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2 November 2006

Dear Julian,

Re: Modification Proposal 0111: Management of Users Approaching and exceeding Upper Limits of Credit limit

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

Whilst STUK welcomes some elements of National Grids proposal 0111 'Management of Users Approaching and exceeding Upper limits of credit limit', and understands that implementation of this modification would enable the UNC to reflect the recommendations contained within the Ofgem 'Best practise guidelines for gas and electricity network operator cover' document, it does not believe that the element of the proposal relating to the later issue of the Transporters warning notice will further the relevant objectives.

Currently Users are notified of their indebtedness when it reaches 70% and 85% of the credit limit they have in place, the proposal suggests a move to one notice at 80%. STUK believe that by lowering the required standards in some areas of credit management there is the potential to expose the industry to unnecessary risk. The proposal also suggests that the current measures available to Transporters to limit further debt can only be used when 100% of indebtedness is reached. Allowing Users to reach 100% of indebtedness before measures can be taken increases the industries exposure the risk and does not appear to be in line with other elements of the proposal or the other credit related modifications raised along side this one which look at reducing the industries exposure.

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

Shelley Rouse
Statoil (UK) Ltd



ISO 14001 Certificate 156



ISO 9002 Certificate No. 34477