



Statoil (UK) Ltd

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Our reference  
STUK response 0284

Administrative officer  
Shelley Rouse

Bob Fletcher  
Modification Panel Secretary  
Joint Office of Gas Transporters  
Ground Floor red, 31 Homer Road, Solihull  
West Midlands  
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Dear Bob,

**Modification Proposal 0284: Removal of the Zero Auction Reserve Price for Within-day Daily NTS Entry Capacity**

Thank you for the opportunity to comment on the above modification proposal. Statoil (UK) Ltd (STUK) is in support of this proposal and as such would like to make the follow comments.

STUK are members of the Entry Capacity Review Group, and support the conclusion of the group that a phased approach to a change in the UK Entry Capacity charging regime would be the most successful.

STUK believe that this modification proposal, as the first of a number of proposed changes, is essential to limit the level of cross subsidisation currently experienced in the UK Entry Capacity market between shippers purchasing long term entry capacity and those buying on the day. The removal of the zero auction reserve price for within-day entry capacity will be the first step in encouraging players to book capacity in the long-term auctions increasing auction recovery and reducing the TO commodity charge.

STUK support the views of the proposer that the implementation of this modification will better facilitate the achievement of the relevant objectives; A11 (a) by encouraging longer-term booking of entry capacity, and A11 (d) by reducing the large quantities of zero priced NTS Entry capacity released, encouraging shippers to purchase longer term and encourage further utilisation of the secondary market.

If you have any questions relating to this response please contact me on the below number.

Kind regards

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