

Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor
51 Homer Road
Solihull
B9 3QJ

Re: UNC 159

Conoco Phillips (CoP) is the holder of a gas supplier (non-domestic) licence and a shipper licence. CoP is supportive in principle of increasing the amount of interruptible capacity available to the market but is against the implementation of UNC 159 at this time for the following reasons:

- Ofgem announced a review of entry capacity baselines on 27 July as part of a wider project to consider development of the entry capacity regime. In the light of this development we believe it would be inappropriate to implement this proposal at this time even if it were shown to improve the baseline, as the issues it raises should be considered in this wider review and a solution not pre-empted;
- we also consider that any modification proposal raised on the treatment of interruptible capacity should be explicitly linked to or form part of proposals on the wider treatment of entry capacity and not treated in isolation, as appears to be the case here; and
- National Grid says that the proposal is being raised in response to recent industry changes, in particular the transfer and trade licence obligations and the reductions in baselines. However, it gives no explanation of how this links with its proposals on trade and transfer, or why it is appropriate that National Grid should have discretion to release any particular amount of additional interruptible capacity and how this will be made transparent.

Much further information is needed to allow adequate consideration of this proposal and its implications.

Yours sincerely

Tom Jesshop

ConocoPhillips

Tel: +44 (0) 207 408 6667

Mob: +44 (0) 7786 258 392

Fax: +44 (0) 207 408 6839

ETN 8 377 6667

Email: tom.jesshop@conocophillips.com