

Energy



Department of
**Enterprise, Trade
and Investment**

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Mr Douglas McIlDoon
Chairman
Northern Ireland Authority for
Energy Regulation
Brookmount Buildings
42 Fountain Street
BELFAST BT1 5EE

2 March 2005

Dear Douglas

**APPLICATION BY PREMIER TRANSMISSION LIMITED (PTL) FOR NEW
CONVEYANCE LICENCE TO FACILITATE THE MUTUALISATION OF SNIP**

Thank you for your letter of 28 January 2005 requesting the Department's consent to the granting of a new conveyance licence to Premier Transmission Limited (PTL), as required under Article 8(2) of the Northern Ireland Gas Order 1996 (as amended by the 2003 Energy Order). A copy of the proposed licence was included with your letter.

DETI considers that the Licence is consistent with the objectives outlined by the Authority in the consultation paper and has reviewed the comments made on that paper.

Subject to your assurance that it will capture all productive efficiencies and that it has all the appropriate incentives in place to deliver the estimated consumer benefits, DETI is content that the conveyance licence should be issued to PTL.

Finally, I would ask that you carefully monitor the use of the Adverse Regulatory Event and notify DETI in advance of any potential use of this facility.

Yours sincerely

JENNY PYPER
Head of Energy Division

nier
NORTHERN IRELAND AUTHORITY
for ENERGY REGULATION

Our Ref:

Your Ref:

Murdo Maclean
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04 March 2005

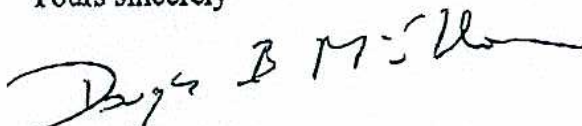
Dear Murdo

I refer to the letter from the Department of Enterprise, Trade and Investment (the "Department") addressed to the Authority and which was dated the 2th March 2005, in which the Department consented to the grant of a conveyance licence (the "New Licence") by the Authority to Premier Transmission Limited ("PTL").

As you know, this letter makes reference to an assurance that the New Licence will capture all the productive efficiencies and that it has all the appropriate incentives in place to deliver the estimated consumer benefits.

As requested by you, I confirm that the assurance referred to in the letter has been given.

Yours sincerely



Douglas McIlldoon

Chairman
Northern Ireland Authority for Energy Regulation