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STUK response 0317/a

Administrative officer
Shelley Rouse

Statoil (UK) Ltd

Bob Fletcher
Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor red, 31 Homer Road, Solihull
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Dear Bob,

Modification Proposal 0327: Alternative to Interim Allocation of Unidentified Gas Costs

Thank you for the opportunity to comment on the above modification proposals. Statoil (UK) Ltd does not support implementation of proposal 0327, and as such would like to make the following comments

As in proposal 0317a, this mod considers the introduction of an interim value for the allocation of unidentified gas costs and the ability for a retrospective adjustment to the interim value once the AUGÉ has presented its first report. Statoil does not support this principal believing that the retrospective element of this proposal creates unwelcome uncertainty for consumers.

This proposal also suggests an Interim allocation figure of £121m, based the proposer's calculations. Statoil accepts that until the AUGÉ report is published a definitive figure for unidentified gas costs will not be known and the appropriate interim values will be a subject of constant debate. However, Statoil believe that in keeping with the intent of the original proposal it would be preferable to use an interim figure calculated in a method in keeping with the spirit of the original proposal (0229) ie, calculated by an independent expert, rather than the views of an individual shipper.

Statoil therefore does not support the implementation of UNC modification proposal 0327 and as such does not believe that it furthers the relevant objectives suggested in the proposal.

If you have any questions relating to this response please contact me on the below number.

Kind regards

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