

Representation For.0036
"Limitation of incremental capacity offered in QSEC auctions"

Julian Majdanski
Modification Panel Secretary
Joint Office of Gas Transporters
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Dear Julian,

Urgent Modification Proposal 0036: "Limitation of incremental capacity offered in QSEC auctions"

Thank you for the opportunity to comment on the modification proposal. Statoil (UK) Ltd. (STUK) would like to make the following comments.

STUK does not support this modification. The primary justification for this modification appears to be to ensure that the UNC is in line with the IECR yet it is not clear what opinion was given under that consultation process which prompted the changes in the IECR or whether any reasons were given on why Ofgem did not veto the changes. It is also not clear that the IECR should be driving changes in the UNC, both are required through the Transco NTS license and interact with each other but STUK would assume that the UNC be the appropriate method through which change is driven as it is the most open and transparent of the two.

Furthermore STUK believe that Transco NTS should manage its exposure to buybacks through the various tools currently at its disposal, i.e. buying back on a forwards basis or through options. The changes as set out will give Transco NTS the option to avoid such costs by building is extended lead times on capacity projects.

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 sincerely

Robert Cross
Regulatory Affairs Manager