

Kinsale Energy Limited (KEL) notes that the implementation date for the systemisation of this code mod is the 1<sup>st</sup> of April 2016. KEL has already informed GNI and the CER through the Network Development Statement 2015 that it intends to cease its storage service on the 30<sup>th</sup> of April 2016 with the potential to extend a reduced storage service by one more year until the 30<sup>th</sup> of April 2017 if favourable economics exist. GNI should identify the costs associated with systemising the required changes for this code mode and determine whether the systemisation should occur considering that storage may no longer be at Inch beyond April 2016.

KEL has the following comments on the business rules:

2.3 / 2.4 – The split between storage and production is too prescriptive. In the coming years higher levels of production gas will be entering at Inch than has been evidenced over previous years. KEL suggest that capacity bookings at Inch between storage and production should be on a first come basis – this ensures that the technical capacity at Inch will be managed in an efficient manner.

2.7 – KEL is concerned that if insufficient information is supplied that automatically all metered gas will be assumed to be production gas. Will GNI be highlighting that insufficient information has been provided? What is classed as insufficient information? The Inch Agent should have an opportunity to correct any missing or incorrect information that is identified by GNI. This needs to be discussed in more detail.

2.9 – In 2.9 of the business rules the application of shrinkage is incorrect. Shrinkage is not applied at the Storage Exit point and not applied on that portion of storage gas that enters at the Storage Entry Point that was previously sourced and injected from the GNI system. Shrinkage applies at the Production Entry Point and applies on that portion of storage gas that enters at the Storage Entry Point that was previously sourced and injected from offshore indigenous gas fields.

Best Regards,

Brian