

**Statoil (U.K.) Limited
Gas Division**

Statoil House
11a Regent Street
London SW1Y 4ST

Switchboard: 020 7410 6000
Central Fax: 020 7410 6100
Website: www.statoil.co.uk
Email: rstreet@statoil.com
Direct Line: 020 7410 6071
Direct Fax: 020 7410 6108

Mr. Julian Majdanski
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ
enquiries@gasgovernance.com

Thursday, 10 May 2007

Dear Julian,

Re: Modification Proposal 0141 and 0141a: Revision to the 'User Suppressed Reconciliation Values' Financial Incentives Arrangements'

Thank you for the opportunity to comment on the above modification proposal. Statoil (UK) Ltd (STUK) is in support of modification proposal 0141 and not in support of 0141a. STUK would like to make the following comments.

STUK believes it is important that all Shippers act appropriately to resolve new and existing USRVs. While in exceptional circumstances there can be legitimate reasons for USRVs taking some time to resolve, in most cases these should be resolved in a reasonably prompt manner.

By releasing the current £100,000 cap on the existing regime as suggested in modification proposal 0141, STUK believes the current incentives may work more effectively in the short-term. STUK is unconvinced by the arguments put forward in modification proposal 0141a which appear to reduce the short to medium term incentive on Shippers as a result of the retention of the cap.

Although STUK does not support the solutions suggested by modification proposal 0141a, STUK would welcome further industry discussion of the issues raised by EON.

STUK trust that our comments will be given due consideration and should you wish to discuss any aspect of this response further please contact me on the above number.

Yours faithfully

Richard Street*
Statoil (UK) Ltd

**Please note as this letter has been delivered electronically this letter is unsigned*



ISO 14001 Certificate 156



ISO 9002 Certificate No. 34477