

Our ref: SE/ds160309

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Consultation on Modification Proposal 0243: 'Amendments to the process for initialisation of Enduring NTS Exit (Flat) Capacity at the Moffat NTS Exit Point'

Dear Helen

Thank you for providing us with the opportunity to comment on the above consultation. This letter is the response of Phoenix Supply Ltd.

Phoenix Supply Ltd is the largest natural gas supplier in Northern Ireland, supplying over 123,000 domestic and business customers in the Greater Belfast licence area. The entire gas requirements for our customers are shipped through the Moffat Exit Point.

As a downstream supplier of the Moffat Exit Point we support Modification Proposal 0243 for the following reasons:

- The retained linkage between traded volumes and capacity booking would enhance competition and liquidity in the wholesale market at Moffat;
- The enhanced competition would lead to improved efficiency in the wholesale market at Moffat;
- Retaining the link between traded volumes and capacity booked would provide more reliable signals of NTS exit capacity requirements at Moffat. This will also improve the utilisation of booked NTS exit capacity at Moffat;
- Overall costs at Moffat could be expected to reduce as there would be a closer match of booked NTS exit capacity with traded volumes;
- New supply sources are being developed in Ireland thus Moffat will be subject to increased supply competition. With improved efficiency and competition in the whole markets and lower overall capacity charges,

Moffat will become more competitive as a source of gas for the Irish markets; and

- 100% of gas demand in Northern Ireland is sourced at Moffat therefore it is crucial that there is sufficient Moffat capacity to ensure security of supply. The Modification retains the link between booked capacities and traded volumes which addresses the problem that NTS users may not be in a position to signal downstream capacity requirements for Moffat capacity.

We believe that Modification Proposal 0243 takes appropriate account of the unique nature of the Moffat Exit Point in that it supplies three separate jurisdictions (i.e. Northern Ireland, Republic of Ireland and the Isle of Man) and it has therefore our full support.

Should you wish to discuss any aspect of our response to this consultation in further detail please do not hesitate to contact me.

Yours sincerely

Stephen English
Gas Trading Manager