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

23 January 2008

Dear Julian

Re: Code Modification Proposals 0171 and 0171a Amendment of "User SP Aggregate Reconciliation Proportion" to incorporate historical AQ Proportions

Statoil (UK) Ltd (STUK) is in support of modification proposal 171a and therefore, not in support of modification 0171 for the following reasons:

STUK are concerned over the retrospective nature of modification 0171. Implementation of a retrospective modification, would result in increased uncertainty and instability in the arrangements and create an increased level of risk to existing shippers and new entrants into the market.

0171a, suggests a future implementation date, after which reconciliations will be allocated on daily AQ share. This is more acceptable as it offers shippers both existing and new confidence in the arrangements that they will not be making commercial decisions in a regime that can change retrospectively.

STUK therefore, is in agreement with the proposer of modification 0171a, that the implementation of the modification would better facilitate the achievement of the relevant objectives by the securing of effective competition, by ensuring a better targeting of costs and by removing the potential barrier to entry from any new shipper entering the UK.

If you have any questions, please do not hesitate to contact me on the above number.

Yours sincerely

Shelley Rouse
UK Regulatory Affairs Advisor
Statoil (UK) Ltd

*Please not that due to electronic transfer this letter has not been signed.

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