

Re: Code Modification Proposal 067 – Compensation payments to Users whose gas flows are curtailed into the system following instructions received from the NEC

Proposer: Centrica Storage Limited

Bord Gais Eireann (BGE) are writing in response to the request for comments on the above named document.

BGE, in its capacity as a UK NTS shipper wish to highlight their strong support for the above named proposal put forward by Centrica Storage Limited.

Appropriate compensation payments for storage users whose gas flows from storage have been curtailed by notice from the Network Emergency Coordinator are imperative, especially in the event that storage shippers were unable to access stored gas due to circumstances beyond their reasonable control. Shippers would then be forced to source gas supply elsewhere and at a far higher cost than gas in store and hence highlighting the need for appropriate compensation. This effectively penalises Shippers who had additional gas for their demand.

We support CSL's view, that without such compensation, storage products will not be seen as having a sufficient financial benefit for shippers and would therefore act as a disincentive to acquiring more storage products and undermine its' inherent value in the future.

Conversely, if such compensation payments were made available to storage shippers, there would be less contractual risk involved and shippers will continue to use and value present and future storage products.

We also believe that the existence of the storage monitors will encourage shippers to withdraw gas from storage early in the Winter, which may have serious implications if there is a cold snap later in the Winter.