

Mutual Energy Limited

First Floor The Arena Building

85 Ormeau Road, Belfast BT7 1SH

Tel: +44 28 9043 7580 Fax: +44 28 9024 9673

Web: www.mutual-energy.com

Graham Craig
Utility Regulator
Queens House
14 Queens Street
Belfast BT1 6ED

Gas_networks_responses@uregni.gov.uk
graham.craig@uregni.gov.uk

2 November 2017

**Mutual Energy Response to NIAUR Proposed Modification of Gas Conveyance Licences –
Postalised Transmission Tariff Published Prior to 31 May**

The proposed modification aims to provide network users with more timely information on the level of postalised transmission tariffs prior to annual entry capacity auctions, facilitate compliance with the EU Tariff Network Code, and align the timing of the tariff setting process across the four licence holders. Whilst we agree with these objectives, we recognise that earlier tariff settings will result in a greater degree of estimation and reduced accuracy in forecasting of the required revenues.

The EU Tariff Network Code intends that auction participants should have certainty as to the price they will pay for annual entry capacity from 2019 auctions and the consultation notes that the proposed modification will implement this one year earlier than required. The 2018/19 gas year will, however, be the first year of operation of West Transmission Limited's main pipeline and we expect that we will have much more certainty over the related costs by the normal tariff setting date than would be available three months earlier at the proposed modified tariff setting date. We therefore request that you consider implementing this modification in the following year instead, in order that the forecast required revenue for West Transmission is as accurate as possible (we believe this could have a material impact on the required revenue), whilst still facilitating compliance with the EU Tariff Network Code.

We note that the revisions to condition 3.1.2(c) increase the time available for the Authority to notify the licensee that the forecast required revenue is not considered reasonable, but halve the time for response by the licensee from 14 days to 5 business days. We do not see any reason for this revision to the timing and believe this is unnecessarily short and will not give sufficient time for response, especially given the new timing is likely to be near Easter (a time when staff are more likely to be on leave), and coincides with our financial year end (a time when the finance team are already stretched). We therefore request that the time allowed for these exchanges remains in line with the existing licence, in order to ensure that the timelines can be met.

We also note that 4.3.2(c) of Annex 4 requires resubmission by 15th business day in April, rather than by the 10th business day, as in PTL and BGTL modifications.

Yours sincerely,



Emma Jayne Armstrong
Head of Finance and Compliance
Mutual Energy Ltd

