

Hi,

At the last code mod. GNI requested industry responses to your slides, having looked at these points in more detail Statoil has the following comments to make:

Change of 2nd Tier Multipliers - Statoil disagree with the proposed changes to the second tier multipliers, In our presentation as part of IOOA we outlined the removal of all tolerances and one cash out price to be appropriate for Irish market. Power Generators all over the EU cope with daily & hourly balancing regimes therefore we don't understand why the power generators are unable to do the same in Ireland. We believe the price should be set by the balancing / trading platform with SAP being the fall back should no trades occur on the balancing / trading platform. This is the methodology applied in other EU countries and we remain concerned that GNI are looking to apply something quite different.

Balancing Platform - We require clarification on why this option is being considered as the EBI Platform is about to go live in the very near future? Is the intention to run a balancing & trading platform separately? In terms of liquidity it isn't possible for the IBP to support 2 platforms and we would like to confirm if GNI have a view on what fees would be charged per trade. We do have the following comments:

- Prices should be in pence per therm and the minimum quantity should be decided by GNI.
- Bids or offers should be accepted in price order and not just 1 bid midway down the price stack that has the full volume you require. This would enable more shippers to be active on the platform boosting liquidity and providing transparent prices to IBP.
- Shippers should have the facility to adjust their bids/offers until a balancing action is taken at which point the price becomes firm.

We welcome your proposal to improve the information flows around VRF on GTMS platform.

We welcome the publication of linepack information and feel this is the 1st step towards creating a fully functioning IBP market.

Apologies for the delay in coming back to you but a combination of holiday and sickness has left me out of the office recently. I look forward to further discussion at the next code mod. And remain available to speak before if needed.

Best Regards

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