

Representation For. 0072

"Gas Allocations at LNG Storage Facilities in the Event of a Network Gas Supply Emergency"
Version 2.0

Date of Communication: 30/12/2005
External Contact: (Statoil (Uk) Gas Limited)
Slant: For
Strictly Confidential: No

Abstract

Julian Majdanski
Modification Panel Secretary
Joint Office of Gas Transporters
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Solihull
West Midlands
B91 3QJ

30 December 2005

Dear Julian,

Modification Proposal 0072 'Gas Allocations at LNG Storage Facilities in the Event of a Network Gas Supply Emergency'

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.

Since, the NEC has been given the ability to curtail storage withdrawals during a potential or actual emergency a number of modifications have been made to the UNC to accommodate this change, but as stated in this proposal Section Z of the UNC has yet to be updated.

If during a potential or actual emergency the NEC curtails withdrawals from storage, shippers that had nominated to withdrawal will face a shortage in their portfolios and exposure to penalty charges.

STUK agree with this proposal in that, if there is any gas available to be withdrawn following curtailment it should be allocated, to those shippers with withdrawal nominations in place to help them balance their portfolios, rather than according to users gas stocks.

Allocating gas to storage users according to storage stocks and not allocations could result in users being allocated gas that they have no use for leaving them with an imbalance and again exposed to penalty charges.

STUK believe that the implementation of this modification would help to eliminate the risk of shipper imbalance caused by the allocation of storage stocks following NEC storage withdrawal curtailment.

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 Jones

Regulatory Affairs Advisor