

Islandmagee Storage

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Richard Hume
NI Authority for Utility Regulation
Queens House
14 Queens Street
Belfast
BT1 6ER

Dear Richard,

Gas Storage Licence Consultation

Thank you for the opportunity to respond to your Consultation Paper. As you are aware, Islandmagee Storage Limited (IMSL) is developing a storage facility at Larne, which has the potential to significantly enhance the security of supply and operational robustness of the gas network in Northern Ireland.

In order for any party to invest in such a large facility it is essential that the material uncertainties are removed before the tens of millions of pounds required in the front end engineering design and construction are spent. As both the granting of the licence and the TPA position are part of these material uncertainties we very much welcome your proposed process which will allow these to be addressed at a stage in advance of construction.

In respect of the application process as outlined there are three key points we would wish to highlight.

(1) Information required for the grant of the licence

It is essential that the level of detail required for the grant of the licence is consistent with the stage of development at which the developer requires the licence. As noted above this needs to be before the multi million pound investments in drilling and front end engineering. Consequently, the level of detail should be consistent with that provided to the planning service and the detail an applicant would be expected to have at this point.

(2) Confidential information

As part of the application process there will be a number of highly sensitive commercial documents collected, relating to the project design, the financing projections and the arrangements between the developers to name a few. It is essential that the confidentiality of these documents be recognised and preserved.

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(3) Timing of the licensee obligations

Again bearing in mind the long construction time required between the grant of the licence and first operation, all the obligations in the licence should come into force with reference to the date of first commercial operations rather than the date of licence grant.

The licence, its process for grant, and the interaction with the TPA rules, are important considerations for any developer. Consequently we would welcome the opportunity to discuss these with you directly.

Yours sincerely,



Dr Andrew Hindle
Managing Director

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