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Our reference
STUK response 0285

Administrative officer
Shelley Rouse

Statoil (UK) Ltd

Bob Fletcher
Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor red, 31 Homer Road, Solihull
West Midlands
B91 3QJ

Dear Bob,

Modification Proposal 0285: "Use it or lose it" (UIOLI) Interruptible capacity only to be released when there is at most 10% unsold Firm 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. This proposal although if implemented will have a limited impact on its own, is one of a number of proposals considered by the Entry Capacity Review group to help to reduce the level of cross subsidy currently experienced in the UK Entry Capacity regime.

By limiting the amount of UIOLI interruptible capacity that is available within day, early booking of capacity will be encouraged. An increase in long term entry capacity bookings will increase auction recovery and in turn reduce the TO commodity charge. It will also encourage firm capacity utilisation and potentially help to improve liquidity in the secondary capacity markets.

STUK agree with the proposer on the areas in which this proposal better furthers the relevant objectives and has nothing further to add.

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

Kind regards

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