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Tuesday 12 September 2006

Dear Tim

**RE: UNC Modification Proposal 0108 Publication of Near Real Time Data at GB Storage Sites**

Statoil U.K. Limited (STUK) supports this proposal. Providing a single gas flow data point, encompassing all Storage Facilities, will work towards mitigating some of the risk imposed by the implementation of Modification Proposal 006, in exposing the commercial position of a market participant.

Whilst we uphold previous arguments, made by STUK in response to UNC006 and the overall affects on the market, we recognise the unique position of Storage Operators, as identified by the Proposer in Modification Proposal 108. It is wholly inappropriate for the market to gain complete visibility of how Storage Facilities are performing against their contracted positions, through the disclosure of real time information. It is our understanding that the 10mcm/d de minimis, included within UNC006, was suggested to prevent disclosing the commercial position of a market participant. It therefore follows that other such provisions, as suggested in Modification 108, providing a single gas flow data point, encompassing all Storage Facilities, should be incorporated into the Code, to prevent undue discrimination against any type of market participant, with respect to the disclosure of commercially sensitive information.

In Ofgem's Impact Assessment for UNC Modification Proposal 006, dated 3 February, 2006, Ofgem recognised the risk of the disclosure of a market participant's commercial position but argued that participants will 'not have information regarding the contractual position of the affected party.' It is clear in Modification Proposal 108, that this is not that case and that the contractual position of Storage Facilities would be visible.

Ofgem further noted in the Impact Assessment that 'where market participants have concerns regarding commercial exposure due to the level of information transparency, Ofgem would note that it is open for parties to raise further modification proposals to seek to address any concerns'. Ofgem also highlighted 'that if this [UNC006] proposal were to be approved, market participants would be able to raise additional modifications, in relation to the proposal, prior to its implementation in October 2006.' With this in mind, we fail to understand why Ofgem is disappointed that a modification proposal has been raised, seeking

to alter the affects of UNC006, given that Proposal 108 is clearly targeted at the level of *appropriate* information transparency.

Please do not hesitate to contact me to discuss any of the above.

Yours sincerely,

Christiane Sykes  
Regulatory Affairs Manager.