

UNC Representation received by Email

0678 - Amendments to Gas Transmission Charging Regime

Date: 05 March 2019

Organisation: Manx Utilities

Abstract:

The Isle of Man is Crown Dependency situated in the Irish Sea which through its ancient parliament, Tynwald, enjoys a high degree of domestic legislative and political autonomy. Manx Utilities is a Statutory Board of Tynwald with responsibility for providing customers on the Isle of Man with safe, reliable, efficient and economic supplies of electricity, natural gas (transmission), and clean water; as well as processing waste water and delivering flood management services. We are the Isle of Man's designated competent authority in respect of the electricity and natural gas markets, and act as the island's sole gas shipper with responsibility for securing all of the island's natural gas for both our own use, as the island's integrated electricity supplier and generator, and on behalf of the sole domestic gas supplier, Manx Gas Limited. The Isle of Man is a geographically isolated jurisdiction with a population of 83,000 and a heavy reliance on using natural gas for its energy needs, all of which is sourced from Gas Network Ireland's IC2 interconnector routed through the Moffat IP.

It has been drawn to our attention that in the workgroup discussions for Mod 0687I, the extent of recognition from impacted parties that the Moffat Interconnector is infrastructure ending isolation has been discussed. In light of this, Manx Utilities would hereby like to formally note that we do recognise the Moffat IP as Infrastructure ending isolation.

The Isle of Man electricity sector relies heavily on natural gas as the primary generating fuel for more than 80% of the electricity that is produced on the island, and although other alternative back-up types of generation exist on the island, including a direct subsea electricity connection to GB and some much older uneconomic diesel-fired generation reserved for security of supply purposes, gas-fired generation is the lynchpin of our generating portfolio and vital for the economic competitiveness of the island as a whole.

Furthermore, over 20,000 domestic customers (out of a total of 36,000 households) across the island rely on natural gas for their heating needs, including many vulnerable customers, together with industrial and commercial users across a wide range of our economic sectors.

Given the lack of practical options for switching to alternative sources of heating and power, we are very concerned that there may be a significant cost impact both for electricity and natural gas customers as a result of implementation of modification 0678 which could have both economic and wider social implications for the Isle of Man as a whole. We wish to have this letter noted by Ofgem and the workgroup to highlight our concerns, and would ask that they are taken into account in the

consideration of all of the 0678 alternatives, but particularly in respect of the Ireland Security Discount proposed as part of Mod 0678I.

Regards

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