



Tim Davis
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Via e-mail: enquiries@gasgovernance.com

09 December 2010

Dear Tim

Re Modification 0349 – ‘Introduction of a Force Majeure Capacity Management Arrangement’.

Thank you for the opportunity to comment on this proposal. The following brief comments are offered on behalf of Shell Gas Direct Ltd (SGD Ltd), a licensed gas shipper and supplier (non-domestic).

For the avoidance of doubt, SGD Ltd **supports** implementation of 0349.

At present, we consider that Users face an undue degree of financial exposure when National Grid NTS declares Force Majeure at an entry point. In particular, it seems inequitable that Users remain liable to pay National Grid NTS in full for entry capacity costs, with the monopoly transporter remaining unaffected by the impact of the Force Majeure.

As such, we support 0349 as it seeks to address this situation by more appropriately allocating costs between Users and National Grid NTS wrt to payments under the Force Majeure Option Arrangement.

I hope you have found these comments useful. However, please do not hesitate to contact me should you have any further queries. My contact details are as follows: amrik.bal@shell.com or 020 7257 0132

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Amrik Bal'.

Amrik Bal
UK Regulatory Affairs Manager, Shell Energy Europe Ltd