



An Roinn Cumarsáide,
Fuinnimh agus Acmhainní Nádurtha
Baile Átha Cliath 2.

Department of Communications,
Energy and Natural Resources,
Dublin 2.

30 July 2010

Received 4/8



[Redacted]
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Unbundling of BGÉ's Transmission System Operator Arrangements

Dear [Redacted]

I am writing in regard to the unbundling of BGÉ's Transmission System Operator arrangements in order that Ireland may achieve the necessary legal compliance with EU Gas Directive 2009/73/EC.

The Minister has decided in consultation with the Minister for Finance that the Independent Transmission Operator (ITO) model is the model most appropriate for the gas market in Ireland and for BGÉ. The Minister's decision was made in line with the Department's advice after careful consideration of the merits of the three available options and with the benefit of an independent consultancy report.

Implementation of the model will be challenging for BGÉ as a whole and for Gaslink but we are confident that the organisation will rise to the challenge. The decision in relation to the model will also underpin delivery of the common arrangements for gas project being jointly progressed by the CER and NIAUR with Ministerial agreement North and South.

We will stay in touch with you on the process of both transposition and implementation of the Directive.

Yours sincerely

[Redacted signature]

[Redacted name]

