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Eddie Blackburn
Regulatory Frameworks
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National Grid House
Gallows Hill, Warwick
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10 December 2007

Dear Eddie

Re: NTS GCM 11: Retrospective Negative TO Commodity Charge

Statoil (UK) Ltd (STUK) supports this proposal. STUK considers that the proposed mechanism should mitigate the risk that any residual over-recovery amount would not be fully redistributed, should GCM 10 be vetoed or is not fully effective in future formula years. This risk is of particular concern, given the increased likelihood of over-recovery, through the Trade and Transfer process.

STUK also considers that GCM 11 should ensure the correct apportionment of credits, through basing them on relevant entry allocations.

Please do not hesitate to contact me if you wish to this response further.

Yours sincerely

Christiane Sykes
UK Regulatory Affairs Manager
Statoil (UK) Ltd

*Please note that due to electronic transfer this letter has not been signed.



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