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Mr. Brian McHugh
Gas Transmission Branch
Ofreg
Brookmount Buildings
42 Fountain Street
Belfast BT1 5EE

RE: Response to consultation paper: Incorporating the South North Pipeline into the Northern Ireland Gas Transmission Regime.

Dear Brian

Thank you for providing Electricity Supply Board with the opportunity to comment on the paper "incorporating the South North Pipeline into the Northern Ireland Gas Transmission Regime".

ESB is a registered as a UK and RoI Shipper, shipping gas from NBP to Moffat and from Moffat to exit points in the RoI.

In the current environment, ESB power generation is not active in the Northern Ireland gas market, nor are there any immediate plans to enter this market in the near future, the basis of our response is to foster and encourage the positive synergies that may be generated by the development of an all island market and thus leading to a win / win scenario for all participants involved in this market, our response is intended to be general, and not intended to address the specific questions outlined in the paper.

We appreciate the level of complexity involved in getting workable interim arrangement in bringing together a number of pipeline systems, interconnectors, codes of operations and jurisdictions, we hope that our feedback will assist you in attaining a practical solution that works for all interested parties.

The Key points that may assist in simplifying the operation of the NI system and be a positive transitional step towards an all island gas network:

- Interim arrangements should make every effort to move the Irish Gas transportation systems towards an all island market.
- Should facilitate Northern Ireland industry participants the option to avail of gas from the island of Ireland (from Inch and Corrib)
- Alignment of tariffs methodologies and convergence of tariffs would ease the transition between two separate markets towards an all island market.
- It would seem sensible to implement common Entry Exit or postalised regime. We feel this issue should be considered to avoid the scenario where by a Northern Ireland Shipper attempting to purchase gas at IBP, could be subject to pancaking of charges which may act as a barrier to trade.
- Should give NI industry participants the option to trade at the Irish Balancing Point (IBP), where by a market participant operating in the all island network can avail of equal commercial opportunities, regardless of jurisdiction.
- A single Transmission system operator managing an all island network utilising a harmonised set of rules and code of operations. This should lead to savings for participants and end user customers due to better utilisation of resources and economies of scale.
- Endeavour to work towards an all island market leading to a simplified system and an optimal operational system.
- Create market opportunities for NI shippers/suppliers in an all island single market.

We hope you have found these comments useful. Please do not hesitate to contact me if you wish to discuss any of the above

Yours Sincerely

Conor Purcell

Manager Gas Regulation
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ESB Power Generation