



Our date
2009-11-05

Our reference

Administrative officer
Shelley Rouse

Your date

Your reference
117/09

Statoil (UK) Ltd

Ofgem
Attn.: Ian Marlee Director, Trading Arrangements
9 Millbank
SW1P 3GE London
United Kingdom

Dear Ian,

Thank you for the opportunity to comment on the above consultation.

Statoil welcomes the market scenario analysis undertaken by Ofgem and believes that the scenarios suggested offer an appropriate view of potential flexibility sources.

It is appropriate that market scenarios are reviewed and developed as the composition of the gas supply market continues to evolve. It is important that observed behaviours are considered and used to inform views of future supply and demand.

Statoil acknowledges Ofgems recognition of the behaviour of pipeline imports from Norway and welcomes the development of three new market definition scenarios.

We support Ofgems views on the flexibility of Norwegian supplies and do not believe that it is appropriate for Norwegian volumes to be included in flexibility market definitions, Statoil (UK) Ltd have stated on a number of occasions that the ability for gas supplies to reach the UK from Norway is influenced by a number of factors including flexible clauses in continental contracts and the terms of the Norwegian production permits.

We trust that our comments will be given due consideration, if you have any questions please contact me on the below number.

Kind regards

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