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29 August 2006

Dear Julian,

Re: Modification Proposal 0096: Reconciliation following AQ Amendment, SSP becoming LSP following inter process amendment of AQ

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.

Modification 0640 was implemented in June 2004 to introduce arrangements to reconcile the energy, transportation and commodity charges, where the revision of the AQ had caused the supply point to be reclassified as a Large Meter Point. Exclusions were included in the proposal to simplify implementation but STUK agree with the proposer that these exclusions are no-longer appropriate. The figures provided in the proposal (as provided by xoserve) show that c£17m of misallocated charges between the LSP and SSP markets has been identified, the implementation of this modification would ensure that charges are allocated to the correct market sectors.

STUK agree that the implementation of this modification would better facilitate the relevant objectives by ensuring the correct allocation of energy and transportation commodity charges following revision of Annual Quantities, and securing effective competition between shippers and suppliers.

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 faithfully

Shelley Rouse
Statoil (UK) Ltd



ISO 14001 Certificate 156



ISO 9002 Certificate No. 34477