

John Bradley
Modification Panel Secretary
Joint Office of Gas Transporters
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24 April 2009

Dear John

Modification proposals:

0244: Amending DM Supply Point Data for Sites with Significant Changes in Usage

0244A: Introduction of an Exception Process for Decreases in Supply Point Capacity (SOQ) at Daily Metered (DM) Supply Points

0244B: Amending DM Supply Point Data for Sites with Significant Changes in Usage

Thank you for the opportunity to comment on the above modification proposals.

Statoil (UK) Ltd (STUK) would like to offer its support to UNC modification proposal 0244 and is not in support of alternate proposals 0244A and 0244B.

Proposal 0244 was developed in response to consumer concern that since the change to a 95/5 capacity/commodity regime, sites which reduce their offtake no longer see a decrease in transportation costs due to the reduction in the commodity element of their charges and the only option to avoid charges for capacity that they no longer need is to isolate and withdraw from site. This choice is not good for consumer, supplier or shipper as it is widely acknowledged that the removal of metering and supply equipment at a premises acts as a significant barrier to the property returning to active use.

STUK believe that the implementation of proposal 0244 would enable consumers to mitigate the risks associated with paying for capacity that they no longer require, by allowing them to reduce their DM AQs, SOQs and/or BSSOQs outside of the capacity reduction period and remove the need for isolation and withdrawal. The accuracy of supply point capacity data would be improved, giving better information to the DNs to support longterm planning and development of the system.

STUK do not agree with the suggestion in both 0244A and 0244B that consumers should be required to provide evidence to support their requested reduction in supply point capacity and that the acceptance or not of such a reduction request would be at the sole discretion of the DNO. 0244 contains sufficient provisions to deter abuse of the proposed regime without the use of an unnecessarily restrictive exception/evidence gathering process.

STUK do not support the view that any changes of this nature should be introduced on a transitional basis due to the uncertain duration of the current economic downturn as suggested in 0244B. The ability to decrease the supply point capacity information outside of the capacity window is already possible for an NDM site as part of the existing UNC, (STUK acknowledge that the proposer of 0244B suggests including the additional ability for the SOQ to be reduced below the BSSOQ, but only during the capacity reduction period), so end dating the use of similar arrangements for DM supply points appears discriminatory.

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 sincerely

Shelley Rouse.
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Statoil (UK) Ltd