



Julian Majdanski
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Dear Julian

Re: Draft Modification Report 0143: Reduction of lapse periods in respect of Failure Notices issued in respect of Energy Balancing Credit”.

Shell Gas Direct (SGD) Ltd, the holder of both gas supplier (non-domestic) and a shipper licences respectively, offers the following comments in response to this proposal. Please note that for the avoidance of doubt, SGD is in favour of implementation.

SGD believes that the reduction of lapse periods would lead to:

- a) more efficient and timely behaviour on the part of affected Users;
- b) a beneficial reduction in NG NTS' role as the residual system balancer;
- c) a beneficial reduction in the exposure that would otherwise be faced by other Users; and
- d) a reduction in the degree of smeared charges.

As such, this proposal could be expected to better facilitate the relevant objectives. In particular, Standard Special Condition A11 1(a) (see point b) above) and Standard Special Condition A11 paragraph 1(d) (see points a), c) and d) above).

I trust you have found these comments helpful.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Amrik Bal', is located below the 'Yours sincerely' text.

Amrik Bal
UK Regulatory Affairs Manager, Shell Energy Europe