

Representation For. 0071a
"User Compensation for NEC Storage Curtailment"
Version 1.0

Date of Communication: 19/12/2005
External Contact: (Statoil (Uk) Gas Limited)
Slant: Against
Strictly Confidential: No

Dear Julian,

Modification Proposal 0071 and 0071a 'User Compensation for NEC Storage Curtailment'

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

Whilst STUK is aware that modification 0052, does not provide a perfect solution to the issue of compensation to Users who's storage supplies have been curtailed by the NEC, we believe that given the advanced nature of the winter period and the extremely short time scales given to consider mods 0071 and 0071a, support to any further changes cannot be given at this time.

STUK appreciate that modification proposals 0071 and 0071a both contain areas of merit, but feel that they require further development as suggested in the introductory paragraph of proposal 0071a.

STUK believe that the implementation of mod 0052, provides a reasonable level of compensation required to alleviate the cashout regime introduced by the implementation of mod 0044, for this winter and believe that the status quo should remain until a complete review can take place in the spring.

Given the number of changes to the emergency processes already introduced this winter and the confusion that still exists around the implementation of 0044, STUK believe that any further changes at this time will add further complexity and limit the industries ability to respond to an emergency.

The number of Urgent modifications raised this winter, as a correction or adjustment to the implementation of another Urgent Modification (0052 and 0071/0071a as a result of 0044), demonstrates that the industry needs time to consider the full affect of implementing these proposals.

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