

Received via email to [MarketDevelopment@GasNetworks.ie](mailto:MarketDevelopment@GasNetworks.ie)

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Dear Aidan,

Thanks for the opportunity to respond to the Code Modification proposal regarding A070 Inch Storage Exit Point.

The wording of clause 2.9 in the proposed Business Rules is:

*“As per the requirements of Code Modification A052 ‘Shrinkage Charges Associated with Gas Delivered From Storage’ (approved by CER and effective from 1 October 2014), shrinkage charges will not be applied in respect of gas allocated to the Inch Storage Exit Point and shrinkage charges will be applied in respect of gas allocated to the Inch Production Exit Point.”*

To our opinion the wording in clause 2.9 of the Business Rules is not correct.

To our understanding shrinkage charge should not be applied for:

- Inch Storage Exit point
- Inch Storage Entry point, as far as the gas originally stems from the GNI grid.

Shrinkage charge should be applied for:

- Inch Production Entry
- Storage gas entering at Inch Storage Entry Point that was originally sourced from Kinsale / Seven Heads.

Furthermore there will be no Inch Production Exit Point.

Please let me know if you have any questions.

Kind regards,

Henk Kreuze

Vermilion Energy Inc.

On behalf of

Vermilion Energy Ireland Limited