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SSE response to the Utility Regulator's consultation paper on implementing the European Gas Regulation (EC) 715/2009

28th February 2013

Thank you for giving SSE the opportunity to comment on the Utility Regulator's consultation on implementing the European Gas Regulation (EC) 715/2009.

SSE is one of Ireland's leading energy utilities, and Northern Ireland's second largest energy supplier, with over 300,000 gas and electricity customers. SSE has been supportive of the CAG workstream, and the development of an efficient, economic and coordinated gas industry on the island of Ireland.

We would agree that implementing Gas Regulation (EC) 715/2009 will require fairly substantial changes at an industry and regulatory level. We would also note that timelines for implementation are currently unknown and likely to be fairly compressed if infringement proceedings are initiated.

SSE would highlight one specific concern with the approach proposed in the consultation paper: the primary focus appears to be capturing the benefits of single system operation, as opposed to achieving compliance with the Gas Regulation. As the consultation paper notes, there are a number of interdependencies within the project timetable outlined. The timetable will also likely be subject to factors outside of the Utility Regulator and industry's control.

While we agree that delivering a simplified transmission regime in Northern Ireland would provide long term advantages for users, system operators and regulators, we are concerned that implementation is unlikely to receive the time required to effectively capture those advantages. Rushed implementation would lock in long-term costs for participants. Therefore, we believe that the expected timetables for compliance should be a primary consideration in determining whether to proceed with a single system operation project.

I hope that you find SSE's comments on this consultation helpful, if you wish to discuss any aspect of our response in more detail, please do not hesitate to contact me.

Yours

(Sent electronically)
Connor Powell