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9 December 2008

John Bradley
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UNC Modifications 0233, 0234 &
0235

Dear John

ExxonMobil Gas Marketing Europe welcomes the opportunity to respond to Modification Proposals 0233, 0234 and 0235 we would like to say that we support all three Proposals which have been raised by the various Proposers as a response to anomalies in the UNC that have come to light following the recent failure of a shipper.

Modification Proposal 0233: Changes to Outstanding Energy Balancing Indebtedness Calculation

We believe that it is important for National Grid NTS to be able to use the most up to date and relevant information when calculating a Users indebtedness position. We support the Proposers view that the implementation of this Mod would both, protect Users from unnecessary Cash Calls and would limit the exposure of the wider shipping community in the event of a defaulting shipper. We therefore agree that this modification would better facilitate the relevant objectives of Special Standard Conditions A11.1 (c) & (d).

Modification Proposal 0234: To Correct Drafting Inconsistencies between Sections X and V of the UNC in Respect of User Default and Termination

We think that it is appropriate to eliminate the inconsistency between Sections X and V with regard to the day on which a Termination Notice becomes valid. We believe that it is important to reduce to a minimum the amount of time that the wider shipping community is exposed to accumulating debt of a defaulting shipper.

Registered in England
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Modification Proposal 0235: Recovery of Debt and Smearing of Revenues via Energy Balancing Neutrality

In the event of charges or revenues being passed back to the wider community we think that it is right that they are targeted appropriately and we therefore think that it is a better reflection of events if Energy Balancing Neutrality Adjustments are smeared back to shippers based on their UDQIs & UDQOs for the period concerned.

We hope that these comments are useful and if you have any questions regarding this response, please do not hesitate to contact me.

Yours sincerely

Joy Chadwick