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Gas Networks Ireland Attn.: Kieran O'Sullivan P.O. Box 51,Gasworks Road Cork Ireland

Dear Kieran,

Statoil welcomes the opportunity to respond to your consultation regarding the Back-Up Capacity Arrangements under new tariffing regime.

Statoil fully supports this proposal from IOOA. We believe it is unfair to penalise shippers who will end up paying the smeared tariff twice under the present regime. We feel implementation of this modification will support the integrity of the Irish Gas Network particularly during supply outages and enable flows to remain constant within it. We also feel that on a "difficult day" shippers not having to pay the smeared tariff will ensure shippers will be encouraged to bring gas into Ireland thus enhancing security of supply within Ireland.

Kind regards

1. J. Bule

Terry Burke

Regulatory Affairs Adviser, Statoil (U.K.) Limited