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2 November 2006

Dear Julian,

Re: Modification Proposal 0114: Quantification of Value At Risk (VAR) to determine maximum User Credit Security Requirements.

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.

The proposal suggests that following the recommendations in Ofgems conclusion document 'Best Practise Guidelines for gas and electricity network operator cover', that the Transporters adopt a 'Value at Risk' mechanism to determine the minimum value of credit limit required to be in place.

STUK believe that implementing this consistent method of determining the Value at Risk will better facilitate the achievement of the relevant objectives by ensuring that there is no inappropriate discrimination or inappropriate barriers to entry. It will also facilitate the securing of effective competition between relevant shippers.

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