

Stephen English
GMO NI
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15 January 2020

Dear Stephen

Thank you for providing firmus energy (Distribution) Limited (feDL) with the opportunity to respond to the Initial Modification Report (IMR) No.8, published in December 2019.

As previously stated in feDL's response to Gas Market Operator Northern Ireland's (GMO NI's) Imbalance Tolerance Review Report, published in July 2019, feDL recognises the vital role that the GMO NI plays in ensuring that both the Transmission and Distribution networks in Northern Ireland are balanced and are therefore supportive of measures taken to continue to ensure the networks are balanced as efficiently and effectively as possible. However, as highlighted in the IMR, Shippers (particularly non-power station Shippers) have raised a number of concerns relating to their ability to manage their balancing within lower tolerance levels. feDL acknowledges the compliance requirement and the decision to proceed with the proposed tolerance level reductions in two phases, however, feDL welcomes the GMO NI's commitment to monitoring and assessing industry performance following the implementation of Phase 1. feDL considers this to be a critical element of the transition to Phase 2 and there must be an opportunity to address any adverse impacts of the tolerance reductions prior to its implementation.

feDL considers the proposed changes to the definitions of the load categories, aligning Category 3 with the Daily Metered sector, to be appropriate and are supportive of this change.

As consistently stated by feDL, in the absence of any additional within-day information available to Shippers, the only approach that Distribution Shippers can take to help ensure that the Transmission and Distribution networks are balanced within-day is to Nominate as per the forecast information provided by the DNOs.

feDL therefore considers that a mechanism that introduces a greater link between Shipper Nomination advice and Shipper Nomination behaviour should now become a priority workstream. In terms of the proposed changes to rules regarding Exit Reallocations, at this early stage of discussions regarding any potential mechanism to link the Transmission Nominations with DNO forecasts at the Distribution Exit Points, feDL would suggest that any amendments in this regard are considered in the context of a review of the Transmission Nomination and Allocation arrangements.

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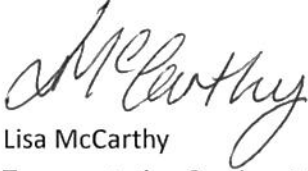
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feDL would be happy to discuss any of the points raised in this response further with the GMO NI.

Yours sincerely



Lisa McCarthy

Transportation Services Manager

firmus energy (Distribution) Limited