Dear Joanne

Re: Phoenix Transmission Modification Proposal Number 2

Thank you for your recent submission of the Final Modification Report in respect of the above named modification.

The Northern Ireland Authority for Energy Regulation (NIAER) has reviewed the report and concludes that it would better facilitate the “relevant objective” as defined in your gas conveyance licence.

Accordingly, and as required by Section 9 of your Transmission Network Code Modification Rules, NIAER now instructs Phoenix to implement the proposed modification with effect from 17 February 2006.

Please note there is some wording that we may revise if/when Phoenix’s business is separated out into Transmission/Distribution/Supply during the requisite modification to licences and codes.

The wording in question relates to Section J: General paragraph 6.3 (a) and (b), which will state following implementation, “…an amount equal to 2% of the total postalised revenue of Phoenix…” Any revised wording will have the intention of clarifying precisely the revenue in question, perhaps by changing the word “postalised” to “Licence”, and also to tighten the definition of “Phoenix”.

Yours sincerely

Dermot MacCann
For and on behalf of NIAER