

18 July 2014

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Statoil Gas (Hibernia) Limited

1 of 1

Market Arrangements,
Gaslink Independent System Operator Limited,
Gasworks Road,
Cork,
Ireland

Sent by email to marketarrangements@gaslink.ie and ahogan@gaslink.ie

Dear Sir or Madam,

Re. Code Modification No. A062 'Capacity Allocation Mechanisms at Interconnection Points'

Statoil Gas Hibernia Ltd (SGHL) welcomes the opportunity to respond to the consultation on the above code modification. SGHL and our parent company, Statoil ASA, support the measures to introduce uniform arrangements for capacity at interconnectors in the European Union, provided that TPA exemptions, where granted, are not affected. We do however wish to make some specific points on issues we face as an Irish producer.

First, we note that the withdrawal of secondary capacity services is a necessary consequence of the implementation of the CAM Network Code. Back-up Entry Capacity and Entry Point Transfers were specifically introduced to help domestic producers, and therefore their removal will result in increased costs and risks to them. Therefore, given the characteristics of the Irish gas market, specifically the paucity of alternative options such as field substitutions, we would welcome a commitment from Gaslink and the CER to be sympathetic to future proposals to mitigate the impact of this change.

Second, such a change makes increases the imperative of there being an ample regime for virtual reverse flow (VRF) to allow ample flexibility for shippers. We believe the service should ensure the capacity available for VRF is maximised, on an as firm as possible basis and with attractive tariffs, and that the flexibility for VRF is the same as for forward flow. We understood this to be indicated in the letter of 19th February 2014 from Gaslink to IOOA (of which Statoil is a member).

We would welcome an opportunity to discuss these views with you further.

Yours sincerely,

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David Robinson
Statoil Gas (Hibernia) Limited

Due to electronic transfer this has not been signed