

8 June 2007



Julian Majdanski
Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands B91 3QJ

Dear Julian,

Re: Draft Modification Report 0136

Corona Energy ("Corona") wishes to submit the following in response to the above draft modification report.

Corona does not support the implementation of this modification proposal.

The proposal records the fact that it has been submitted in response to Ofgem's earlier rejection of modification proposal 0096. In summary this proposal mirrors 0096 except that it applies a small discount to the relevant transportation charge.

In its conclusions to proposal 0096, Ofgem stated that the current exclusion; *"provides an incentive on shippers to proactively monitor and pursue threshold crosser appeals."* Corona believes that this proposal, consistent with 0096 will undermine this incentive and only succeed in worsening current shipper performance in this regard. Corona fails to see how an insignificant and purely arbitrary discount to the relevant transportation charges will counter the negative impacts of removing the time dependent exclusion criterion.

As a result Corona does not believe that implementation of this proposal will better facilitate the Relevant Objectives. In fact, due to the erosion of the incentives on the shipping community we would argue that its implementation would worsen the current situation and detract from the Relevant Objectives.

We trust you find our comments useful and if you have any questions then do not hesitate to get in touch.

Yours sincerely

James Crosland