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Joint Office of Gas Transporters  
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07 October 2005

Dear Julian,

**Modification Proposal 0049: 'Optional Limits for Inert Gases at System Entry Points'**

Thank you for the opportunity to comment on the above consultation. Gas quality requirements are of great importance in the UK as it becomes increasingly dependant on imported gas supplies. As such Statoil (UK) Limited (STUK) would like to make the following comments.

STUK believe that the inert gas limits suggested in this modification, which are in line with the EASEE-gas draft document "Harmonisation of Natural Gas Quality", are acceptable considering that more than 40% of the gas brought into the NTS comes from Sub-Terminals which have 'legacy' carbon dioxide levels above the 2.5% suggested in this proposal.

As the gas produced from the UKCS begins to decline and the UK becomes a net importer of gas, it is essential that security of supply is guaranteed. STUK understand that it is important for the UK to make provision to import higher specification gas ensuring the ability to meet the EASEE-gas recommended levels of inerts and help to ensure a security of supply from the continent. STUK agree that if implemented this modification would send positive signals to investors, creating incentive for producers to develop new proven gas fields with higher inert components (including additional UK fields), and increase the number of gas sources able to flow to the total System.

STUK support the enabling nature of this modification and can see the clear benefits of offering the optional limits to all Delivery Facility Operators. It seems sensible that this change be made in one modification giving all Delivery Facility Operators the opportunity to alter their inert limits to a common level within GSMR.

As well as improving security of supply STUK consider that this modification will better the relevant objectives of the Gas Transporters Licence, in particular A 11 (d) as increasing the



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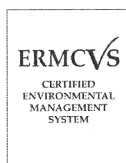
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limit for inert gases will allow for additions supplies and the potential for new supplies to be developed which should increase competition between shippers and suppliers.

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

Shelley Jones  
Regulatory Affairs Advisor



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