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Monday, 11 June 2007

Dear Julian,

Re: Modification Proposal 0143 - Reduction of lapse periods in respect of Failure Notices issued in respect of Energy Balancing Credit

Thank you for the opportunity to comment on the above modification proposal. Statoil (UK) Ltd (STUK) is in support of this modification and would like to make the following comments.

STUK recognises the existing exposure of the energy balancing community to financial loss through the smearing mechanism in the event that a user breaches their energy balancing credit limits. Following the discussions of modification 0102 it is clearly important that robust procedures are in place that allows both the user the opportunity to rectify the situation and the whole community to protect its interests.

STUK is supportive of this proposal as it believes this modification maintains a balance between the interests of all parties. The reduction in the lapse periods in respect of failure notices curtails the existing exposure levels and the retention of the existing notices in the current processes allows the user the opportunity to provide further credit.

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

Richard Street*
Statoil (UK) Ltd

**Please note as this letter has been delivered electronically this letter is unsigned*



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