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Mr Aidan Bugler
Bord Gais Eireann
Gas Works Road
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15th November 2005

Dear Aidan

BGE (NI) Proposed Modification Number 2

Phoenix Natural Gas welcomes the opportunity to respond to the BGE (NI) Modification Proposal number 2. This response is made on behalf of Phoenix Transmission.

Firstly Phoenix agrees that the PTL, PNG Transmission and BGE (NI)'s code should be consistent and we feel it appropriate that BGE (NI) code is amended to reflect the PTL code.

We would however ask BGE (NI) for clarification on how a Shipper on the North West pipeline such as BGE (NI) Distribution would pay for an interruptible service. We are concerned that this service could impact on the postalisation regime. For example would BGE (NI) Distribution be able to utilise interruptible capacity on the North West pipeline and therefore require a reduced firm capacity booking. This would result in a reduction in postalised capacity charges for BGE (NI) Distribution which impacts on all three Designated Pipeline Operators. We note that for gas year 2005 / 2006 BGE (NI) Distribution have secured significantly less capacity than that assumed in the calculation of the postalised tariff for the current gas year.

We look forward to hearing BGE (NI)'s response to the questions raised in this letter.

Yours sincerely

Joanne

Joanne Quinn
Transportation Services Manager
Phoenix Natural Gas