

John Bradley
Modification Panel Secretary
Joint Office of Gas Transporters
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28 August 2009

Dear John

Modification Proposal 0261: Annual NTS Exit (Flat) Capacity Credit Arrangements

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

We support the view of the proposer that, although the risk of shipper default on NTS exit capacity is small, a change should be made to the UNC to prevent holders of NTS Exit (Flat) Capacity from being able to allow their holdings to lapse until they are in a position to provide financial cover for the next 12months of capacity.

This proposal helps to mitigate the risk of Users speculatively applying for NTS Exit (Flat) capacity during the annual application window, reducing the risk of under recovery of allowed revenue being smeared across all Users.

STUK is in agreement with the proposer as to the relevant objectives further by this proposal and has no further comments to add.

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.
UK Regulatory Affairs Advisor
Statoil (UK) Ltd