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Sonia Brown
Director Markets
Office of gas and electricity markets
9 Millbank
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24 June 2005

Dear Sonia,

**3rd Party Proposal: Publication of near real time data at UK sub-terminals.
Modification reference number UNC 006 (0727)**

Statoil (U.K.) Limited (STUK) welcomes the analysis conducted by OFGEM in this consultation. It is clear that this analysis demonstrates that there is no case for information release beyond that which has already been developed through the DTI information initiative and that full support should be given to this process to ensure the market benefits to greatest extent.

STUK has always been supportive of increasing information provision to the wider market where the concerns of all participants of the markets have been considered and addressed. STUK cannot, however, support the above modification proposal as it will not deliver significant benefits beyond the voluntary arrangements already developed through the DTI information initiative.

Given that Transco will shortly be in a position to deliver upon the final elements of the information initiative it is appropriate that this be given time to work and establish its effectiveness.

Below are highlighted some specific issues which STUK would like to comment on from the consultation.

Market volatility

STUK does not believe that the value associated with market volatility is representative of the impact sub-terminal level information would have. OFGEM



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rightly point out that volatility will increase with the introduction of increased information but place a value on this information established through a learning process. Yet the fact that parties have learnt to understand immediate supply data does not lead directly to a drop in volatility, if anything it could increase market volatility.

Commercial exposure

OFGEM argue that individual parties should be protected from exposure of their positions through the 10 mcm/day limitation and on the commingling of gas flows upstream of the terminal. However this is not the case with all entry terminals where there are clear majority stakeholders of infrastructure of capacity.

Furthermore it is not clear how OFGEM intends to deal with those sub-terminals which link to infrastructure outside of the UK. It is our understanding that Gassco have stated their intent to comply with the original DTI agreement. Yet this modification would place upon them obligations they are unable to fulfil without full agreement of all its shippers and the Norwegian Government. While STUK are aware it is not of primary concern to OFGEM, it is not clear from this impact assessment that they have considered the affects such a modification may have on other countries who deliver gas to the UK.

STUK consider that the analysis conduct by OFGEM does not provide the necessary justification to implement the modification. Instead it suggests that for such an increase in information beyond that already established by the voluntary agreement would increase costs of provision, risks of exposure to individual parties and generate concerns over accuracy. It is therefore doubtful if this proposal would deliver any significant benefits beyond those to be delivered from July.

Thank you for the opportunity to comment on this Impact Assessment. If you wish to contact me in connection with the above please contact me on the above number.

Yours sincerely

Robert Cross
Regulatory affairs manager



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