

Brian McHugh
Gas Transmission Branch
Ofreg
Queen's House
14 Queen Street
Belfast
BT1 6ER

2 June 2006

Dear Brian

Re: Regulation (EC) No 1775/2005

Thank you for providing firmus energy with this opportunity to respond to the above.

firmus energy favours Ofreg's approach not to introduce any services where there is no demand, especially if to do so, would increase transportation charges to NI gas consumers.

However, should new services be proposed, sometime in the future, we would be keen to be involved in any consultation process.

In relation to the provision of services currently unavailable in NI in the form stated in the Regulation, we have the following comments to make:

1. Interruptible capacity priced to reflect the probability of interruption

As stated, an interruptible product is available under the PTL network code. firmus energy is keen to see a similar arrangement on the NW pipeline and is hopeful that this will be in place later in the year.

2. Short-term access to firm capacity down to a period of one day

firmus energy is doubtful whether there would be any benefit, if at all, from increasing capacity pricing in winter and then reducing them again in the summer.

Given that this service has not been sought by any Shipper, we feel that it does not need to be taken forward at this time.

3. Online based information on capacity and balancing status of network users

As referred to in Ofreg's document it is felt that any move to offering an online service will incur costs in the region of six figures. Given that the NI gas industry is in a period of ongoing expansion, we feel that it is an inappropriate time to invest in this service.

4. Secondary trading of capacity down to a period of one day

firmus energy has seen nothing to suggest that this service would benefit consumers, especially as it is thought that this would require significant expenditure.

In summary, firmus energy agrees with Ofreg's approach to consider new services as and when they are proposed by Shippers.

Yours sincerely

Michael

Michael Scott
Regulatory Affairs Manager