

Bord Gais Energy
City Quarter,
Lapps Quay,
Cork,
Ireland.

25 November 2010

Dear Sir/Madam

Bord Gáis Energy (BGE) welcomes the opportunity to comment on the discussion document NTS GCD 09: NTS Enduring Exit Capacity Charge Setting.

Bord Gais Energy is a major shipper and supplier operating in both the Northern and Southern jurisdictions in Ireland serving a significant amount of customers ranging from residential to larger powergens. Currently circa 95% of our gas demand flows through Moffat and hence we are extremely reliant on UK supplies and associated Transportation charges.

Regarding the indicative tariffs published for Moffat, it is evident that using baseline plus incremental has led to an overinflated exit charge due to unrealistic demand signals received. The technical capability and forecast peak demand at Moffat both exceed the current booking levels for gas year 2012 by well over 100 GWh. Given the fact that once capacity is booked (over and above a shippers enduring rights) it is subject to a 4 year commitment period, our opinion is that a fear exists amongst shippers that if sufficient levels are not booked, then the capacity will be substituted to another exit point. As the island of Ireland is hugely reliant on GB for its gas demand from a security of supply aspect as well as from a physical aspect, hence it seemed more sensible to err on the side of caution and book more rather than less capacity. In addition to this it is also extremely difficult to forecast demand 7 years out, particularly so in the current economic climate we find ourselves in.

BGE is of the opinion that the most accurate data that should be used is that of forecast peak demand data at Moffat which is published annually each year in the Joint Gas Capacity Statement between the regulatory authorities in Ireland.

We would also suggest permitting applicants to revise their current bookings on an annual basis during the July booking window as this would undoubtedly lead to better and more accurate capacity requirement signals hence a more realistic tariff.

BGE would strongly support a target implementation date of 1st May 2011 in anticipation of tariffs being revised thereafter to more realistic levels.

I hope you find our comments useful and please do not hesitate to contact us should you require any further clarification on our position

Regards,

A handwritten signature in cursive script that reads "Aine Spillane". The signature is written in black ink and is positioned below the typed name.

Áine Spillane