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September 2005

Mr. Andy MacFaul
Head of Government Affairs
Ofgem
9 Millbank
London
SW1P 3GE

RE: Ofgem's Five Year Strategy 2006-2011

Dear Sir,

Electricity Supply Board welcomes the opportunity to contribute towards the development of Ofgem's next five year strategy.

ESB is a registered Gas Shipper in the United Kingdom, trading at the NBP and at Moffat, our response to Ofgem's five Strategy in this capacity is captured under the comments in the Gas Forum group response submitted in September 2005.

ESB is registered in Ireland as a gas shipper and in this context we would like to offer the following views in addition to the Gas Forum views to assist in the development of the five year strategy.

1. Key Challenges facing the industry in the short to medium term

The majority of Ireland's gas is shipped through the United Kingdom gas transportation network. We see security of supply for Ireland, Northern Ireland and the Isle of Man and adherence to the governmental treaties in place as key challenges for Ofgem going forward.

We consider it is critical to ensure that strategies developed, do not have a negative impact on the physical or commercial operations of Gas markets of the European member states that are dependant on the UK gas market.

Future impact assessments being carried out for significant industry changes should include impacts on Ireland, Northern Ireland and the Isle of Man jurisdictions.

2. The Action the Authority should take

We see a key task for the authority is to ensure that the principles of Better Regulation are adopted.

Actions of Ofgem could have a negative consequential effect within markets, which have a dependency on the UK gas market for the physical supply of the commodity.

3. Priority Areas of work for the Authority

The priority for the Authority in addition to those outlined by the Gas Forum would be to consider as a priority the impact of Ofgem's decisions on the Ireland, Northern Ireland and the Isle of Man markets.

The ESB welcomes the opportunity to partake in this consultation and hope our response will add value to Ofgem's Five year strategy.

Yours Sincerely

Conor Purcell

Manager Gas Regulation
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