



July 18, 2014

Market Arrangements
Gaslink Independent System Operator Limited
Gasworks Road
Cork
Ireland

Dear Sir or Madam,

Re: Code Modification A062 – Capacity Allocation Mechanisms at Interconnection Points

In response to the subjected proposed code modification, Vermilion Energy Ireland Limited (“Vermilion”) respectfully welcomes the move to adopt uniform procedures for capacity at interconnectors across markets. However, there are specific points in which may be concerning to Irish producers such as Vermillion.

Firstly, it would be of utmost importance to producers, shippers, and also Gaslink to have a robust virtual reverse flow (VFR) regime. Vermilion requests that such virtual reverse flow services, for all practicable purposes, having the same flexibility as forward flow and that the capacity available for virtual reverse flow is maximized on a firm basis, with a reasonable tariff for the service rendered.

Secondly, Vermilion would also like to express the concern of the consequential withdrawal of Secondary Capacity services that were specifically designed to assist producers (Back-Up Entry Capacity and Entry Point Capacity transfers). It is understood that the required bundling of capacity across interconnectors means that such services can no longer be provided. However, the removal of Secondary Capacity services will increase the costs and operational risks that producers and shippers may face in Ireland. Therefore, it is kindly requested that Gaslink and CER consider future proposals of minimizing the impact of withdrawing Secondary Capacity services.

Please consider the above as an opportunity to discuss further together.

Best regards,

Chi Chan
Vermilion Energy Inc.
On and behalf of
Vermilion Energy Ireland Limited