

15 May 2006



Julian Majdanski
Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands B91 3QJ

Dear Julian

Re: UNC Modification Proposal 0076

Corona Energy ("Corona") wishes to submit the following in response to the above modification proposal draft report.

Corona supports the implementation of this proposal as we believe it would better facilitate the achievement of the Relevant Objective, specified in Standard Special Condition A11.1 of the GT Licence, in particular;

- f) *"the promotion of efficiency in the implementation and administration of the network code and/or uniform network code;"*

Corona believes that the proposal will reduce administrative costs and have a minimal, but positive impact on overall contractual risk through the reduction of outstanding debt levels. The only concern Corona has with the proposal is the element of choice afforded to the Transporters in electing to effectively implement the proposal, or not. The legal text states that *"the Transporter may submit a Set-off notice"* irrespective of the desire of the relevant shipper to operate under this mechanism.

In the event that a Transporter is unwilling to offer set-off and it is evident that this is generating unwarranted costs for the shipping community, Corona suggests that the proposal is revisited and a firm obligation to offer set off is enshrined in Code. At the current time, however, we do not wish to delay the implementation of the proposal and trust that the voluntary arrangements succeed in meeting the overall objective of reducing administrative costs across the industry.



We trust you find our comments useful and if you have any questions then do not hesitate to get in touch.

Yours sincerely

Gary Russell
Finance Director