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Mr Julian Majdanski
Secretary, Modification Panel
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
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West Midlands
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22nd December 2006

Dear Julian

Re: Urgent Modification Proposal 0128: Amendment of Entry Capacity Baselines

Thank you for the opportunity to comment on urgent modification proposal 0128.

px limited does not support implementation of urgent modification proposal 0128. Specifically, we have concerns about the Teesside baselines, which have been reduced from 761GWh/day currently to 361GWh/day without any clear justification.

I understand historic flows have been above the new proposed baseline and px limited has concerns that the existing flows at Teesside combined with the forecasted Excelerate LNG deliveries will not be able to be accommodated. Any shortfall in available entry capacity could result in suppliers facing uneconomic entry costs particularly in the winter months when demand is high.

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It would appear that these significant developments to the commercial arrangements could jeopardise future investment in the UK gas markets and lead to increased gas costs and potential supply disruptions to end users due to supply shortages.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Harrison', with a long horizontal flourish extending to the right.

Colin Harrison
Manager, Trading and Commercial Operations