during the summer period that the supply from Corrib may exceed the ROI demand. This would require the Corrib operator to reduce deliveries, leaving it with excess gas supplies available for production if required.

If there existed the opportunity to flow this excess production north through the North South (NS) pipeline, this would provide Northern Ireland users with the potential benefit of gas prices on a more favourable basis than at the NBP. This would effectively mean that NI users would have to reduce flows from the UK to ensure a balanced position.

To achieve this would require NI users or ROI users to be able to access SN pipeline capacity through some form of a spot basis. As it is now expected that short term capacity products will need to be developed by 1<sup>st</sup> July 2006 this provides a means by which ROI users to access capacity on the ROI side if required on a short term basis. A similar arrangement may be possible on the NI side with the interruptible arrangement in place in NI being the most suitable. The general expectation is that assuming Corrib receive full consents to proceed with field and terminal development the field could be fully operational some time around 2008/09.

An arrangement to allow for spot flows will also help address the issue of security of supply and the All Ireland market dependency with gas flows from the UK.

### **Single Transmission System Operator**

We support Ofreg in their consideration of a single TSO and believe that this discussion could be included as part of the All Ireland Market agenda to ensure that it fits seamlessly with the outcome of those discussions.

### **Emergencies**

BGES concur that clear principles should be put in place to use the pipeline as a tool to help resolve emergencies.

### **Swaps**

We agree that discussions on potential swaps at Moffat would be useful for all concerned.

Many thanks for considering our comments and looking forward to further discussions on this issue,

Yours sincerely,

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Brian O' Shea

Gas Contracts & Operations Manager,  
Bord Gais Energy Supply